

Foodco Holding – P.J.S.C.

Condensed consolidated interim
financial information

30 September 2017

Principal business address:

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

Foodco Holding – P.J.S.C.

Condensed consolidated interim financial information

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KPMG Lower Gulf Limited
Level 19, Nation Tower 2
Abu Dhabi Corniche, Abu Dhabi, UAE
Tel. +971 (2) 401 4800, Fax +971 (2) 632 7612

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

To the Shareholders of Foodco Holding – P.J.S.C.

Introduction

We have reviewed the accompanying 30 September 2017 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 interim statement of financial position as at 30 September 2017;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2017;
- the condensed consolidated interim statement of other comprehensive income for the three-month and nine-month periods ended 30 September 2017;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2017;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2017; 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 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 30 September 2017 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of matter

We draw attention to note 9 to the condensed consolidated interim financial statements, which states that the Group's Investment in mutual funds have been held by a related party beneficially on behalf of the Group. Our opinion is not modified in respect of this matter.

KPMG Lower Gulf Limited

Richard Ackland
Registration No. 1015
Abu Dhabi, United Arab Emirates
Date: **14 NOV 2017**

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of financial position

As at

	Notes	30 September 2017 AED (unaudited)	31 December 2016 DAE (audited) (Restated)*
Assets			
Property, plant and equipment		11,793,382	12,000,585
Intangible assets		1,032,014	1,046,435
Investment properties under development	7	64,039,249	45,291,466
Investment properties	8	251,979,409	255,975,868
Financial assets held at fair value through other comprehensive income	9	172,385,656	187,569,094
Non-current assets		501,229,710	501,883,448
Inventories	10	19,308,433	20,143,019
Financial assets held at fair value through profit or loss	9	268,955,774	217,135,489
Trade and other receivables	11	157,756,961	135,381,983
Amounts due from related parties	17	353,695	650,257
Cash and bank balances	18	2,018,624	1,110,243
Assets held for sale		448,393,487	374,420,991
		411,459	504,094
Current assets		448,804,946	374,925,085
Total assets		950,034,656	876,808,533
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		(60,716,536)	(43,978,705)
Retained earnings		358,174,735	319,174,506
Equity attributable to owners of the Company		497,458,199	475,195,801
Non-controlling interest		(3,338,148)	(2,518,634)
Total equity		494,120,051	472,677,167
Liabilities			
Provision for employees' end of service benefits		4,500,560	4,295,811
Loans and borrowings (non-current portion)	12	71,372,597	45,870,701
Non-current liabilities		75,873,157	50,166,512
Trade and other payables	13	72,017,467	69,450,957
Loans and borrowings (current portion)	12	307,510,841	279,133,243
Amounts due to related parties	17	513,140	5,380,654
Current liabilities		380,041,448	353,964,854
Total liabilities		455,914,605	404,131,366
Total equity and liabilities		950,034,656	876,808,533

Ahmed Ali Khalfan Al Dhaheri
Chairman

Rashed Darwish Ahmed Saif AlKetbi
Vice Chairman

Faisal Akhlaas uddin
Finance Controller

* Refer to note 24 for restatement.

The notes set out on pages 10 to 26 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 pages 2 and 3.



Foodco Holding – P.J.S.C.

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

		Nine month period ended 30 September 2017 AED (unaudited)	Nine month period ended 30 September 2016 AED (unaudited)	Three month period ended 30 September 2017 AED (unaudited)	Three month period ended 30 September 2016 AED (unaudited)
Income comprises:					
- revenue from trading	14	199,834,408	152,829,404	64,534,391	51,076,579
- rentals and change in fair value of investment properties	15	13,352,554	16,455,203	582,748	220,948
- dividends and changes in fair value of financial assets held at FVTPL	16	35,807,562	26,688,982	3,638,994	76,077
Cost of sales		(142,918,007)	(118,291,321)	(42,558,547)	(33,148,856)
Selling, general and administrative expenses		(33,822,772)	(30,354,007)	(9,836,543)	(11,540,852)
Finance costs		(14,030,861)	(10,677,859)	(5,218,631)	(3,561,661)
Other income / (loss)		158,350	299,352	98,055	(132,849)
Profit for the period		58,381,234	36,949,754	11,240,467	2,989,386
Profit / (loss) attributable to:					
Equity owners of the parent		59,000,229	38,845,677	11,437,736	3,337,885
Non-controlling interest		(618,995)	(1,895,923)	(197,269)	(348,499)
		58,381,234	36,949,754	11,240,467	2,989,386
Basic and diluted earnings per share		0.59	0.39	0.11	0.03

The notes set out on pages 10 to 26 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 period ended

	Nine month period ended 30 September 2017 AED (unaudited)	Nine month period ended 30 September 2016 AED (unaudited)	Three month period ended 30 September 2017 AED (unaudited)	Three month period ended 30 September 2016 AED (unaudited)
Profit for the period	58,381,234	36,949,754	11,240,467	2,989,386
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Net changes in the fair value of financial assets held through other comprehensive income	(16,938,350)	(13,208,915)	446,372	(4,006,669)
Other comprehensive (loss) / income for the period	(16,938,350)	(13,208,915)	446,372	(4,006,669)
Total comprehensive income / (loss) for the period	41,442,884	23,740,839	11,686,839	(1,017,283)
Total comprehensive income / (loss) attributable to:				
Equity owners of the parent	42,262,398	25,636,762	11,884,109	(850,206)
Non-controlling interest	(819,514)	(1,895,923)	(197,270)	(167,077)
	41,442,884	23,740,839	11,686,839	(1,017,283)

The notes set out on pages 10 to 26 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 changes in equity for the nine months period ended 30 September

	Share capital AED	Legal reserve AED	Regulatory reserve AED	Fair value reserve AED	Retained earnings AED (Restated)*	Equity attributable to owners of the Company AED	Non-controlling interest AED	Total AED
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	-	-	-	-	38,845,677	38,845,677	(1,895,923)	36,949,754
Other comprehensive loss	-	-	-	(1,838,006)	(11,370,909)	(13,208,915)	-	(13,208,915)
Total comprehensive (loss) / income for the period	-	-	-	(1,838,006)	27,474,768	25,636,762	(1,895,923)	23,740,839
Dividends	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
At 30 September 2016 (unaudited)	100,000,000	50,000,000	50,000,000	(30,703,251)	296,754,454	466,051,203	-	466,051,203
At 1 January 2017 (as originally reported)	100,000,000	50,000,000	50,000,000	(43,978,705)	320,706,694	476,727,989	(2,518,634)	474,209,355
Impact of correction of prior period error*	-	-	-	-	(1,532,188)	(1,532,188)	-	(1,532,188)
At 1 January 2017 (Restated)*	100,000,000	50,000,000	50,000,000	(43,978,705)	319,174,506	475,195,801	(2,518,634)	472,677,167
Profit / (loss) for the period	-	-	-	-	59,000,229	59,000,229	(618,995)	58,381,234
Other comprehensive loss	-	-	-	(16,737,831)	-	(16,737,831)	(200,519)	(16,938,350)
Total comprehensive (loss) / income for the period	-	-	-	(16,737,831)	59,000,229	42,262,398	(819,514)	41,442,884
Dividends	-	-	-	-	(20,000,000)	(20,000,000)	-	(20,000,000)
At 30 September 2017 (unaudited)	100,000,000	50,000,000	50,000,000	(60,716,536)	358,174,735	497,458,199	(3,338,148)	494,120,051

* Refer to note 24 for restatement.

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Foodco Holding – P.J.S.C.

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

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Cash flows from operating activities		
Profit for the period	58,381,234	36,949,754
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,575,952	1,916,668
Impairment on property, plant and equipment	-	471,098
Amortisation of intangible assets	14,421	27,558
Dividend income	(30,969,564)	(29,174,958)
Finance costs	14,030,861	10,677,859
Provision for employees' end of service benefits	1,002,300	٥٧٩,٨٥٤
Net changes in fair value of investments held at FVTPL	(4,837,998)	2,485,976
Impairment loss on trade receivables	8,656,955	1,689,053
Provision for inventory obsolescence - net	1,066,246	164,737
Gain on sale of property, plant and equipment	(28,152)	(342,704)
Acquisition of investments	(148,486,564)	(44,951,946)
Proceeds from sale of investments	99,749,365	63,856,145
Dividends received	30,969,564	29,174,958
Gain on sale of assets held for sale	(52,110)	-
Proceeds from disposal of assets held for sale	144,745	-
Additions in investment properties	(1,003,541)	(520,000)
Provision for impairment on investment properties	5,000,000	3,750,000
Additions in investment properties under development	(18,747,783)	(607,800)
	<u>17,465,931</u>	<u>76,146,252</u>
Changes in:		
- inventories	(231,660)	1,713,626
- trade and other receivables	(31,031,933)	(16,170,998)
- amounts due from related parties	296,562	(146,694)
- amounts due to related parties	(4,867,514)	(3,084,734)
- trade and other payables	2,566,510	(3,484,994)
End of service benefits paid	(797,551)	(351,902)
Net cash (used in) / from operating activities	<u>(16,599,655)</u>	<u>54,620,556</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(2,749,087)	(4,459,844)
Proceeds from disposal of property, plant and equipment	408,490	342,724
Net cash used in investing activities	<u>(2,340,597)</u>	<u>(4,117,120)</u>

Foodco Holding – P.J.S.C.

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

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Cash flows from financing activities		
Net increase / (decrease) in bank borrowings	24,987,152	(33,179,490)
Finance costs paid	(14,030,861)	(8,572,040)
Dividends paid	(20,000,000)	(15,000,000)
Net cash used in financing activities	<u>(9,043,709)</u>	<u>(56,751,530)</u>
Net decrease in cash and cash equivalents	(27,983,961)	(6,248,094)
Cash and cash equivalents at 1 January*	(250,762,792)	6,519,296
Cash and cash equivalents at 30 September* (note 18)	<u>(278,746,753)</u>	<u>271,202</u>

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes set out on pages 10 to 26 form an integral part of this condensed consolidated interim financial information.

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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
5PL 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 operations of it and has the ability to use the power over Sense Gourmet Food Company P.J.S.C. to affect the amount of 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 2016. 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 2016.

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

New and revised IFRS	Effective date
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 2016.

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Depreciation charge for the period / year	<u>2,575,952</u>	<u>2,600,320</u>
Acquisition during the period / year	<u>2,749,087</u>	<u>7,300,806</u>
Disposals / write-off	<u>(380,338)</u>	<u>(82,491)</u>
Impairment loss on property, plant and equipment	<u>-</u>	<u>2,648,465</u>
Transferred to assets held for sale	<u>-</u>	<u>594,094</u>

6 Intangible assets

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Amortisation charge for the period	<u>14,421</u>	<u>36,745</u>

7 Investment properties under development

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
At 1 January	<u>45,291,466</u>	<u>44,386,666</u>
Cost incurred during the year	<u>18,747,783</u>	<u>904,800</u>
At the end of period / year	<u>64,039,249</u>	<u>45,291,466</u>

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 from Chesterton International LLC, an independent appraiser, who has determined the fair value of the investment properties under development using valuation models that utilise sales comparison method using market observable inputs and conforms to RICS Valuation - Professional Standards 2014.

During 2016, the Group has reassessed the fair value of these properties by carrying out an internal valuation and have determined that the fair value is not required to be revised. For details in respect of key assumptions used by the management, refer to the financial statements for the year ended 31 December 2016.

8 Investment properties

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Abu Dhabi land, commercial and residential building, UAE	76,035,000	76,035,000
Leasehold warehouses	108,441,803	108,390,868
Land in Abu Dhabi, UAE	7,000,000	7,000,000
Residential building in Abu Dhabi, UAE	80,502,606	79,550,000
Less: provision for impairment	(20,000,000)	(15,000,000)
	<u>251,979,409</u>	<u>255,975,868</u>

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
As at 1 January	255,975,868	290,070,867
Additions	1,003,541	905,001
Disposals	-	(31,360,000)
Loss on revaluation of investment properties	(5,000,000)	(3,640,000)
At the end of the period / year	<u>251,979,409</u>	<u>255,975,868</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 using 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)

During 2016, the Group has reassessed the fair value of these properties by carrying out an internal valuation and have determined that the fair value of investment properties have declined by AED 5,000,000.

Some of the investment properties are registered in the name of the Group's Directors for the beneficial ownership of the Group in order to comply with jurisdictional regulations.

9 Financial assets

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Financial assets held at fair value through other comprehensive income (FVTOCI)	172,385,656	187,569,094
Financial assets held at fair value through profit and loss (FVTPL)	268,955,774	217,135,489
	<u>441,341,430</u>	<u>404,704,583</u>

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Investment in quoted UAE equity securities	151,196,089	167,205,712
Investment in quoted non - UAE equity securities	8,245,704	8,306,052
Investment in unquoted non - UAE equity securities	10,069,611	9,160,699
Investment in unquoted UAE equity securities	2,874,252	2,896,631
	<u>172,385,656</u>	<u>187,569,094</u>

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Investment in quoted UAE equity securities	257,601,581	206,917,519
Investment in quoted non - UAE equity securities	4,910,236	4,706,970
Investment in mutual funds*	6,443,957	5,511,000
	<u>268,955,774</u>	<u>217,135,489</u>

* Investment in mutual funds have been held by a related party beneficially on behalf of the Group.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

9 Financial assets (continued)

The movement in financial assets was as follows:

	At fair value through profit or loss 30 September 2017 AED (unaudited)	At fair value through other comprehensive income 30 September 2017 AED (unaudited)	At fair value through profit or loss 31 December 2016 AED (audited)	At fair value through other comprehensive income 31 December 2016 AED (audited)
At 1 January	217,135,489	187,569,094	130,714,245	262,892,564
Purchase of financial assets	146,731,652	1,754,912	167,933,861	-
Disposal of financial assets	(99,749,365)	-	(88,164,579)	(58,675,705)
Increase / (decrease) in fair value	4,837,998	(16,938,350)	6,651,962	(16,647,765)
At end of the period / year	<u>268,955,774</u>	<u>172,385,656</u>	<u>217,135,489</u>	<u>187,569,094</u>

10 Inventories

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Goods for resale	23,623,028	22,082,813
Goods in transit	1,284,923	2,593,478
	<u>24,907,951</u>	<u>24,676,291</u>
Less: allowance for slow moving inventories	(5,599,518)	(4,533,272)
	<u>19,308,433</u>	<u>20,143,019</u>

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
At 1 January	4,533,272	3,936,028
Charge for the period / year	1,914,034	3,736,154
Reversal during the period / year	(847,788)	(3,138,910)
At end of the period / year	<u>5,599,518</u>	<u>4,533,272</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

11 Trade and other receivables

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Trade receivables	169,575,816	139,277,268
Less: allowance for impairment of doubtful receivables	(19,827,737)	(11,170,782)
	149,748,079	128,106,486
Prepayments	4,109,223	4,595,355
Other receivables	5,781,930	4,562,413
Less: impairment loss on other receivables	(1,882,271)	(1,882,271)
	157,756,961	135,381,983

Movement in the allowance for impairment of doubtful debts:

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
At 1 January	11,170,782	8,384,963
Charge for the period / year	8,656,955	2,785,819
At the end of the period / year	19,827,737	11,170,782

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:

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
At 1 January	1,882,271	1,882,271
At end of the period / year	1,882,271	1,882,271

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

12 Loans and borrowings

	Current		Non-current	
	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Secured – at amortised cost				
Bank overdrafts	280,765,377	251,873,035	-	-
Term loan # 1 (i)	1,573,000	1,573,000	3,080,930	4,454,113
Term loan # 2 (ii)	1,255,797	5,770,541	-	-
Term loan # 3 (iii)	-	6,000,000	-	3,000,000
Term loan # 4 (iv)	2,666,667	2,666,667	2,666,667	4,666,588
Term loan # 5 (v)	11,250,000	11,250,000	28,125,000	33,750,000
Term loan # 6 (vi)	10,000,000	-	37,500,000	-
	<u>307,510,841</u>	<u>279,133,243</u>	<u>71,372,597</u>	<u>45,870,701</u>

The bank overdrafts are repayable on demand.

Bank loans

- (i) Term loan # 1 amounting to AED 25,000 thousands was obtained in June 1993 from the Department of Social Services and Commercial Buildings (DSSCB) of the Government of Abu Dhabi, 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 on 30 June 2017. It is secured by a first degree mortgage over the commercial and residential buildings.
- (iv) Term loan # 4 in the amount of AED 8,000 thousands was converted from an existing overdraft to a long term loan in September 2016. The loan is repayable in annual instalments of AED 2,667 thousands.
- (v) Term loan # 5 in the amount of AED 50,000 thousands was obtained in May 2016 from a local bank. The loan is repayable in semi-annual instalments of within a maximum period of 4 years. It is secured by a registered ledge over shares for an amount of AED 100,000 thousand.
- (vi) Term loan # 6 in the amount of AED 50,000 thousands was obtained in June 2017 from a local bank. The loan is repayable in quarterly instalments of AED 2,500 thousands each starting from 12 August 2017 and ending on 30 June 2021. It is secured by a first degree mortgage over the commercial and residential buildings.

The average interest rates during the year were as follows:

September 2017 and 2016

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

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Trade payables	41,996,358	50,778,470
Accruals	14,908,296	10,097,092
Other payables	15,112,813	8,575,395
	<u>72,017,467</u>	<u>69,450,957</u>

14 Revenue from trading

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Sales of goods	187,834,408	140,829,404
Management fees	12,000,000	12,000,000
	<u>199,834,408</u>	<u>152,829,404</u>

15 Rentals and changes in fair value of investment properties

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Operating rental income	18,352,554	20,205,203
Net change in fair value of investment properties	(5,000,000)	(3,750,000)
	<u>13,352,554</u>	<u>16,455,203</u>

16 Dividends and changes in fair value of financial assets held at FVTPL

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Dividend income	30,969,564	29,174,958
Net changes in fair value of financial assets held at FVTPL (note 9)	4,837,998	(2,485,976)
	<u>35,807,562</u>	<u>26,688,982</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

17 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:

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Amounts due from related parties:		
Board of directors	143,579	451,146
Shareholders	210,116	199,111
	<u>353,695</u>	<u>650,257</u>
Amounts due to related parties:		
Shareholders	513,140	1,180,654
Board of directors' remuneration	-	4,200,000
	<u>513,140</u>	<u>5,380,654</u>

Significant transactions with related parties comprised:

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Sales	1,331,481	922,849
Purchases and other charges	-	1,653,792
Capital purchases	18,683,136	-

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

17 Related parties *(continued)*

Key management personnel compensation

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

	30 September 2017 AED (unaudited)	30 September 2016 AED (unaudited)
Management compensation	1,128,562	1,963,092

18 Cash and cash equivalents

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Cash and bank balances	2,018,624	1,110,243
Less: bank overdrafts <i>(note 12)</i>	(280,765,377)	(251,873,035)
	<u>(278,746,753)</u>	<u>(250,762,792)</u>

19 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 2016.

20 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) 5PL 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 LLC 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

20 Segment information (continued)

Information regarding these segments is presented below:

For the nine months period ended 30 September 2017 (unaudited):

	Foodco Holding PJSC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Elimination AED	Consolidated AED
Revenue – external	<u>189,163,209</u>	<u>5,070,394</u>	<u>5,600,572</u>	<u>233</u>	<u>-</u>	<u>199,834,408</u>
Revenue – internal	<u>1,327</u>	<u>185,677</u>	<u>-</u>	<u>-</u>	<u>(187,004)</u>	<u>-</u>
Profit / (loss) for the period	<u>63,241,364</u>	<u>(4,170,397)</u>	<u>(1,200,533)</u>	<u>(108,195)</u>	<u>618,995</u>	<u>58,381,234</u>

For the nine month period ended 30 September 2016 (unaudited):

	Foodco Holding PJSC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Elimination AED	Consolidated AED
Revenue – external	<u>138,565,112</u>	<u>5,748,768</u>	<u>8,494,610</u>	<u>20,914</u>	<u>-</u>	<u>152,829,404</u>
Revenue – internal	<u>2,953,741</u>	<u>544,143</u>	<u>-</u>	<u>94,139</u>	<u>(3,592,023)</u>	<u>-</u>
Profit / (loss) for the period	<u>42,587,053</u>	<u>(33,769)</u>	<u>(4,015,504)</u>	<u>(3,483,949)</u>	<u>1,895,923</u>	<u>36,949,754</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

20 Segment information (continued)

The segment assets and liabilities are as follows:

As at 30 September 2017 (unaudited):

	Foodco Holding PJSC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Elimination AED	Consolidated AED
Assets	967,172,278	5,744,423	9,165,450	1,744,125	(33,791,620)	950,034,656
Liabilities	463,535,175	9,152,173	10,225,835	344,396	(27,342,974)	455,914,605
Capital expenditure	2,649,337	90,000	9,750	-	-	2,749,087

As at 31 December 2016 (audited):

	Foodco Holding PJSC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Eliminations AED	Consolidated AED
Assets	897,116,522	7,831,220	11,306,301	1,848,633	(41,294,143)	876,808,533
Liabilities	410,998,493	17,133,392	10,777,251	340,709	(35,118,479)	404,131,366
Capital expenditure	5,225,800	1,435,042	577,514	62,450	-	7,300,806

21 Commitments and contingent liabilities

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
Letters of credit	1,403,028	1,409,002
Bank guarantees	72,409,314	45,186,394

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

22 Financial instruments

The fair values of financial assets and financial liabilities approximate their carrying amounts in the condensed consolidated interim statement of financial position.

Fair value of financial assets and liabilities

The carrying amount of financial assets and financial liabilities presented in the consolidated statement of financial position approximate their fair values.

The fair value of the Group's financial assets and liabilities approximates their carrying amounts as stated in the consolidated financial statements.

Fair value measurements are recognised in the consolidated statement of financial position.

The following 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 September 2017

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTPL				
Quoted shares	262,511,817	-	-	262,511,817
Mutual funds	-	6,443,957	-	6,443,957
Financial assets at FVTOCI				
Quoted shares	159,441,831	-	-	159,441,831
Unquoted shares	-	-	12,943,825	12,943,825
Total	421,953,648	6,443,957	12,943,825	441,341,430

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

22 Financial instruments (continued)

Fair value of financial assets and liabilities (continued)

31 December 2016

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<i>Financial assets at FVTPL</i>				
Quoted shares	211,624,489	-	-	211,624,489
Mutual funds	-	5,511,000	-	5,511,000
<i>Financial assets at FVTOCI</i>				
Quoted shares	175,511,764	-	-	175,511,764
Unquoted shares	-	-	12,057,330	12,057,330
Total	<u>387,136,253</u>	<u>5,511,000</u>	<u>12,057,330</u>	<u>404,704,583</u>

The following valuation techniques were used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

i) Valuation techniques and significant unobservable inputs

Financial assets measured at FVTOCI:

Unquoted shares:

Valuation technique: The investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile, prospects and other factors.

Significant unobservable input: The investee's financial position and results, risk profile, prospects and other factors used for the valuation is unobservable.

Interrelationship between significant unobservable inputs and fair value: The estimated fair value would increase / (decrease) if these significant unobservable inputs were better / (worse).

i) Reconciliation of Level 3 fair values

Movement in the allowance for impairment of doubtful debts:

	30 September 2017 AED (unaudited)	31 December 2016 AED (audited)
At 1 January	12,057,330	12,755,404
Net change in fair value (unrealised)	886,495	(698,074)
At the end of the period / year	<u>12,943,825</u>	<u>12,057,330</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

22 Financial instruments (continued)

ii) Reclassification from Level 2 to Level 3

Unquoted shares classified as financial assets held at FVTOCI have been reclassified from Level 2 to Level 3 as the valuation technique used is based on significant unobservable inputs as mentioned above. These financial assets have also been reclassified as Level 3 in the comparatives.

23 Dividends

A dividend of AED 20,000,000 representing 20% of the issued share capital, was declared on 27 February 2017 at the Board meeting and was approved on 11 April 2017 at the AGM.

24 Prior period adjustment

During the period, the Group identified an error in the consolidated financial statements of the Group for the year ended 31 December 2016. This error has been accounted for in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the adjustments are recognised retrospectively and certain comparative figures have been restated as shown below:

During the third quarter of 2016, the Group erroneously recognised revenue amounting to AED 1,532,188 for services that were not provided. Accordingly, management has restated the prior year amount and reduced the revenue by AED 1,532,188 for the year ended 31 December 2016.

The following table summarises the adjustments made to the consolidated statement of financial position on correction of the prior period error:

	Impact of correction of errors		
	As previously reported AED	Adjustments AED	As restated AED
Trade and other receivables	136,914,171	(1,532,188)	135,381,983
Retained earnings	320,706,694	(1,532,188)	319,174,506

There is no material impact on the Group's basic earnings per share, profit, total operating cashflows for the nine month period ending 30 September 2017 and for the year ended 31 December 2016.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

25 Cyclicity of the operations

The Group's dividend income, classified as dividend and changes in fair value of financial assets, is subject to fluctuations as dividend income for majority of the investees are announced annually in the first quarter. As a result, dividend income is lower for the remaining quarters of the year.

26 Date of authorisation for issue

The condensed consolidated interim financial information was approved by the Company's Board of Directors and authorised for issue on 14 NOV 2017.