

Foodco Holding – P.J.S.C.

Condensed consolidated interim
financial information

30 September 2016

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

<i>Contents</i>	<i>Page</i>
Report of the Directors	1
Independent auditors' report on review of condensed consolidated interim financial information	2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss	4
Condensed consolidated interim statement of other comprehensive income	5
Condensed consolidated interim statement of changes in equity	6
Condensed consolidated interim statement of cash flows	7 - 8
Notes to the condensed consolidated interim financial information	9 - 24

Board of Directors' Report For quarter ended Sep 30, 2016

The Board of Directors of Foodco Holding PJSC are pleased to report the Consolidated Financial Statements for the Quarter ended September 30, 2016

The Groups' revenue for the quarter was AED 59.262 million (2015: 49.339 million) while the profit of the parent company was AED 2,989 million (2015: (12,718) million).

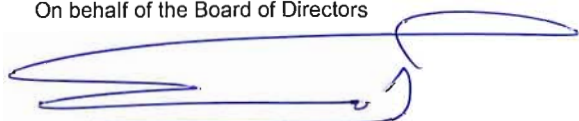
The following is the summary of the Financial statements:

	Amount in '000					
	Quarter ended September			Nine months ended September		
	2016	2015	Increase / (Decrease)	2016	2015	Increase / (Decrease)
Profit and Loss summary						
Revenue	59,262	49,339	9,923	203,862	199,947	3,915
Gross Profit	18,225	(1,147)	19,372	77,682	67,479	10,204
Profit	2,989	(12,718)	15,708	36,950	28,938	8,012
Earning per share (AED)	0.03	(0.13)	0.16	0.37	0.29	0.08

	Sep 2016	Dec 2015	Increase / (Decrease)	
			Amount	%
Financial position summary				
Current Assets	248,578	258,648	(10,070)	-3.9%
Non Current Assets	590,364	608,968	(18,604)	-3.1%
Current Liabilities	353,606	386,189	(32,583)	-8.4%
Non Current Liabilities	19,285	24,117	(4,832)	-20.0%
Total Shareholders' Equity (Parent)	466,051	455,414	10,637	2.3%
Book Value of Share (AED)	4.66	4.55	0.11	2.3%

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
7th September, 2016





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

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

Review report on the condensed consolidated financial information

We have reviewed the accompanying 30 September 2016 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 2016;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2016;
- the condensed consolidated interim statement of changes in equity for the nine month period ended 30 September 2016;
- the condensed consolidated interim statement of cash flows for the nine month period ended 30 September 2016; 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 30 September 2016 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited
Fawzi AbuRass
Registration No. 968
Date: 14 NOV 2016

Foodco Holding – P.J.S.C.

Condensed consolidated interim statement of financial position

As at

	Notes	30 September 2016 (unaudited)	31 December 2015
Assets			
Property, plant and equipment	5	12,607,207	10,535,149
Intangible assets	6	1,055,622	1,083,180
Investment properties under development	7	44,994,466	44,386,666
Investment properties	8	286,840,867	290,070,867
Investments held at fair value through other comprehensive income	9	244,865,995	262,892,564
Non-current assets		590,364,157	608,968,426
Inventories	10	17,078,956	18,957,319
Investments held at fair value through profit or loss	9	114,141,724	130,714,245
Trade and other receivables	11	116,559,263	102,077,318
Amounts due from related parties	16	526,493	379,799
Cash and bank balances	17	271,202	6,519,296
Current assets		248,577,638	258,647,977
Total assets		838,941,795	867,616,403
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		(30,703,251)	(28,865,245)
Retained earnings		296,754,454	284,279,686
Equity attributable to owners of the Company		466,051,203	455,414,441
Non-controlling interest		-	1,895,923
Total equity		466,051,203	457,310,364
Liabilities			
Provision for employees' end of service benefits		3,929,015	3,701,063
Loans and borrowings (<i>non-current portion</i>)	12	15,355,975	20,415,982
Non-current liabilities		19,284,990	24,117,045
Trade and other payables	13	69,230,855	70,610,030
Loans and borrowings (<i>current portion</i>)	12	283,296,317	311,415,800
Amounts due to related parties	16	1,078,430	4,163,164
Current liabilities		353,605,602	386,188,994
Total liabilities		372,890,592	410,306,039
Total equity and liabilities		838,941,795	867,616,403

The condensed consolidated interim financial information was authorised for issue on

14 NOV, 2016

Ahmed bin Ali Khalfan Al Dhahery
Chairman

Rashed Darwish Ahmed Saif AlKetbi
Vice Chairman



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 period ended

	Note	Nine month period ended 30 Sept 2016 AED (unaudited)	Nine month period ended 30 Sept 2015 AED (unaudited)	Three month period ended 30 Sept 2016 AED (unaudited)	Three month period ended 30 Sept 2015 AED (unaudited)
Revenue from					
- trading	14	152,829,404	160,467,850	51,076,579	59,589,236
- investments	14	26,688,982	13,317,471	76,077	(18,975,969)
- investment properties	14	24,343,882	26,161,663	8,109,627	8,726,028
Cost of sales		(126,180,000)	(132,468,347)	(41,037,535)	(50,486,050)
Selling, general and administrative expenses		(30,354,007)	(28,380,896)	(11,540,852)	(8,348,819)
Finance costs		(10,677,859)	(10,232,757)	(3,561,661)	(3,249,718)
Other income		299,352	73,076	(132,849)	27,066
Profit/ (loss) for the period		36,949,754	28,938,060	2,989,386	(12,718,226)
Profit / (loss) attributable to:					
Equity owners of the parent		38,845,677	30,338,667	3,337,885	(11,985,735)
Non-controlling interest		(1,895,923)	(1,400,607)	(348,499)	(732,491)
		36,949,754	28,938,060	2,989,386	(12,718,226)
Basic and diluted earnings per share		0.39	0.30	0.03	(0.12)

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 period ended

	Nine month period ended 30 Sept 2016 AED (unaudited)	Nine month period ended 30 Sept 2015 AED (unaudited)	Three month period ended 30 Sept 2016 AED (unaudited)	Three month period ended 30 Sept 2015 AED (unaudited)
Profit / (loss) for the period	36,949,754	28,938,060	2,989,386	(12,718,226)
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	(12,673,981)	(56,057,868)	(4,006,669)	(26,998,914)
Realised (loss) / gain on disposal of investments at fair value through other comprehensive income	(534,934)	1,098,437	-	(59,353)
Other comprehensive income for the period	(13,208,915)	(54,959,431)	(4,006,669)	(27,058,267)
Total comprehensive income / (loss) for the period	23,740,839	(26,021,371)	(1,017,283)	(39,776,493)
Total comprehensive income / (loss) attributable to:				
Equity owners of the parent	25,636,762	24,113,529	(850,206)	(38,755,485)
Non-controlling interest	(1,895,923)	(1,907,842)	(167,077)	(1,021,008)
	23,740,839	(26,021,371)	(1,017,283)	(39,776,493)

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 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	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	-	-	-	-	30,338,667	30,338,667	(1,400,607)	28,938,060
Other comprehensive income / (loss)	-	-	-	(55,609,986)	1,157,790	(54,452,196)	(507,235)	(54,959,431)
Total comprehensive income / (loss) for the period	-	-	-	(55,609,986)	31,496,457	(24,113,529)	(1,907,842)	(26,021,371)
Dividends	-	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
At 30 September 2015	100,000,000	50,000,000	50,000,000	(14,022,645)	263,371,609	449,348,964	3,937,271	453,286,235
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	-	-	-	(1,838,006)	38,845,677	38,845,677	(1,895,923)	36,949,754
Other comprehensive income / (loss)	-	-	-	(1,838,006)	(11,370,909)	(13,208,915)	-	(13,208,915)
Total comprehensive income / (loss) 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	100,000,000	50,000,000	50,000,000	(30,703,251)	296,754,454	466,051,203	-	466,051,203

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 cash flows for the Nine months period ended

	30 September 2016 AED (unaudited)	30 September 2015 AED (unaudited)
Cash flows from operating activities		
Profit for the period	36,949,754	28,938,060
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,916,668	1,476,797
Impairment on property, plant and equipment	471,098	-
Amortisation of intangible assets	27,558	27,559
Dividend income	(29,174,958)	(35,872,809)
Finance costs	10,677,859	10,232,757
Provision for employees' end of service benefits	579,854	730,834
(Gain) / loss on sale of investments	(9,208,235)	32,572
Net changes in fair value of investments held at FVTPL	11,694,211	22,522,766
Impairment loss on trade receivables	1,689,053	2,258,370
Provision for inventory obsolescence - net	164,737	1,097,666
Gain on sale of property, plant and equipment	(342,704)	(33,280)
Acquisition of investments	(44,951,946)	(71,544,992)
Proceeds from sale of investments	63,856,145	46,543,688
Dividends received	29,174,958	35,872,809
Proceeds from disposal of investment properties	-	3,500,000
Additions in investment properties	(520,000)	(5,434,050)
Gain on disposal of investment property	-	(288,136)
Provision for impairment on investment properties	3,750,000	2,500,000
Additions in investment properties under development	(607,800)	(436,000)
	<u>76,146,252</u>	<u>42,124,611</u>
Changes in:		
- inventories	1,713,626	(8,021,232)
- trade and other receivables	(16,170,998)	(24,866,534)
- amounts due from related parties	(146,694)	370,027
- amounts due to related parties	(3,084,734)	(3,669,133)
- trade and other payables	(3,484,994)	25,963,096
End of service benefits paid	(351,902)	(201,510)
Net cash from operating activities	<u>54,620,556</u>	<u>31,699,325</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(4,459,844)	(940,028)
Proceeds from disposal of property, plant and equipment	342,724	33,310
Net cash used in investing activities	<u>(4,117,120)</u>	<u>(906,718)</u>

Foodco Holding – P.J.S.C.

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

	30 September 2016 AED (unaudited)	30 September 2015 AED (unaudited)
Cash flows from financing activities		
Net (decrease) / increase in bank borrowings	(33,179,490)	4,452,503
Finance costs paid	(8,572,040)	(10,232,757)
Dividends paid	(15,000,000)	(25,000,000)
Net cash used in financing activities	(56,751,530)	(30,780,254)
Net (decrease) / increase in cash and cash equivalents	(6,248,094)	12,353
Cash and cash equivalents at 1 January	6,519,296	138,482
Cash and cash equivalents at 30 September	271,202	150,835

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 operating activities of the Company also includes 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 other investments in and outside the United Arab Emirates.

This condensed consolidated interim financial information includes 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, a subsidiary company. 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 controls the entity as it is exposed to, and has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**The Group has established 5PL Logistics LLC, 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

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 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)
31 December 2015	18,772,005	39,585,782	6,141,894	1,479,436	65,979,117
1 January 2016	18,772,005	39,585,782	6,141,894	1,479,436	65,979,117
Additions	-	2,193,710	2,156,384	109,750	4,459,844
Disposals	-	-	(131,000)	-	(131,000)
Transfers	-	192,244	-	(192,244)	-
30 September 2016 (unaudited)	18,772,005	41,971,736	8,167,278	1,396,942	70,307,961
<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 period	175,537	1,671,394	140,010	-	1,986,941
Disposals	-	-	(177,990)	-	(177,990)
Impairment loss	-	430,166	-	-	430,166
31 December 2015	17,217,860	32,400,945	5,825,163	-	55,443,968
1 January 2016	17,217,860	32,400,945	5,825,163	-	55,443,968
Charge for the period	112,914	1,515,910	287,844	-	1,916,668
Disposals	-	-	(130,980)	-	(130,980)
Impairment loss	-	471,098	-	-	471,098
30 September 2016 (unaudited)	17,330,774	34,387,953	5,982,027	-	57,700,754
<i>Carrying amount</i>					
31 December 2015	1,554,145	7,184,837	316,731	1,479,436	10,535,149
30 September 2016 (unaudited)	1,441,231	7,583,783	2,185,251	1,396,942	12,607,207

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.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

5 Property, plant and equipment *(continued)*

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.

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
At 31 December 2015	249,637	1,583,187	1,832,824
At 1 January 2016	249,637	1,583,187	1,832,824
At 30 September 2016 (unaudited)	249,637	1,583,187	1,832,824
<i>Accumulated amortisation and impairment losses</i>			
At 1 January 2015	-	463,262	463,262
Charge for the year	-	36,745	36,745
Impairment loss	249,637	-	249,637
At 31 December 2015	249,637	500,007	749,644
At 1 January 2016	249,637	500,007	749,644
Charge for the period	-	27,558	27,558
At 30 September 2016 (unaudited)	249,637	527,565	777,202
<i>Carrying amount</i>			
At 31 December 2015	-	1,083,180	1,083,180
At 30 September 2016 (unaudited)	-	1,055,622	1,055,622

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

7 Investment properties under development

	30 September 2016 AED (unaudited)	31 December 2015 AED
At 1 January	44,386,666	19,688,320
Cost incurred during the period / year	607,800	5,878,170
Gain on revaluation	-	6,000,000
Transfer of land from investment properties (note 8)	-	12,820,176
At the end of period / year	44,994,466	44,386,666

During 2015, the Group requested an external valuation by Chesterton International LLC, an independent appraiser, who determined the fair value of the investment properties under development using valuation models that utilize sales comparison method 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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Abu Dhabi land, commercial and residential building, UAE	76,035,000	75,680,000
Leasehold warehouses	108,390,867	108,390,867
Land in Abu Dhabi, UAE	7,000,000	7,000,000
Residential building in Abu Dhabi, UAE	109,165,000	109,000,000
Less: provision for impairment	(13,750,000)	(10,000,000)
	286,840,867	290,070,867

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

	30 September 2016 AED (unaudited)	31 December 2015 AED
As at 1 January	290,070,867	283,484,886
Additions	520,000	-
Disposals	-	(3,211,865)
Transfer of land to investment properties under development	-	(12,820,176)
Impairment of investment properties	(3,750,000)	22,618,022
As at 30 September 2016 / 31 December 2015	286,840,867	290,070,867

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

8 Investment properties *(continued)*

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.

Based on this valuation, an increase in the fair value of these plots of land (“Plots”) by AED 22,618 thousands was recognised. 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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Financial assets at fair value through other comprehensive income (FVTOCI)	244,865,995	262,892,564
Financial assets held at fair value through profit and loss (FVTPL)	114,141,724	130,714,245
	<u>359,007,719</u>	<u>393,606,809</u>

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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Investment in quoted UAE equity securities	223,301,362	237,588,412
Investment in quoted non - UAE equity securities	8,039,967	12,035,070
Investment in unquoted non - UAE equity securities	10,628,035	9,175,258
Investment in unquoted UAE equity securities	2,896,631	4,093,824
	<u>244,865,995</u>	<u>262,892,564</u>

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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Investment in quoted UAE equity securities	109,393,797	123,240,975
Investment in quoted non - UAE equity securities	4,747,927	7,473,270
	<u>114,141,724</u>	<u>130,714,245</u>

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 30 September 2016 AED (unaudited)	At fair value through other comprehensive income 30 September 2016 AED (unaudited)	At fair value through profit or loss 31 December 2015 AED	At fair value through other comprehensive income 31 December 2015 AED
At 1 January	130,714,245	262,892,564	119,676,507	343,050,142
Purchase of investments	44,951,946	-	72,074,282	7,506,764
Disposal of investments	(49,830,256)	(4,817,654)	(28,830,592)	(16,647,230)
Decrease in fair value	(11,694,211)	(13,208,915)	(32,205,952)	(71,017,112)
At end of the period / year	<u>114,141,724</u>	<u>244,865,995</u>	<u>130,714,245</u>	<u>262,892,564</u>

10 Inventories

	30 September 2016 AED (unaudited)	31 December 2015 AED
Goods for resale	21,012,343	21,644,336
Goods in transit	167,378	1,249,011
	<u>21,179,721</u>	<u>22,893,347</u>
Less: allowance for slow moving inventories	(4,100,765)	(3,936,028)
	<u>17,078,956</u>	<u>18,957,319</u>

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

	30 September 2016 AED (unaudited)	31 December 2015 AED
At 1 January	3,936,028	2,965,548
Charge for the period / year	3,104,822	3,538,615
Reversal during the period / year	(2,940,085)	(2,568,135)
	<u>4,100,765</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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Trade receivables	120,170,282	99,646,621
Less: allowance for impairment of doubtful receivables	<u>(10,074,016)</u>	<u>(8,384,963)</u>
	110,096,266	91,261,658
Prepayments	4,240,192	3,741,657
Other receivables	4,105,076	8,956,274
Less: impairment loss on other receivables	<u>(1,882,271)</u>	<u>(1,882,271)</u>
	<u>116,559,263</u>	<u>102,077,318</u>

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, 59% is due from one customer (31 December 2015: 56% due from one customer).

Trade receivables that are less than one year past due are not considered impaired. As of 30 September 2016, trade receivables amounting to AED 9,901 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 is not considered impaired, as this customer is a governmental body which has no history of default, and the Company continues to collect the amounts from the customer.

The average age of these receivables is 245 days (31 December 2015: 163 days). Ageing of past due but not impaired:

	30 September 2016 AED (unaudited)	31 December 2015 AED
61 – 90 days	7,861,177	8,460,789
91 – 180 days	26,405,362	18,444,158
181 – 365 days	7,006,627	14,654,971
More than 365 days	9,901,134	26,760,435
Total	<u>51,174,300</u>	<u>68,320,353</u>

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:

	30 September 2016 AED (unaudited)	31 December 2015 AED
At beginning of the period / year	8,384,963	5,620,260
Charge for the period / year	1,689,053	4,558,515
Reversal during the period / year	-	(1,793,812)
At the end of the period / year	<u>10,074,016</u>	<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:

	30 September 2016 AED (unaudited)	31 December 2015 AED
At 1 January	1,882,271	1,882,271
At end of the period / year	<u>1,882,271</u>	<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	
	30 September 2016 AED (unaudited)	31 December 2015 AED	30 September 2016 AED (unaudited)	31 December 2015 AED
Secured – at amortised cost				
Bank overdrafts / STL / TR	266,883,204	297,669,354	-	-
Term loan # 1 (i)	1,573,000	1,573,000	4,454,113	6,027,113
Term loan # 2 (ii)	6,173,446	6,173,446	1,068,529	5,388,869
Term loan # 3 (iii)	6,000,000	6,000,000	4,500,000	9,000,000
Term loan # 4 (iv)	2,666,667	-	5,333,333	-
	<u>283,296,317</u>	<u>311,415,800</u>	<u>15,355,975</u>	<u>20,415,982</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 2018. 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.

The average interest rates during the year were as follows:

September 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

	30 September 2016 AED (unaudited)	31 December 2015 AED
Trade payables	37,367,414	28,192,841
Accruals	13,163,367	10,211,748
Other payables	18,700,074	32,205,441
	<u>69,230,855</u>	<u>70,610,030</u>

14 Revenue

	Nine month period ended 30 September 2016 AED (unaudited)	Nine month period ended 30 September 2015 AED (unaudited)
<i>Revenue from trading:</i>		
- Sales of goods	140,829,404	148,467,850
- Management fees	12,000,000	12,000,000
	<u>152,829,404</u>	<u>160,467,850</u>
<i>Revenue from investments:</i>		
- Dividend income	29,174,958	35,872,809
- Gain / (loss) on sale of investments held at FVTPL	9,208,235	(32,572)
- Net changes in fair value of investments held at FVTPL (note 9)	(11,694,211)	(22,522,766)
	<u>26,688,982</u>	<u>13,317,471</u>
<i>Revenue from investment properties:</i>		
- Operating rental income (note 15)	28,093,882	28,373,527
- Fair value loss on investment properties	(3,750,000)	(2,500,000)
- Gain on sale of investment properties	-	288,136
	<u>24,343,882</u>	<u>26,161,663</u>
	<u>203,862,268</u>	<u>199,946,984</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

15 Operating rental income - net

	Nine month period ended 30 September 2016 AED (unaudited)	Nine month period ended 30 September 2015 AED (unaudited)
Operating rental income (<i>note 14</i>)	28,093,882	28,373,527
Less: Operating rental expense	(7,888,679)	(9,596,577)
	<u>20,205,203</u>	<u>18,776,950</u>

Operating rental expense is classified as cost of sales in the statement of profit or loss.

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:

	30 September 2016 AED (unaudited)	31 December 2015 AED
Amounts due from related parties:		
Board of directors	350,212	286,864
Shareholders	176,281	92,935
	<u>526,493</u>	<u>379,799</u>
Amounts due to related parties:		
Shareholders	1,078,430	163,164
Board of directors' remuneration	-	4,000,000
	<u>1,078,430</u>	<u>4,163,164</u>

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

16 Related parties *(continued)*

Significant transactions with related parties comprised:

	Nine month period ended 30 September 2016 AED (unaudited)	Nine month period ended 30 September 2015 AED (unaudited)
Sales	922,849	328,184
Purchases and other charges	1,653,792	318,350

Key management personnel compensation

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

	Nine month period ended 30 September 2016 AED (unaudited)	Nine month period ended 30 September 2015 AED (unaudited)
Management compensation	1,963,092	2,091,553

17 Cash and cash equivalents

	30 September 2016 AED (unaudited)	31 December 2015 AED
Cash and bank balances	271,202	6,519,296

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.

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

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 Chief Financial Officer 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 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.

Information regarding these segments is presented below:

Nine months period ended 30 September 2016 (unaudited):

	Foodco Holding PJSC	SPL Logistics LLC	Sense Gourmet Foodstuff Company PJSC	Oasis National Foodstuff Company LLC	Eliminatio n AED	Consolidated AED
	AED	AED	AED	AED	AED	AED
Revenue – external	189,597,976	5,748,768	8,494,610	20,914		203,862,268
Revenue – internal	2,953,741	544,143	-	94,139	(3,592,023)	-
Profit / (loss) for the period	44,482,976	(33,769)	(4,015,504)	(3,483,949)	1,895,923	38,845,677

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

19 Segment information (continued)

For the nine month period ended 30 September 2015 (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	186,304,042	-	13,642,942	-	-	199,946,984
Revenue – internal	328,132	-	-	318,402	(646,534)	-
Profit / (loss) for the period	31,593,323	-	(2,716,460)	61,197	1,400,607	30,338,667

The segment assets and liabilities are as follows:

As at 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
Assets	851,151,656	6,422,552	14,352,888	1,872,541	(34,857,842)	838,941,795
Liabilities	379,456,952	12,527,281	9,703,301	327,245	(29,124,187)	372,890,592
Capital expenditure	2,545,758	1,270,522	581,114	62,450	-	4,459,844

Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

19 Segment information (continued)

As at 31 December 2015:

	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	879,179,107	2,407,272	21,101,934	2,201,987	(37,273,897)	867,616,403
Liabilities	417,470,098	5,028,052	12,424,814	622,932	(25,239,857)	410,306,039
Capital expenditure	737,497	2,300,063	2,421,416	-	-	5,458,976

20 Commitments and contingent liabilities

	30 September 2016 AED (unaudited)	31 December 2015 AED
Letters of credit	951,858	-
Bank guarantees	44,986,394	45,180,831

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

21 Fair value

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.