

Foodco Holding – P.J.S.C.

Condensed consolidated interim
Financial information

30 June 2015

Principal business address:

P.O. Box 2378
Behind Mina Centre
Meena Road
Abu Dhabi
UAE

Foodco Holding – P.J.S.C.

Condensed consolidated interim financial information

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Board of Directors' Report For the half year ended on June 30, 2015

The Board of Directors of Foodco Holding PJSC are pleased to report the financial statements for the half year ended June 30, 2015.

The Groups' revenue for the six months were AED 154.885 million (2014:119.717 million) while the profit of the parent company was AED 42.324 million (2014: 30.971 million).

The following is the summary of the Financial statements:

	June 2015	June 2014	Amount in AED '000	
			Increase / (Decrease) Amount	%
Profit and Loss summary				
Revenue	154,885	119,717	35,168	29.4%
Gross Profit	72,903	55,401	17,502	31.6%
Profit	42,324	30,971	11,353	36.7%
Earning per share (AED)	0.42	0.31	0.11	36.7%

	June 2015	December 2014	Increase / (Decrease)	
			Amount	%
Statement of financial position summary				
Current Assets	274,106	223,696	50,410	22.5%
Non Current Assets	621,232	655,086	(33,854)	-5.2%
Current Liabilities	372,063	338,133	33,930	10.0%
Non Current Liabilities	30,212	36,341	(6,129)	-16.9%
Total Shareholders' Equity (Group)	488,104	498,462	(10,358)	-2.1%
Book Value of Share (AED)	4.88	4.98	(0.10)	-2.1%

We appreciate the efforts of all our stakeholders for their contribution in achieving these results.

On behalf of the Board of Directors



Ahmed bin Ali Khalfan Al Dhahery
Chairman
July 30, 2015





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Independent auditor's report on the review of condensed consolidated interim financial information

The Shareholders
Foodco Holding – P.J.S.C.
Abu Dhabi
UAE

Introduction

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of Foodco Holding P.J.S.C. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2015;
- the condensed consolidated interim statement of profit or loss for the six -month period ended 30 June 2015;
- the condensed consolidated interim statement of other comprehensive income for the six -month period ended 30 June 2015;
- the condensed consolidated interim statement of changes in equity for the six month period then ended 30 June 2015;
- the condensed consolidated interim statement of cash flows for the six month period ended 30 June 2015;
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (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 Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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 consolidated interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Tamer Ragheb
Registration No. 797
30 July 2015

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of financial position

as at




		30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
	<i>Note</i>		
Assets			
Property, plant and equipment	5	6,987,297	7,493,290
Intangible assets	6	1,351,189	1,369,562
Investment properties under development	8	20,124,320	19,688,320
Investment properties	9	287,918,936	283,484,886
Investments held at fair value through other comprehensive income	10	304,850,723	343,050,142
Non-current assets		<u>621,232,465</u>	<u>655,086,200</u>
Inventories	11	19,744,267	12,182,992
Investments held at fair value through profit or loss	10	134,704,546	119,676,507
Trade and other receivables	12	118,066,115	91,010,573
Amounts due from related parties	17	597,914	687,314
Cash and bank balances		992,698	138,482
Current assets		<u>274,105,540</u>	<u>223,695,868</u>
Total assets		<u>895,338,005</u>	<u>878,782,068</u>
Equity			
Share capital		100,000,000	100,000,000
Legal reserve		50,000,000	50,000,000
Regulatory reserve		50,000,000	50,000,000
Fair value reserve		12,747,105	41,587,341
Retained earnings		275,357,344	256,875,152
Equity attributable to equity owners of the company		<u>488,104,449</u>	<u>498,462,493</u>
Non-controlling interests		4,958,279	5,845,113
Total equity		<u>493,062,728</u>	<u>504,307,606</u>

FOODCO Holding PJSC

Condensed consolidated interim statement of financial position
as at (continued)

		30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Liabilities			
Provision for end of service benefits		3,500,902	3,047,828
Bank borrowings (<i>non-current portion</i>)	13	<u>26,710,939</u>	<u>33,293,600</u>
Non-current liabilities		<u>30,211,841</u>	<u>36,341,428</u>
Trade and other payables	14	65,390,798	46,686,566
Bank borrowings (<i>current portion</i>)	13	306,625,494	287,628,250
Amounts due to related parties	17	<u>47,144</u>	<u>3,818,218</u>
Current liabilities		<u>372,063,436</u>	<u>338,133,034</u>
Total liabilities		<u>402,275,277</u>	<u>374,474,462</u>
Total equity and liabilities		<u>895,338,005</u>	<u>878,782,068</u>

The condensed consolidated interim financial information was authorised for issue by the Board of Directors on 30th July, 2015 and was signed on their behalf by:

		
Ahmed Ali Khalfan Al Dhahry <i>Chairman</i>	Mohamed Ali Khamis Al Hossani <i>Director</i>	Mohommed Tariq Sheikh <i>Chief Finance Officer</i>

The notes set out on pages 9 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on the review of these condensed consolidated interim financial information is set on page 1.



Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of profit or loss for the period ended

		Six month period ended 30 June 2015 AED (unaudited)	Six month period ended 30 June 2014 AED (unaudited)	Three month period ended 30 June 2015 AED (unaudited)	Three month period ended 30 June 2014 AED (unaudited)
	<i>Note</i>				
Revenue	7	154,884,952	119,716,638	71,361,852	60,251,809
Cost of sales		(81,982,297)	(64,315,554)	(46,710,479)	(35,536,155)
Gross profit		72,902,655	55,401,084	24,651,373	24,715,654
Net changes in fair value of Investments held at FVTPL	10	(3,277,263)	(9,696,786)	2,322,456	(12,737,777)
Impairment losses on investment properties	9	(1,000,000)	-	(1,000,000)	-
Selling, general and administrative expenses		(20,032,077)	(11,551,204)	(12,339,865)	(5,615,910)
Finance Costs		(6,983,039)	(4,497,520)	(3,890,767)	(2,197,958)
Other income		46,010	-	23,635	-
Share of profit of an equity associate investee		-	266,962	-	-
Profit for the period		41,656,286	29,922,536	9,766,832	4,164,009
Profit/ (loss) attributable to:					
Equity owners of the parent		42,324,402	30,970,671	9,989,199	4,480,631
Non-controlling interests		(668,116)	(1,048,135)	(222,367)	(316,622)
		41,656,286	29,922,536	9,766,832	4,164,009
Basic and diluted earnings per share		0.42	0.31	0.10	0.04

The notes from 1 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of these condensed consolidated interim financial information is set out in page 2.

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of other comprehensive income for the period ended

	Six month period ended 30 June 2015 AED (unaudited)	Six month period ended 30 June 2014 AED (unaudited)	Three month period ended 30 June 2015 AED (unaudited)	Three month period ended 30 June 2014 AED (unaudited)
Note				
Profit for the period	41,656,286	29,922,536	9,766,832	4,164,009
Other comprehensive income / (expense):				
<i>Items that will not be reclassified to profit or loss</i>				
Net changes in the fair value of investments held through other comprehensive income	(29,058,954)	17,461,016	(31,291,620)	(33,868,583)
Loss on disposal of investments at fair value through other comprehensive income	-	(4,890,107)	1,444,911	(3,703,641)
Realization of gain on disposal of investments at fair value through other comprehensive income	1,157,790	4,670,265	-	3,219,950
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation foreign operations	-	(28,436)	-	-
Other comprehensive income for the period	(27,901,164)	17,212,738	(29,846,709)	(34,352,274)
Total comprehensive income for the period	13,755,122	47,135,274	(20,079,877)	(30,188,265)
Total comprehensive income / (loss) attributable to:				
Equity owners of the parent	14,641,956	48,038,044	(19,638,792)	(29,415,152)
Non-controlling interests	(886,834)	(902,770)	(441,085)	(773,113)
	13,755,122	47,135,274	(20,079,877)	(30,188,265)

The notes from 1 to 26 form an integral part of these consolidated financial information.

The independent auditor's report on the review of condensed consolidated interim financial information is set on page 2.

Foodco Holding – P.J.S.C.
Condensed consolidated interim statement of changes in equity
for the six month period ended 30 June

	Share Capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Translation reserve AED	Retained earnings AED	Equity attributable to equity owners of the company AED	Non-controlling interests AED	Total AED
Balance at 1 January 2014	100,000,000	50,000,000	50,000,000	(38,468,152)	28,436	247,057,865	408,618,149	7,515,991	416,134,140
Profit / (loss) for the period	-	-	-	-	-	30,970,671	30,970,671	(1,048,135)	29,922,536
Other comprehensive income	-	-	-	20,681,020	(28,436)	(3,585,211)	17,067,373	145,365	17,212,738
Total comprehensive income / (loss) for the period	-	-	-	20,681,020	(28,436)	27,385,460	48,038,044	(902,770)	47,135,274
Dividend paid	-	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
At 30 June 2014	100,000,000	50,000,000	50,000,000	(17,787,132)	-	259,443,325	441,656,193	6,613,221	448,269,414
Balance at 1 January 2015	100,000,000	50,000,000	50,000,000	41,587,341	-	256,875,152	498,462,493	5,845,113	504,307,606
Profit / (loss) for the period	-	-	-	-	-	42,324,402	42,324,402	(668,116)	41,656,286
Other comprehensive income	-	-	-	(28,840,236)	-	1,157,790	(27,682,446)	(218,718)	(27,901,164)
Total comprehensive income / (loss) for the period	-	-	-	(28,840,236)	-	43,482,192	14,641,956	(886,834)	13,755,122
Dividend paid	-	-	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
At 30 June 2015	100,000,000	50,000,000	50,000,000	12,747,105	-	275,357,344	488,104,449	4,958,279	493,062,728

The notes from 1 to 26 form an integral part of these consolidated financial information.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on page 2.

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of cash flows

For the six month period ended

	30 June 2015 AED (unaudited)	30 June 2014 AED (unaudited)
Cash flows from operating activities		
Profit for the period	41,656,286	29,922,536
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	993,128	984,472
Amortisation of intangible assets	18,373	29,609
Rental income, net	(13,231,027)	(14,660,850)
Dividend income	(35,692,809)	(10,728,758)
Finance cost	6,983,039	4,497,520
Share of profit from an equity accounted investee	-	(266,962)
Decrease in fair value of investments held at FVTPL	3,277,263	9,696,786
Gain on sale of property, plant and equipment	(20,760)	(52,712)
Gain on disposal of investments	(166,030)	(12,493,304)
Impairment loss on trade receivables	2,192,369	372,063
Provision for employees' end of service benefits	558,287	303,553
Impairment losses on investment property	1,000,000	-
Provision for inventory obsolescence, net of reversals	187,349	(95,898)
	<u>7,755,468</u>	<u>7,508,055</u>
Changes in:		
Inventories	(7,748,624)	(4,108,822)
Trade and other receivables	(29,247,911)	(37,880,575)
Due from a related party	89,400	7,613,003
Due to a related party	(3,771,074)	(6,437,233)
Trade and other payables	18,704,232	27,865,097
End of service benefits paid	(105,213)	(480,288)
	<u>(14,323,722)</u>	<u>(5,920,763)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Acquisition of property, plant and equipment	(487,145)	(1,286,989)
Proceeds from disposal of property, plant and equipment	20,770	598,348
Acquisition of investments	(33,846,098)	(127,650,363)
Proceeds from sale of investments	26,005,081	98,923,870
Dividends received	35,692,809	10,728,758
Dividend received from an equity accounted investee	-	225,000
Rent received	13,231,027	14,660,850
Purchase of investment properties	(5,434,050)	-
Additions for investment properties under development	(436,000)	(1,000,324)
	<u>34,746,394</u>	<u>(4,800,850)</u>
Net cash generated from / (used in) investing activities		

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of cash flows *(continued)*
for the six month period ended

	30 June 2015 AED (unaudited)	30 June 2014 AED (unaudited)
Cash flows from financing activities		
Net increase in bank borrowings	12,414,583	29,137,159
Finance costs paid	(6,983,039)	(4,497,520)
Dividend paid	(25,000,000)	(15,000,000)
Net cash (used in) / from financing activities	<u>(19,568,456)</u>	<u>9,639,639</u>
Net increase / (decrease) in cash and cash equivalents	854,216	(1,081,974)
Cash and cash equivalents at the beginning of the period	138,482	1,346,937
Net movement in translation reserve	-	(28,436)
Cash and cash equivalents at the end of the period	<u><u>992,698</u></u>	<u><u>236,527</u></u>

The notes from 1 to 26 form an integral part of these condensed consolidated interim financial information.

The independent auditor's report on the review of condensed consolidated interim financial information is set on page 2.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

1 Legal status and principal activities

Foodco Holding – P.J.S.C. (the “Company”) is a public shareholding company incorporated in Abu Dhabi, (United Arab Emirates) in accordance with the provisions of the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended).

The Company was established in 1979. It is regulated and listed on the Abu Dhabi Securities Exchange.

The Company is primarily engaged in the import and distribution of foodstuff and household items in the United Arab Emirates, along with investing, development and management of real estate and commercial enterprises. The objectives of the Company include investment in or establishment of companies in the same line of business and investment in or establishment of factories in the processing or canning of foodstuff as well as engagement in all operations and investments in and outside the United Arab Emirates for the purpose of the good conduct of the business of the Company.

These condensed consolidated interim financial information include the financial performance of and the financial position as at the six months ended 30 June 2015 of the Company and its subsidiaries (collectively referred to as the “Group”). The principle activity, country of incorporation and operation, ownership interest of the Company the subsidiaries is set out below:

Subsidiary	Percentage of ownership	Country of incorporation	Principle activity
Oasis National Foodstuff Company LLC	100%	UAE	Packing of foodstuff
Abu Dhabi National Foodstuff Co LLC	100%	UAE	Wholesale and distribution of foodstuff
Sense Gourmet Food Company PJSC*	48.44%	UAE	Catering services and restaurant business
FoodCo Logistics Solutions LLC	99%	UAE	Storehouse and warehouse management and operations

* Although the Company does not hold more than half of the equity shares of Sense Gourmet Food Company P.J.S.C, but the Company has power over it, control the relevant assertions of it and has the ability to use its power over the Sense Gourmet to affect the amount of the Company’s returns.

2 Statement of compliance

The condensed consolidated interim financial information have been prepared in accordance with IAS 34, “Interim Financial Reporting”. It does not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2014.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial information is the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2014.

New and amended International Financial Reporting Standard (IFRS) in issue but not yet effective

New and revised IFRS	Effective date
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Annual Improvements 2012-2014 Cycle – various standards	1 January 2016
Improvements to IFRS 11, IFRS 10, IFRS 12, IAS 16, IAS 38, IAS 27, IAS 28	1 January 2016
Disclosure initiative – Amendments to IAS 1	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017

Management anticipates that these amendments will be applied in the consolidated financial statement for the initial period when they become effective. Management has not yet had the opportunity to consider the potential impact of the application of these amendments.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

5 Property, plant and equipment

	Warehouse and office buildings AED	Equipment, furniture & fittings AED	Motor vehicles AED	Capital work in progress AED	Total AED
Cost					
1 January 2014	18,772,005	34,968,204	6,107,794	212,692	60,060,695
Additions	-	1,957,318	79,500	-	2,036,818
Disposals	-	(1,341,972)	(57,400)	-	(1,399,372)
31 December 2014	18,772,005	35,583,550	6,129,894	212,692	60,698,141
1 January 2015	18,772,005	35,583,550	6,129,894	212,692	60,698,141
Additions	-	474,798	-	12,347	487,145
Disposals	-	-	(55,000)	-	(55,000)
30 June 2015 (unaudited)	18,772,005	36,058,348	6,074,894	225,039	61,130,286
Accumulated depreciation					
1 January 2014	16,875,621	29,321,444	5,768,602	-	51,965,667
Charge for the period	166,702	1,751,848	151,911	-	2,070,461
Disposals	-	(773,907)	(57,370)	-	(831,277)
31 December 2014	17,042,323	30,299,385	5,863,143	-	53,204,851
1 January 2015	17,042,323	30,299,385	5,863,143	-	53,204,851
Charge for the period	87,477	836,188	69,463	-	993,128
Disposals	-	-	(54,990)	-	(54,990)
30 June 2015 (unaudited)	17,129,800	31,135,573	5,877,616	-	54,142,989
Carrying amount					
30 June 2015 (unaudited)	1,642,205	4,922,775	197,278	225,039	6,987,297
31 December 2014	1,729,682	5,284,165	266,751	212,692	7,493,290

Included under warehouse and office buildings are warehouses constructed on a leased land in Mina Zayed port in Abu Dhabi. The Group and the Seaport Authority, representing the Government of Abu Dhabi, signed a lease agreement covering the land for a period of 15 years with effect from 1 January 1998. The lease agreement may be renewed based on terms to be determined by the Seaport Authority. The contract has been extended for 5 more years effective 1 January 2014.

Included under equipment, furniture and fittings, is the office complex which was completed in August 2001 on the aforesaid leased land in Mina Zayed Port in Abu Dhabi. The construction was financed by a loan obtained from Abu Dhabi Commercial Properties, formerly known as the Department of Social Services and Commercial Buildings of the Government of Abu Dhabi (refer note 13).

Included in warehouse and office buildings, is a warehouse in Dubai constructed in year 2000 on a plot of land leased from Dubai Municipality for a renewable period of 5 years with effect from 1 February 1999. Since the year 2004, the lease agreement is being renewed on a yearly basis.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

6 Intangible assets

	Goodwill AED	Franchise cost AED	Total AED
<i>Cost</i>			
At 1 January 2014	249,637	1,675,050	1,924,687
Disposal	-	(91,863)	(91,863)
At 31 December 2014	249,637	1,583,187	1,832,824
At 1 January 2015	249,637	1,583,187	1,832,824
At 30 June 2015	249,637	1,583,187	1,832,824
<i>Accumulated amortisation</i>			
At 1 January 2014	-	507,144	507,144
Charge for the year	-	47,981	47,981
Disposal	-	(91,863)	(91,863)
At 31 December 2014	-	463,262	463,262
At 1 January 2015	-	463,262	463,262
Charge for the period	-	18,373	18,373
At 30 June 2015	-	481,635	481,635
<i>Carrying amount</i>			
At 30 June 2015	249,637	1,101,552	1,351,189
At 31 December 2014	249,637	1,119,925	1,369,562

7 Revenue

	30 June 2015 AED (unaudited)	30 June 2014 AED (audited)
Sale of goods	92,878,615	68,604,245
Management fees	8,000,000	8,901,357
Operating rental income (note 15)	18,147,499	18,988,974
Investment income (note 16)	35,858,838	23,222,062
	154,884,952	119,716,638

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

8 Investment properties under development

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
At 1 January	19,688,320	43,002,576
Cost incurred during the period	436,000	464,320
Transfer of land from investment properties (<i>note 9</i>)	-	19,000,000
Transfer to investment properties (<i>note 9</i>)	-	(42,778,576)
At the end of the period / year	20,124,320	19,688,320

The Group is unable to reliably measure the fair value of investment properties under development until development is complete, and that is due to infrequent comparable market transactions, and the absence of alternative estimates of fair value. Accordingly such property is measured at cost, until the earlier of, the date at which construction is completed, and, the date at which fair value can reliably be measured.

9 Investment properties

Investment properties:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Abu Dhabi land, commercial and residential building, UAE	66,160,000	66,160,000
Leasehold warehouses	105,207,767	105,207,767
Land in Abu Dhabi, UAE	25,254,226	19,820,176
Residential building in Abu Dhabi, UAE	97,296,943	97,296,943
Less: Impairment on leasehold warehouses	(6,000,000)	(5,000,000)
	287,918,936	283,484,886
Fair value of investment properties:		
At 1 January	283,484,886	251,217,810
Additions (net of impairment)	4,434,050	25,688,500
Disposal	-	(12,200,000)
Transfer from properties under development	-	42,778,576
Transfer of land to properties under development	-	(24,000,000)
At the end of the period / year	287,918,936	283,484,886

The Group did not carry a new valuation during the year 2015 as management believe that the prices have not changed significantly from 2014.

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Notes to the condensed consolidated interim financial information

9 Investment properties(continued)

The warehouse was constructed on leased land in Mina Zayed port in Abu Dhabi, along with a new office complex. The construction of the warehouse which cost AED 59,631,560 was partially financed by Abu Dhabi Co-operative Society for an amount of AED 39,924,560. The balance of AED 19,707,000 was financed by a loan obtained from the Department of Social Services and Commercial Buildings (DSSCB) of the Government of Abu Dhabi. The construction work was completed on 1 August 2001. The warehouse is depreciated over an expected economical useful life of 25 years as estimated by the Board of Directors.

The construction, part financed by Abu Dhabi Co-operative Society, was governed by a Construction and Lease Agreement entered into between the Group (as lessor) and Abu Dhabi Co-operative Society (as lessee). When construction work was completed on 1 August 2001, the legal title of the property was given to the Group. In return for financing the construction, the lessee took the property on lease from the lessor for a period of 11 years from 1 January 2002 at a reduced rent of AED 6 million per annum over the least period. On recognising the asset on its books of accounts at the date of completion of construction of the warehouse, the Group recorded the part financed by the lessee under related party, non-current liabilities, in the consolidated statement of financial position. The amount is being released to profit or loss over the lease period of 11 years. The rent contract was renewed for the year 2015 with a rent amount of AED 12 million per annum.

Some of the investment properties are registered in the name of the Group's Directors. These investments have been assigned to the Group.

10 Financial Assets

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Financial assets at fair value through other comprehensive income (FVTOCI)	304,850,723	343,050,142
Financial assets held at fair value through profit and loss (FVTPL)	134,704,546	119,676,507
	<u>439,555,269</u>	<u>462,726,649</u>

The financial assets at fair value through other comprehensive income comprise:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Investment in quoted UAE equity securities	274,875,340	296,687,993
Investment in quoted non-UAE equity securities	16,039,295	12,789,320
Investment in unquoted non-UAE equity securities	11,972,536	12,821,920
Investment in unquoted UAE equity securities	1,963,552	20,750,909
	<u>304,850,723</u>	<u>343,050,142</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

10 Financial Assets (continued)

The financial assets held at fair value through profit and loss comprise:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Investment in quoted UAE equity securities	125,549,958	110,521,379
Investment in quoted non-UAE equity securities	9,154,588	9,155,128
	<u>134,704,546</u>	<u>119,676,507</u>

The movement in investments is as follows:

	At Fair value through profit or loss 30 June 2015 AED (unaudited)	At Fair value through other comprehensive income 30 June 2015 AED (unaudited)	At Fair value through profit or loss 31 December 2014 AED (audited)	At Fair value through other comprehensive income 31 December 2014 AED (audited)
At 1 January	119,676,507	343,050,141	53,888,240	257,855,439
Purchase of investments	26,339,334	7,506,764	209,943,347	47,072,107
Disposal of investments	(8,034,032)	(16,647,228)	(134,244,432)	(21,174,174)
(Decrease) / Increase in fair value	(3,277,263)	(29,058,954)	(9,910,648)	59,296,770
	<u>134,704,546</u>	<u>304,850,723</u>	<u>119,676,507</u>	<u>343,050,142</u>

11 Inventories

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Goods for resale	16,460,736	13,533,362
Goods in transit	6,436,428	1,615,178
Total inventories	<u>22,897,164</u>	<u>15,148,540</u>
Less: Allowance for slow moving inventories	(3,152,897)	(2,965,548)
	<u>19,744,267</u>	<u>12,182,992</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

11 Inventories (continued)

The movement in the allowance for slow moving inventories during the period / year was as follows:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
At 1 January	2,965,548	2,494,927
Charge for the period / year	1,722,511	3,373,257
Reversal during the period / year	(1,535,162)	(2,902,636)
	<u>3,152,897</u>	<u>2,965,548</u>

12 Trade and other receivables

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Trade receivables	115,897,621	87,891,657
Less: allowance for doubtful amounts	(7,812,629)	(5,620,260)
	<u>108,084,992</u>	<u>82,271,397</u>
Prepayments	4,610,867	3,726,148
Other receivables	7,252,527	6,895,299
Less: Impairment loss on other receivables	(1,882,271)	(1,882,271)
	<u>118,066,115</u>	<u>91,010,573</u>

Movement in the allowance for doubtful debts:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
At beginning of the period / year	5,620,260	11,693,018
Net provided / (reversed) during the period / year	2,192,369	(6,072,758)
	<u>7,812,629</u>	<u>5,620,260</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

12 Trade and other receivables (continued)

Movement in the impairment loss on other receivables:

	30 June 2015 AED (unaudited)	31 Dec 2014 AED (audited)
Balance as at 1 January	1,882,271	1,650,000
Provision recognised during the period / year	-	232,271
Balance as at	1,882,271	1,882,271

13 Bank borrowings

	Current		Non-current	
	June 2015 AED	Dec2014 AED	June 2015 AED	Dec2014 AED
Secured – at amortised cost				
Bank overdrafts / other facilities	292,075,603	272,275,444	-	-
Term loan # 1 (i)	1,573,000	1,573,000	6,573,809	7,360,310
Term loan # 2 (ii)	803,445	1,606,360	-	-
Term loan # 3 (iii)	6,173,446	6,173,446	8,137,130	10,933,290
Term loan # 4 (iv)	6,000,000	6,000,000	12,000,000	15,000,000
	306,625,494	287,628,250	26,710,939	33,293,600

The bank overdrafts are repayable on demand.

Bank loans

- (i) Term loan # 1 was obtained in June 1993 in the amount of AED 25 million from the Department of Social Services and Commercial Buildings (DSSCB) of the Government of Abu Dhabi. The loan was obtained to finance the operations of the Group, and is secured by a charge over the commercial and residential building. The loan is repayable in annual instalments of AED 1,573,000 each through Abu Dhabi Commercial Properties (ADCP), which now manages the DSSCB's property loans.
- (ii) Term loan # 2 in the amount of AED 9,635,000 was converted from overdraft as of November 2010 from a local bank. The loan is repayable in monthly instalments of AED 160,583 each. Subsequent to the prior consolidated statement of financial position ending 31 December 2014, the Company has repaid the full amount to the bank.
- (iii) Term loan # 3 in the amount of AED 32,000,000 obtained in November 2011 from a local bank. The loan is repayable in quarterly instalments of AED 1,543,361 each. It is secured by a first degree mortgage over the commercial and residential buildings.
- (iv) Term loan # 4 in the amount of AED 30,000,000 obtained in August 2013 from a local bank. The loan is repayable in quarterly instalments of AED 1,500,000 each. It is secured by a first degree mortgage over the commercial and residential buildings.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

13 Bank borrowings (continued)

Bank loans (continued)

The average interest rates during the year were approximately as follows:

	June 2015 and 2014
Bank overdrafts	1 month EIBOR + [1.5% – 3%]
Term loans	3 month EIBOR + [1.5% – 3%]
Term loans – DSSCB (through ADCP)	3% fixed rate

14 Trade and other payables

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Trade payables	26,282,921	16,589,197
Accruals	8,470,438	6,306,725
Other payables	30,637,439	23,790,644
	<u>65,390,798</u>	<u>46,686,566</u>

15 Operating rental income - net

	Six month period ended 30 June 2015 (unaudited)	Six month period ended 30 June 2014 (unaudited)
Operating rental income	18,147,499	18,988,974
Less: Operating rental expense	(4,916,472)	(4,328,124)
	<u>13,231,027</u>	<u>14,660,850</u>

16 Investment income

	Six month period ended 30 June 2015 (unaudited)	Six month period ended 30 June 2014 (unaudited)
Dividend income	35,692,809	10,728,758
Gain on sale of investments held at FVTPL	166,029	12,493,304
	<u>35,858,838</u>	<u>23,222,062</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

17 Related parties

Related parties comprise the directors of the Group and those entities in which they have the ability to control or exercise significant influence in financial and operational decisions. Balances with related parties arise from commercial transactions in the normal course of business on an arm's length basis. The Group maintains balances with these related parties which arise from commercial transactions as follows:

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Amounts due from related parties:		
Entities under significant influence	83,463	17,950
Shareholders	-	535,242
Board of Directors	514,451	134,122
	<u>597,914</u>	<u>687,314</u>

	30 June 2015 AED (unaudited) AED	31 December 2014 AED (audited) AED
Amounts due to related parties:		
Entities under significant influence	47,144	44,843
Shareholders	-	25,696
Board of Directors' remuneration	-	3,747,679
	<u>47,144</u>	<u>3,818,218</u>

Significant transactions with related parties during the period comprise:

	30 June 2015 AED (unaudited)	30 June 2014 AED (unaudited)
Sales	220,349	2,019,516
Purchases and other charges	263,363	414,392
Rental income from a major shareholder	-	7,659,999
	<u>220,349</u>	<u>7,659,999</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

17 Related parties (continued)

Compensation of key management personnel

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

	30 June 2015 AED (unaudited)	30 June 2014 AED (unaudited)
Management compensation	<u>1,232,947</u>	<u>1,224,281</u>

18 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

19 Segment information

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into five major business segments:

- (i) Foodco Holdings P.J.S.C. which is engaged the import and distribution of foodstuffs and house hold items, also engaged in investments and leasing of investment properties;
- (ii) Foodco Bahrain W.L.L which is engaged in the import, export and sale of food products (discontinued as of 31 December 2013);
- (iii) Sense Gourmet Food Company P.J.S.C. which is engaged in the provision of catering services and Figaro's Pizza Restaurant Business;
- (iv) Oasis National Foodstuff Company L.L.C. which is engaged in packing and repacking of food products; and
- (v) Foodco Logistics Solutions L.L.C. which is engaged in storehouse and warehouse management and operations.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

19 Segment information *(continued)*

Information regarding these segments is presented below:

Six months period ended 30 June 2015 *(unaudited)*

	Foodco Holdings P.J.S.C. Leasing and investment AED		Trading activities AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Revenue -- external	<u>54,006,337</u>	<u>91,683,598</u>		<u>9,192,981</u>	<u>2,036</u>	<u>-</u>	<u>154,884,952</u>
Revenue -- Internal	<u>-</u>	<u>220,349</u>		<u>-</u>	<u>263,363</u>	<u>(483,712)</u>	<u>-</u>
Profit/ (loss) for the period	<u>35,426,733</u>	<u>7,438,678</u>		<u>(1,295,803)</u>	<u>86,678</u>	<u>668,116</u>	<u>42,324,402</u>

Six months period ended 30 June 2014 *(unaudited)*

	Foodco Holdings P.J.S.C. Leasing and investment AED		Trading activities AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Revenue -- external	<u>42,211,036</u>	<u>69,256,514</u>		<u>8,205,058</u>	<u>44,030</u>	<u>-</u>	<u>119,716,638</u>
Revenue -- Internal	<u>-</u>	<u>31,935</u>		<u>-</u>	<u>160,661</u>	<u>(192,596)</u>	<u>-</u>
Profit/ (loss) for the period	<u>22,040,582</u>	<u>9,600,701</u>		<u>2,967,155</u>	<u>47,136</u>	<u>(3,684,903)</u>	<u>30,970,671</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

19 Segment information (continued)

The segment assets and liabilities are as follows:

30 June 2015 (unaudited)

	FOODCO Holdings P.J.S.C. AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Assets	<u>898,882,418</u>	<u>23,312,239</u>	<u>2,280,615</u>	<u>(29,137,267)</u>	<u>895,338,005</u>
Liabilities	<u>410,236,957</u>	<u>3,094,518</u>	<u>242,823</u>	<u>(11,299,021)</u>	<u>402,275,277</u>

31 December 2014 (audited)

	FOODCO Holdings P.J.S.C. AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Assets	<u>883,817,002</u>	<u>22,480,453</u>	<u>1,951,116</u>	<u>(29,466,503)</u>	<u>878,782,068</u>
Liabilities	<u>383,168,309</u>	<u>6,113,926</u>	<u>-</u>	<u>(14,807,773)</u>	<u>374,474,462</u>

20 Commitments and contingent liabilities

	30 June 2015 AED (unaudited)	31 December 2014 AED (audited)
Letters of credit	<u>537,225</u>	<u>300,928</u>
Bank guarantees	<u>46,653,618</u>	<u>45,960,153</u>

Letters of credit and bank guarantees were issued in the normal course of business.

Furthermore, the Board of Directors has approved an initial capital expenditure budget for the year 2015 in the total amount of AED 5,822,277 (2014: AED 2,658,821).

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

21 Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows.

For the period ended 30 June 2015 (unaudited)

	2015	
	Carrying value AED	Fair value AED
Financial assets		
Cash at bank	992,698	992,698
Trade and other receivables	118,066,115	118,066,115
Investments at fair value through profit and loss	134,704,546	134,704,546
Investments at fair value through other comprehensive income	304,850,723	304,850,723
	<u>558,614,082</u>	<u>558,614,082</u>
Financial liabilities		
Trade and other payable	65,390,798	65,390,798
Bank borrowings	333,336,433	333,336,433
	<u>398,727,231</u>	<u>398,727,231</u>

For the period ended 30 June 2014 (unaudited)

	2014	
	Carrying value AED	Fair value AED
Financial assets		
Cash at bank	236,527	236,527
Trade and other receivables	90,308,412	90,308,412
Investments at fair value through profit and loss	64,056,538	64,056,538
Investments at fair value through other comprehensive income	296,451,326	296,451,326
	<u>451,052,803</u>	<u>451,052,803</u>
Financial liabilities		
Trade and other payable	55,412,210	55,412,210
Bank borrowings	272,805,136	272,805,136
	<u>328,217,346</u>	<u>328,217,346</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

21 Financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, 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).
- 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).

30 June 2015

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<i>Investments at FVTPL</i>				
Quoted shares	125,549,958	-	-	125,549,958
Unquoted shares	-	9,154,588	-	9,154,588
<i>Investments at FVTOCI</i>				
Quoted shares	290,914,635	-	-	290,914,635
Unquoted shares	-	13,936,088	-	13,936,088
Total	416,464,593	23,090,676	-	439,555,269

31 December 2014

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<i>Investments at FVTPL</i>				
Quoted shares	110,521,379	-	-	110,521,379
Unquoted shares	-	9,155,128	-	9,155,128
<i>Investments at FVTOCI</i>				
Quoted shares	309,477,313	-	-	309,477,313
Unquoted shares	-	33,572,829	-	33,572,829
Total	419,998,692	42,727,957	-	462,726,649

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

22 Group entities

The following table summarises the information relating to the Group's subsidiary that has material non-controlling interests (NCI), before any intra-group eliminations.

Sense Gourmet Food Company P.J.S.C

NCI percentage	48.44%	
	AED 2015	AED 2014
Investments held at fair value through other comprehensive income	2,468,035	5,095,035
Trade and other receivable	4,604,815	8,241,137
Property, plant, equipment	1,854,404	4,467,610
Trade and other payable	3,586,759	2,740,560
Net assets	11,386,211	16,336,528
Carrying amount of NCI	5,871,072	8,423,606
Revenue	4,453,080	16,155,458
Profit for the period	627,687	375,769
Total comprehensive loss	(261,245)	1,785,036
(Loss) / Income allocated to NCI	(1,813,132)	920,418
Net cash flows used in operating activities	(13,378,142)	(13,313,241)
Net cash flows generated from investing activities	12,207,479	11,899,459
Net cash flows generated from financing activities	219,435	40,234
Net decrease in cash and cash equivalent	(951,228)	(1,373,548)

23 Seasonality of results

No income of a seasonable nature was recorded in the condensed consolidated interim statement of comprehensive income for the six months period ended 30 June 2015 and 30 June 2014.

24 Dividends

A dividend of AED 25,000,000 has been paid on 6 April 2015 during the Annual general meeting, representing 25% of the issued share capital.

25 Date of authorisation for issue

The condensed consolidated interim financial statements was approved by the Group's Board of Directors and authorised for issue on 30th July 2015.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

26 Comparative information

On 26 April 2015, the Group has revised its articles of association to include trading in investments and leasing of investment properties as its principal activities. Accordingly, certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these condensed consolidated interim financial information.

		As previously reported	As reclassified 2014	Net effect
	<i>Note</i>	AED	AED	AED
Revenue	7	<u>77,505,602</u>	<u>119,716,638</u>	<u>42,211,036</u>
Operating rental income	15	<u>18,988,974</u>	<u>-</u>	<u>(18,988,974)</u>
Investment Income	16	<u>23,222,062</u>	<u>-</u>	<u>(23,222,062)</u>