

# **Foodco Holding – P.J.S.C.**

Condensed consolidated interim  
financial information

**31 March 2016**

**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 quarter ended March 31, 2016

The Board of Directors of Foodco Holding PJSC are pleased to report the Consolidated Financial Statements for Quarter ended March 31, 2016

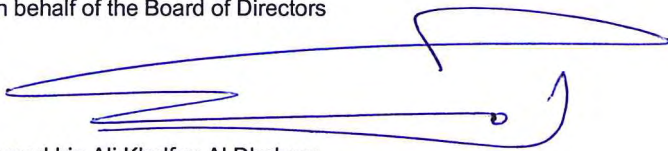
The Groups' revenue for the quarter was AED 86,667 million (2015: 83,531 million) while the profit of the parent company was AED 34,082 million (2015: 32,335 million).

The following is the summary of the Financial statements:

	March 2016	March 2015	Amount in AED '000	
			Increase / (Decrease) Amount	%
<b>Profit and Loss summary</b>				
Revenue	86,667	83,531	3,136	3.8%
Gross Profit	46,310	48,259	(1,949)	-4.0%
Profit	34,082	32,335	1,747	5.4%
Earning per share (AED)	0.34	0.32	0.02	5.4%
<b>Statement of financial position summary</b>				
Current Assets	285,946	258,648	27,298	10.6%
Non Current Assets	609,242	608,968	274	0.0%
Current Liabilities	397,845	386,189	11,656	3.0%
Non Current Liabilities	20,499	24,117	(3,618)	-15.0%
Total Shareholders' Equity (Parent)	475,827	455,414	20,413	4.5%
Book Value of Share (AED)	4.76	4.55	0.20	4.5%

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  
May 9, 2016





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

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

### *Review report on the condensed financial information*

We have reviewed the accompanying condensed consolidated interim financial information of Foodco Holding P.J.S.C. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the condensed consolidated interim statement of financial position as at 31 March 2016, the condensed consolidated interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the condensed consolidated interim financial information.

### *Management responsibility*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the three months period ended 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’.

15 MAY 2016

KPMG Lower Gulf Limited  
Munther Dajani  
Registration No. 268

# Foodco Holding – P.J.S.C.

## Condensed consolidated statement of financial position

As at

	Notes	31 March 2016 (Unaudited)	31 December 2015 (audited)
<b>Assets</b>			
Property, plant and equipment	5	10,700,096	10,535,149
Intangible assets	6	1,073,994	1,083,180
Investment properties under development	7	44,462,283	44,386,666
Investment properties	8	288,820,867	290,070,867
Investments held at fair value through other comprehensive income	9	264,184,663	262,892,564
<b>Non-current assets</b>		<b>609,241,903</b>	<b>608,968,426</b>
Inventories	10	15,097,765	18,957,319
Investments held at fair value through profit or loss	9	130,070,448	130,714,245
Trade and other receivables	11	138,302,111	102,077,318
Amounts due from related parties	16	370,655	379,799
Cash and bank balances	17	2,105,267	6,519,296
<b>Current assets</b>		<b>285,946,246</b>	<b>258,647,977</b>
<b>Total assets</b>		<b>895,188,149</b>	<b>867,616,403</b>
<b>Equity</b>			
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		(27,534,952)	(28,865,245)
Retained earnings		303,361,549	284,279,686
<b>Equity attributable to owners of the Company</b>		<b>475,826,597</b>	<b>455,414,441</b>
Non-controlling interest		1,017,526	1,895,923
<b>Total equity</b>		<b>476,844,123</b>	<b>457,310,364</b>
<b>Liabilities</b>			
Provision for employees' end of service benefits		3,793,913	3,701,063
Loans and borrowings ( <i>non-current portion</i> )	12	16,704,858	20,415,982
<b>Non-current liabilities</b>		<b>20,498,771</b>	<b>24,117,045</b>
Trade and other payables	13	79,760,074	70,610,030
Loans and borrowings ( <i>current portion</i> )	12	318,025,297	311,415,800
Amounts due to related parties	16	59,884	4,163,164
<b>Current liabilities</b>		<b>397,845,255</b>	<b>386,188,994</b>
<b>Total liabilities</b>		<b>418,344,026</b>	<b>410,306,039</b>
<b>Total equity and liabilities</b>		<b>895,188,149</b>	<b>867,616,403</b>

Ahmed Ali Khalfan Al Dhahry  
Chairman

Rashed Darwish Ahmed Saif Alketbi  
Vice Chairman

Mohammed Tariq Sheikh  
Chief Finance Officer

The notes set out on pages 9 to 24 form an integral part of this condensed consolidated interim financial information. The independent auditors' report on review of this condensed consolidated interim financial information is set out on page 2.



## Foodco Holding – P.J.S.C.

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

	<i>Notes</i>	<b>31 March 2016 AED (unaudited)</b>	<b>31 March 2015 AED (unaudited)</b>
Revenue	14	86,667,483	83,531,165
Cost of sales		(40,357,084)	(35,271,817)
Net changes in fair value of investments held at FVTPL	9	292,714	(5,599,719)
Selling, general and administrative expenses		(8,904,453)	(7,692,214)
Fair value loss on investment properties		(1,250,000)	-
Finance costs		(3,465,787)	(3,092,271)
Other income		258,787	14,309
<b>Profit for the period</b>		<b>33,241,660</b>	<b>31,889,453</b>
<b>Profit / (loss) attributable to:</b>			
Equity owners of the parent		34,081,863	32,335,202
Non-controlling interest		(840,203)	(445,749)
		<b>33,241,660</b>	<b>31,889,453</b>
<b>Basic and diluted earnings per share</b>		<b>0.34</b>	<b>0.32</b>

The notes set out on pages 9 to 24 form an integral part of this condensed consolidated interim financial information.

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## Foodco Holding – P.J.S.C.

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

	31 March 2016 AED (unaudited)	31 March 2015 AED (unaudited)
<b>Profit for the period</b>	<b>33,241,660</b>	<b>31,889,453</b>
<b>Other comprehensive income / (expense):</b>		
<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	1,292,099	2,232,666
Loss on disposal of investments at fair value through other comprehensive income	-	(68,403)
Other comprehensive income for the period	<u>1,292,099</u>	<u>2,164,263</u>
<b>Total comprehensive income for the period</b>	<u><b>34,533,759</b></u>	<u><b>34,053,716</b></u>
<b>Total comprehensive income / (loss) attributable to:</b>		
Equity owners of the parent	35,412,156	34,499,465
Non-controlling interest	(878,397)	(445,749)
	<u><b>34,533,759</b></u>	<u><b>34,053,716</b></u>

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## Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of changes in equity  
for the three months period ended

	Share Capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Retained earnings AED	Equity attributable to equity owners of the Company AED	Non-controlling interest AED	Total AED
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	-	-	-	-	32,335,202	32,335,202	(445,749)	31,889,453
Other comprehensive income	-	-	-	2,164,263	-	2,164,263	-	2,164,263
Total comprehensive income/ (loss) for the period	-	-	-	2,164,263	32,335,202	34,499,465	(445,749)	34,053,716
<b>At 31 March 2015</b>	<b>100,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>43,751,604</b>	<b>289,210,354</b>	<b>532,961,958</b>	<b>5,399,364</b>	<b>538,361,322</b>
At 1 January 2016	100,000,000	50,000,000	50,000,000	(28,865,245)	284,279,686	455,414,441	1,895,923	457,310,364
Profit / (loss) for the period	-	-	-	-	34,081,863	34,081,863	(840,203)	33,241,660
Other comprehensive income / (loss)	-	-	-	1,330,293	-	1,330,293	(38,194)	1,292,099
Total comprehensive income / (loss) for the period	-	-	-	1,330,293	34,081,863	35,412,156	(878,397)	34,533,759
Dividends	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
<b>At 31 March 2016</b>	<b>100,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>(27,534,952)</b>	<b>303,361,549</b>	<b>475,826,597</b>	<b>1,017,526</b>	<b>476,844,123</b>

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## Foodco Holding – P.J.S.C.

### Condensed consolidated interim statement of cash flows for the three months period ended

	<b>31 March 2016 AED (unaudited)</b>	31 March 2015 AED (unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	33,241,660	31,889,453
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	769,288	516,332
Amortisation of intangible assets	9,186	9,186
Dividend income	(28,279,390)	(33,532,152)
Finance cost	3,465,786	3,092,271
Provision for employees' end of service benefits	136,282	692,737
Gain on sale of investments	(2,736,600)	(12,695)
Net changes in fair value of investments held at FVTPL	(292,714)	5,599,719
Impairment loss on trade receivables	120,003	39,000
Provision for inventory obsolescence - net	168,160	67,349
Gain on sale of property, plant and equipment	-	(20,760)
Provision for impairment on investment property	1,250,000	-
	<u>7,851,661</u>	<u>8,340,440</u>
Changes in:		
- inventories	3,691,394	294,383
- trade and other receivables	(8,413,970)	(22,599,427)
- due from related parties	9,144	(685,611)
- due to related parties	(4,103,280)	(3,696,287)
- trade and other payables	(6,807,270)	9,483,341
	<u>(7,772,321)</u>	<u>(8,863,161)</u>
Cash used in operating activities	(7,772,321)	(8,863,161)
- employees end of service benefits paid	(43,432)	(337,395)
Acquisition of investments	(13,810,299)	(10,809,900)
Proceeds from sale of investments	17,483,410	17,360,310
Dividends received	348,564	33,532,152
	<u>(3,794,078)</u>	<u>30,882,006</u>
<b>Net cash (used in) / from operating activities</b>	<b>(3,794,078)</b>	<b>30,882,006</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(934,235)	(95,174)
Proceeds from disposal of property, plant and equipment	-	20,770
Investment properties under development	(75,617)	-
	<u>(1,009,852)</u>	<u>(74,404)</u>
<b>Net cash used in investing activities</b>	<b>(1,009,852)</b>	<b>(74,404)</b>

## Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of cash flows *(continued)*  
*for the three months period ended*

	<b>31 Mar 2016</b>	31 Mar 2015
	<b>AED</b>	AED
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from financing activities</b>		
Repayment of long term loans	(3,711,124)	(4,133,804)
Finance costs paid	(2,508,472)	(2,550,142)
<b>Net cash used in financing activities</b>	<u>(6,219,596)</u>	<u>(6,683,946)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(11,023,526)</b>	24,123,656
Cash and cash equivalents at 1 January	<u>(291,150,058)</u>	<u>(272,136,962)</u>
<b>Cash and cash equivalents at 31 March</b>	<u><b>(302,173,584)</b></u>	<u><b>(248,013,306)</b></u>

The notes set out on pages 9 to 24 form an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of this condensed consolidated interim financial information is set out 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). During 2006, the Company changed its name to Foodco Holding - P.J.S.C. formerly known as Abu Dhabi National Foodstuff Company - P.J.S.C. and updated its Articles of Association accordingly.

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.

This condensed consolidated interim financial information include the financial position and the financial performance of the following subsidiaries:

Name of subsidiary	Percentage of ownership	Country of incorporation	Principal 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 PSC*	48.44%	UAE	Catering services and restaurant business
5 P L Logistics LLC**	100%	UAE	Shipment, clearance and warehousing services

During 2015, Foodco Holding - P.J.S.C. had reacquired Catering operations from Sense Gourmet Food Company P.S.C. This had no impact on the condensed consolidated interim financial information of Foodco Holding - P.J.S.C.

\*Although the Company does not hold more than half of the equity shares of Sense Gourmet Food Company P.J.S.C, 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.

\*\*The Group has established a new Limited Liability Company on 19 May 2015 to diversify its operations by engaging in services related to marine, air and land shipment, custom clearance services and management and operation of stores and warehouses.

### 2 Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with IAS 34, “*Interim Financial Reporting*” and complies where appropriate, with relevant Articles of Association and the requirements of the UAE Federal Law No. 2 of 2015. It does not include all the information required for full annual consolidated financial information and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group’s financial position and performance since the last financial statements.

# 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 this condensed consolidated interim financial information is the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

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

<b>New and revised IFRS</b>	<b>Effective date</b>
Disclosure Initiative (Amendments to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	1 January 2017
IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018
IFRS 16 <i>Leases</i>	1 January 2019
Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

Management anticipates that these amendments will be applied in the consolidated financial statements for the initial period when they become effective. Management is assessing 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 expenses. Actual results may differ from these estimates.

In preparing this 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 financial statements as at and for the year ended 31 December 2015.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has an overall responsibility for overseeing all significant fair value measurements and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, the valuation team assesses the evidence obtained from the third parties to support the conclusions that these valuations meet the requirements of IFRS, including the determination of the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

## 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 and fittings AED	Motor vehicles AED	Capital work in progress AED	Total AED
<i>Cost</i>					
1 January 2015	18,772,005	35,583,550	6,129,894	212,692	60,698,141
Additions	-	4,002,232	190,000	1,266,744	5,458,976
Disposals	-	-	(178,000)	-	(178,000)
<b>31 December 2015</b>	<b>18,772,005</b>	<b>39,585,782</b>	<b>6,141,894</b>	<b>1,479,436</b>	<b>65,979,117</b>
1 January 2016	18,772,005	39,585,782	6,141,894	1,479,436	65,979,117
Additions	-	338,735	580,000	15,500	934,235
<b>31 March 2016 (unaudited)</b>	<b>18,772,005</b>	<b>39,924,517</b>	<b>6,721,894</b>	<b>1,494,936</b>	<b>66,913,352</b>
<i>Accumulated depreciation and impairment losses</i>					
1 January 2015	17,042,323	30,299,385	5,863,143	-	53,204,851
Charge for the year	175,537	1,671,394	140,010	-	1,986,941
Disposals	-	-	(177,990)	-	(54,990)
Impairment loss	-	430,166	-	-	430,166
<b>31 December 2015</b>	<b>17,217,860</b>	<b>32,400,945</b>	<b>5,825,163</b>	<b>-</b>	<b>55,443,968</b>
1 January 2016	17,217,860	32,400,945	5,825,163	-	55,443,968
Charge for the period	44,221	436,480	288,587	-	769,288
<b>31 March 2016 (unaudited)</b>	<b>17,262,081</b>	<b>32,837,425</b>	<b>6,113,750</b>	<b>-</b>	<b>56,213,256</b>
<i>Carrying amount</i>					
31 December 2015	1,554,145	7,184,837	316,731	1,479,436	10,535,149
<b>31 March 2016 (unaudited)</b>	<b>1,509,924</b>	<b>7,087,092</b>	<b>608,144</b>	<b>1,494,936</b>	<b>10,700,096</b>

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

Included in 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.

## 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 2015	249,637	1,583,187	1,832,824
<b>At 31 December 2015</b>	<b>249,637</b>	<b>1,583,187</b>	<b>1,832,824</b>
At 1 January 2016	249,637	1,583,187	1,832,824
<b>At 31 March 2016 (unaudited)</b>	<b>249,637</b>	<b>1,583,187</b>	<b>1,832,824</b>
<i>Accumulated amortisation and impairment losses</i>			
At 1 January 2015	-	463,262	463,262
Charge for the year	-	36,745	36,745
Impairment	249,637	-	249,637
<b>At 31 December 2015</b>	<b>249,637</b>	<b>500,007</b>	<b>749,644</b>
At 1 January 2016	249,637	500,007	749,644
Charge for the period	-	9,186	9,186
<b>At 31 March 2016 (unaudited)</b>	<b>249,637</b>	<b>509,193</b>	<b>758,830</b>
<i>Carrying amount</i>			
At 31 December 2015	-	1,083,180	1,083,180
<b>At 31 March 2016 (unaudited)</b>	<b>-</b>	<b>1,073,994</b>	<b>1,073,994</b>

#### 7 Investment properties under development

	31 March 2016 AED (unaudited)	31 December 2015 AED (audited)
At 1 January	44,386,666	19,688,320
Cost incurred during the period / year	75,617	5,878,170
Gain on revaluation	-	6,000,000
Transfer of land from investment properties ( <i>note 9</i> )	-	12,820,176
<b>At end of period / year</b>	<b>44,462,283</b>	<b>44,386,666</b>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 7 Investment properties under development (continued)

During 2015, the Group requested an external valuation by Chesterton International LLC, an independent appraiser, who determined the fair value of the investment properties using valuation models that utilize sales comparison method that based on market observable inputs and conforms to RICS Valuation – Professional Standards 2014. Based on this valuation, there was an increase in the fair value of these plots of land by AED 6,000 thousands. For details in respect of key assumptions used by the independent appraiser, refer to annual consolidated financial statements for the year ended 31 December 2015.

#### 8 Investment properties

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Abu Dhabi land, commercial and residential building, UAE	<b>75,680,000</b>	75,680,000
Leasehold warehouses	<b>108,390,867</b>	108,390,867
Land in Abu Dhabi, UAE	<b>7,000,000</b>	7,000,000
Residential building in Abu Dhabi, UAE	<b>109,000,000</b>	109,000,000
Less: Provision for impairment	<b>(11,250,000)</b>	(10,000,000)
	<b><u>288,820,867</u></b>	<u>290,070,867</u>

The movements in the investment properties during the period were as follows:

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
As at 1 January	<b>290,070,867</b>	283,484,886
Disposal	-	(3,211,865)
Transfer of land to properties under development	-	(12,820,176)
(Loss) / gain on revaluation of investment properties	<b>(1,250,000)</b>	22,618,022
<b>As at 31 March 2016 / 31 December 2015</b>	<b><u>288,820,867</u></b>	<u>290,070,867</u>

During 2015, the Group requested an external valuation by Chesterton International LLC, an independent appraiser, to perform an assessment of the fair value of the investment properties using valuation models that utilise either sales comparison method or income approach method that uses both market observable and unobservable inputs and conforms to RICS Valuation – Professional Standards 2014.



## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 8 Investment properties *(continued)*

Based on this valuation, there was an increase in the fair value of these plots of land (“Plots”) by AED 22,618 thousand. For details in respect of key assumptions used by the independent appraiser, refer to annual consolidated financial statements for the year ended 31 December 2015.

#### 9 Financial assets

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Financial assets at fair value through other comprehensive income (FVTOCI)	<b>264,184,663</b>	262,892,564
Financial assets held at fair value through profit and loss (FVTPL)	<b>130,070,448</b>	130,714,245
	<b><u>394,255,111</u></b>	<b><u>393,606,809</u></b>

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

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Investment in quoted UAE equity securities	<b>237,342,956</b>	237,588,412
Investment in quoted non-UAE equity securities	<b>12,157,625</b>	12,035,070
Investment in unquoted non-UAE equity securities	<b>10,618,527</b>	9,175,258
Investment in unquoted UAE equity securities	<b>4,065,555</b>	4,093,824
	<b><u>264,184,663</u></b>	<b><u>262,892,564</u></b>

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

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Investment in quoted UAE equity securities	<b>124,631,073</b>	123,240,975
Investment in quoted non-UAE equity securities	<b>5,439,375</b>	7,473,270
	<b><u>130,070,448</u></b>	<b><u>130,714,245</u></b>



## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 9 Financial assets (continued)

The movement in investments is as follows:

	At Fair value through profit or loss 31 March 2016 AED (unaudited)	At Fair value through other comprehensive income 31 March 2016 AED (unaudited)	At Fair value through profit or loss 31 December 2015 AED (audited)	At Fair value through other comprehensive income 31 December 2015 AED (audited)
At 1 January	130,714,245	262,892,564	119,676,507	343,050,142
Purchase of investments	13,810,299	-	72,074,282	7,506,764
Disposal of investments	(14,746,810)	-	(28,830,592)	(16,647,230)
Increase / (decrease) in fair value	292,714	1,292,099	(32,205,952)	(71,017,112)
At end of the period / year	<u>130,070,448</u>	<u>264,184,663</u>	<u>130,714,245</u>	<u>262,892,564</u>

#### 10 Inventories

	31 March 2016 AED (unaudited)	31 December 2015 AED (audited)
Goods for resale	15,505,204	21,644,336
Goods in transit	3,696,749	1,249,011
	<u>19,201,953</u>	<u>22,893,347</u>
Less: Allowance for slow moving inventories	(4,104,188)	(3,936,028)
	<u>15,097,765</u>	<u>18,957,319</u>

The movement in the allowance for slow moving inventories was as follows:

	31 March 2016 AED (unaudited)	31 December 2015 AED (audited)
At 1 January	3,936,028	2,965,548
Charge for the period / year	1,000,483	3,538,615
Reversal during the period / year	(832,323)	(2,568,135)
	<u>4,104,188</u>	<u>3,936,028</u>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 11 Trade and other receivables

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Trade receivables	68,315,508	99,646,621
Less: allowance for impairment of doubtful receivables	<u>(8,504,966)</u>	<u>(8,384,963)</u>
	<b>59,810,342</b>	<b>91,261,658</b>
Prepayments	3,440,916	3,741,657
Dividend receivable	27,930,826	-
Other receivables	49,002,298	8,956,274
Less: impairment loss on other receivables	<u>(1,882,271)</u>	<u>(1,882,271)</u>
	<b><u>138,302,111</u></b>	<b><u>102,077,318</u></b>

Trade receivables represent the amounts due from sales of goods. The average credit period on sale of goods or services is 90 days. No interest is charged on the trade receivables.

Out of the trade receivables balance at the end of the period, 56% is due from one customer (31 December 2015: 56% due from one customers).

Trade receivables that are less than one year past due are not considered impaired. As of 31 March 2016, trade receivables amounting to AED 20,432 thousands (31 December 2015: AED 21,323 thousands) were past due but not impaired. A balance from a particular customer is past due for more than one year but still not considered impaired, as this customer is a governmental body which has no history of default.

The average age of these receivables is 179 days (31 December 2015: 163 days). Ageing of past due but not impaired:

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
61 – 90 days	17,245,375	8,460,789
91 – 180 days	16,451,962	18,444,158
181 – 365 days	7,940,470	14,654,971
More than 365 days	12,462,503	26,760,435
<b>Total</b>	<b><u>54,100,310</u></b>	<b><u>68,320,353</u></b>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 11 Trade and other receivables *(continued)*

Movement in the allowance for doubtful debts:

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
At beginning of the period / year	<b>8,384,963</b>	5,620,260
Provided during the period / year	<b>120,003</b>	4,558,515
Reversed during the period / year	-	(1,793,812)
At the end of the period / year	<b><u>8,504,966</u></b>	<u>8,384,963</u>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the Board of Directors believe that no further credit provision is required in excess of the allowance for doubtful debts.

Movement in the allowance for doubtful other receivables:

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
At 1 January	<b>1,882,271</b>	1,882,271
At end of the period / year	<b><u>1,882,271</u></b>	<u>1,882,271</u>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 12 Loans and borrowings

	Current		Non-current	
	31 March 2016 AED	31 December 2015 AED	31 March 2016 AED	31 December 2015 AED
<b>Secured – at amortised cost</b>				
Bank overdrafts	304,278,851	297,669,354	-	-
Term loan # 1 (i)	1,573,000	1,573,000	5,240,613	6,027,113
Term loan # 2 (ii)	6,173,446	6,173,446	3,964,245	5,388,869
Term loan # 3 (iii)	6,000,000	6,000,000	7,500,000	9,000,000
	<u>318,025,297</u>	<u>311,415,800</u>	<u>16,704,858</u>	<u>20,415,982</u>

The bank overdrafts are repayable on demand.

#### *Bank loans*

- (i) Term loan # 1 amounting to AED 25,000 thousand was obtained in June 1993 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 thousands each starting from January 1999 and ending on February 2021 through Abu Dhabi Commercial Properties (ADCP), which now manages the DSSCB's property loans.
- (ii) Term loan # 2 in the amount of AED 32,000 thousands was obtained in November 2011 from a local bank. The loan is repayable in quarterly instalments of AED 1,543 thousands each starting from 15 November 2011 and ending on 15 November 2017. It is secured by a first degree mortgage over the commercial and residential buildings.
- (iii) Term loan # 3 in the amount of AED 30,000 thousands was obtained in August 2013 from a local bank. The loan is repayable in quarterly instalments of AED 1,500 thousands each starting from 26 August 2013 and ending 30 June 2018. It is secured by a first degree mortgage over the commercial and residential buildings.

The average interest rates during the year were as follows:

#### **March 2016 and 2015**

Bank overdrafts	1 month EIBOR + margin
Term loans	3 month EIBOR + margin
Term loans – DSSCB (through ADCP)	3% fixed rate per annum

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 13 Trade and other payables

	31 March 2016 AED (unaudited)	31 December 2015 AED (audited)
Trade payables	16,707,251	28,192,841
Accruals	12,650,850	10,211,748
Other payables	50,401,973	32,205,441
	<u>79,760,074</u>	<u>70,610,030</u>

#### 14 Revenue

	31 March 2016 AED (unaudited)	31 March 2015 AED (unaudited)
Sales of goods	42,321,553	36,882,598
Management fees	4,000,000	4,000,000
Operating rental income (note 15)	9,329,940	9,095,655
Dividend income	28,279,390	33,532,152
Gain on sale of investments held at FVTPL	2,736,600	20,760
	<u>86,667,483</u>	<u>83,531,165</u>

#### 15 Operating rental income - net

	31 March 2016 AED (unaudited)	31 March 2015 AED (audited)
Operating rental income (note 7)	9,329,940	9,095,655
Less: Operating rental expense	(2,900,244)	(2,358,487)
	<u>6,429,696</u>	<u>6,737,168</u>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 16 Related parties

In the ordinary course of business the Group enters into transactions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. The Company has a related party relationship with its executive officers and business entities over which they can exercise significant influence or which can exercise significant influence over the Group.

#### Transactions and balances with related parties

The related party transactions, outstanding balances and related income and expenses were as follows:

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
<b>Amounts due from related parties:</b>		
Board of directors	254,831	286,864
Shareholders	-	92,935
Other related parties	115,824	-
	<u>370,655</u>	<u>379,799</u>
<b>Amounts due to related parties:</b>		
Shareholders	-	163,164
Board of directors' remuneration	-	4,000,000
Other related parties	59,884	-
	<u>59,884</u>	<u>4,163,164</u>

Significant transactions with related parties comprised:

	<b>31 March 2016 AED (unaudited)</b>	31 March 2015 AED (unaudited)
Sales	<u>32,269</u>	<u>106,501</u>
Purchases and other charges	<u>63,856</u>	<u>112,882</u>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 16 Related parties *(continued)*

##### *Key management personnel compensation*

The remuneration of Directors and other members of key management was as follows:

	<b>31 March 2016 AED (unaudited)</b>	31 March 2015 AED (unaudited)
Management compensation	<b>743,934</b>	548,308

#### 17 Cash and cash equivalents

	<b>31 March 2016 AED (unaudited)</b>	31 December 2015 AED (audited)
Cash and bank balances	<b>2,105,267</b>	6,519,296
Less: bank overdrafts <i>(note 12)</i>	<b>(304,278,851)</b>	(297,669,354)
	<b><u>(302,173,584)</u></b>	<u>(291,150,058)</u>

#### 18 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at the end for the year ended 31 December 2015.

#### 19 Segment information

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 Finance Manager in order to allocate resources to the segment and to assess its performance.

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

- (i) Foodco Holdings P.J.S.C. which is engaged in the import and distribution of foodstuffs and house hold items;
- (ii) SPL Logistics LLC which is engaged in the marine, air and land shipment services along with management and operation of store and warehouses;
- (iii) Sense Gourmet Food Company P.S.C. which is engaged in the provision of catering services and Figaro's Pizza Restaurant Business; and
- (iv) Oasis National Foodstuff Company L.L.C. which is engaged in packing and repacking of food products.

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:

For the three month period ended 31 March 2016 (unaudited):

	Foodco Holding P.J.S.C AED	5 PL logistics LLC AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Revenue – External	84,780,851	432,333	2,603,691	65,151	(1,214,543)	86,667,483
Revenue – Internal	32,269	134,124	-	63,856	(230,249)	-
Profit/ (loss) for the period	36,594,773	(1,745,206)	(1,629,564)	21,657	-	33,241,660

For the three month period ended 31 March 2015 (unaudited):

	Foodco Holding P.J.S.C AED	5 PL logistics LLC AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Revenue – external	42,428,343	36,460,144	4,531,117	111,561	-	83,531,165
Revenue – Internal	-	-	107,341	112,882	(220,223)	-
Profit/ (loss) for the period	30,912,368	1,808,756	(864,525)	32,854	-	31,889,453



## 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:

As at 31 March 2016 (unaudited):

	Foodco Holding P.J.S.C AED	5PL Logistics LLC AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Assets	894,833,606	2,618,003	17,579,052	12,989	(19,855,501)	895,188,149
Liabilities	416,660,945	6,983,989	9,721,223	(1,587,721)	(13,343,410)	418,344,026
Capital expenditure	666,195	140,594	127,446	-	-	934,235

As at 31 December 2015 (audited):

	Foodco Holdings P.J.S.C AED	5PL Logistics LLC AED	Sense Gourmet Food Company P.J.S.C. AED	Oasis National Foodstuff Company L.L.C. AED	Elimination AED	Consolidated AED
Assets	879,179,107	2,407,272	21,101,934	407,004	(35,478,914)	867,616,403
Liabilities	417,470,098	5,028,052	12,424,814	(1,172,051)	(23,444,874)	410,306,039
Capital expenditure	737,497	2,300,063	2,421,416	-	-	5,458,976

### 20 Commitments and contingent liabilities

	31 March 2016 AED (unaudited)	31 December 2015 AED (audited)
Letters of credit	2,102,378	-
Bank guarantees	49,340,832	45,180,831

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

## **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 approximate their carrying amounts in the condensed consolidated interim statement of financial position.

### **22 Dividends**

A dividend of AED 15,000,000, representing 15% of the issued share capital, was declared on 29 February 2016 at the Board meeting and was approved on 24 March 2016 at the AGM.