

**Foodco Holding – P.J.S.C.**

Condensed consolidated interim  
financial information

**31 March 2018**

**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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فودكو القابضة ش.م.ع.  
Foodco Holding P.J.S.C.

**Board of Directors' Report  
For the quarter ended March 31, 2018**

The Board of Directors of Foodco Holding PJSC are pleased to report the Consolidated Financial Statements for the quarter ended March 31, 2018

The Groups' revenue for the quarter ended Mar 18 was AED 111.619 million (2017: 104.691 million) while the profit of the equity owners of the parent company was AED 43.597 million (2017: 42.460 million).

The following is the summary of the Financial statements:

	<u>Amount in '000</u>			
	<u>Quarter ended</u>			
	Mar 18	Mar 17	Increase / (Decrease)	
<b><u>Profit and Loss summary</u></b>				
Revenue	111,619	104,691	6,928	6.6%
Gross Profit	56,970	58,695	(1,726)	-2.9%
Profit	43,597	42,460	1,136	2.7%
Earning per share (AED)	0.363	0.354	0.009	2.7%
	Mar 18	Dec 17	<u>Increase / (Decrease)</u>	
			Amount	%
<b><u>Financial position summary</u></b>				
Current Assets	515,738	507,357	8,381	1.7%
Non Current Assets	566,042	513,189	52,852	10.3%
Current Liabilities	397,425	437,088	(39,663)	-9.1%
Non Current Liabilities	95,074	72,262	22,812	31.6%
Total Shareholders' Equity (Parent)	589,020	510,978	78,041	15.3%
Book Value of Share (AED)	4.91	4.26	0.65	15.3%

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

On behalf of the Board of Directors

  
Ahmed Ali Khalfan AlMutawa AlDhaheri  
Chairman

15 MAY 2018





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

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

*Introduction*

We have reviewed the accompanying 31 March 2018 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 31 March 2018;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2018;
- the condensed consolidated interim statement of changes in equity for the three month period ended 31 March 2018;
- the condensed consolidated interim statement of cash flows for the three month period ended 31 March 2018; 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 31 March 2018 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*Emphasis of matter*

We also draw attention to note 8 to the condensed consolidated interim financial information, 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  
Date: 15 MAY 2018

## Foodco Holding – P.J.S.C.

### Condensed consolidated interim statement of financial position

As at 31 March 2018

	Notes	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		10,413,043	10,931,354
Investment properties under development	6	82,635,635	76,336,756
Investment properties	7	237,090,026	237,090,026
Financial assets held at fair value through other comprehensive income	8	229,953,368	182,881,498
Other receivable		5,949,510	5,949,510
		<u>566,041,582</u>	<u>513,189,144</u>
<b>Current assets</b>			
Inventories	9	19,032,165	20,931,703
Financial assets held at fair value through profit or loss	8	325,578,728	304,632,871
Trade and other receivables	10	167,953,184	178,726,639
Amounts due from related parties	15	1,099,588	415,542
Cash and bank balances	16	1,351,515	1,921,963
		<u>515,015,180</u>	<u>506,628,718</u>
<b>Assets held for sale</b>		<b>722,646</b>	<b>728,249</b>
		<u>515,737,826</u>	<u>507,356,967</u>
<b>Total assets</b>		<b>1,081,779,408</b>	<b>1,020,546,111</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		(6,152,183)	(41,272,876)
Retained earnings		395,171,983	352,251,315
		<u>589,019,800</u>	<u>510,978,439</u>
<b>Equity attributable to owners of the Company</b>		<b>589,019,800</b>	<b>510,978,439</b>
Non-controlling interest		261,087	217,686
		<u>589,280,887</u>	<u>511,196,125</u>

... continued

## Foodco Holding – P.J.S.C.

### Condensed consolidated interim statement of financial position (continued)

As at 31 March 2018

	Notes	31 March 2018 (unaudited)	31 December 2017 (audited)
<b>Liabilities</b>			
Provision for employees' end of service benefits		3,665,074	3,236,769
Loans and borrowings (non-current portion)	11	91,408,521	69,025,110
<b>Non-current liabilities</b>		<b>95,073,595</b>	<b>72,261,879</b>
Trade and other payables	12	87,193,640	73,531,781
Loans and borrowings (current portion)	11	301,291,625	346,963,182
Amounts due to related parties	15	8,939,661	16,593,144
<b>Current liabilities</b>		<b>397,424,926</b>	<b>437,088,107</b>
<b>Total liabilities</b>		<b>492,498,521</b>	<b>509,349,986</b>
<b>Total equity and liabilities</b>		<b>1,081,779,408</b>	<b>1,020,546,111</b>

Ahmed Ali Khalfan Al Dhaheri  
Chairman

Mohammed Ali Khamis Al Hossani  
Director

Mohammed Tariq Sheikh  
Chief Financial Officer

The notes from 1 to 25 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 2018 AED (unaudited)</b>	31 March 2017 AED (unaudited)
<b><i>Continuing operation</i></b>			
Income comprises:			
- revenue from trading		67,875,273	61,335,773
- rentals and decrease in fair value of investment properties	13	8,985,858	7,852,559
- dividends and changes in fair value of financial assets held at fair value through profit and loss	14	34,757,681	35,502,647
		<u>111,618,812</u>	<u>104,690,979</u>
Cost of sales		(54,649,300)	(45,995,857)
Selling, general and administrative expenses		(9,106,561)	(11,585,463)
Finance costs		(4,432,771)	(4,270,684)
Other income		180,104	93,626
<b>Profit from continuing operations</b>		<u>43,610,284</u>	42,932,601
<b><i>Discontinued operations</i></b>			
Loss from discontinued operations	18	-	(580,482)
Profit for the period		<u>43,610,284</u>	<u>42,352,119</u>
<b>Profit / (loss) attributable to:</b>			
Equity owners of the parent		43,596,784	42,460,445
Non-controlling interest		13,500	(108,326)
		<u>43,610,284</u>	<u>42,352,119</u>
<b>Basic and diluted earnings per share</b>	19	<u>0.36</u>	<u>0.35</u>

The notes from 1 to 25 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 other comprehensive income  
for the three months period ended

	<b>31 March 2018 AED (unaudited)</b>	31 March 2017 AED (unaudited)
<b>Profit for the period</b>	<b>43,610,284</b>	42,352,119
<b>Other comprehensive income:</b>		
<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	<b>34,474,478</b>	1,086,949
Other comprehensive income for the period	<b>34,474,478</b>	1,086,949
<b>Total comprehensive income for the period</b>	<b>78,084,762</b>	43,439,068
<b>Total comprehensive income / (loss) attributable to:</b>		
Equity owners of the parent	<b>78,041,361</b>	43,537,846
Non-controlling interest	<b>43,401</b>	(98,778)
	<b>78,084,762</b>	43,439,068

The notes from 1 to 25 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 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 equity AED
At 1 January 2017 (audited)	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	-	-	-	-	42,460,445	42,460,445	(108,326)	42,352,119
Other comprehensive income / (loss)	-	-	-	1,077,401	-	1,077,401	9,548	1,086,949
Total comprehensive income / (loss) for the period	-	-	-	1,077,401	42,460,445	43,537,846	(98,778)	43,439,068
<b>At 31 March 2017 (unaudited)</b>	<b>100,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>(42,901,304)</b>	<b>361,634,951</b>	<b>518,733,647</b>	<b>(2,617,412)</b>	<b>516,116,235</b>
At 1 January 2018 (audited)	100,000,000	50,000,000	50,000,000	(41,272,876)	352,251,315	510,978,439	217,686	511,196,125
Profit / (loss) for the period	-	-	-	-	43,596,784	43,596,784	13,500	43,610,284
Other comprehensive income	-	-	-	35,120,693	(676,116)	34,444,577	29,901	34,474,478
Total comprehensive income / (loss) for the period-	-	-	-	35,120,693	(676,116)	78,041,361	43,401	78,084,762
<b>At 31 March 2018 (unaudited)</b>	<b>100,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>(6,152,183)</b>	<b>395,171,983</b>	<b>589,019,800</b>	<b>261,087</b>	<b>589,280,887</b>

The notes from 1 to 25 form an integral part of this condensed consolidated interim financial information.

## Foodco Holding – P.J.S.C.

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

	<b>31 March 2018 AED (unaudited)</b>	31 March 2017 AED (unaudited)
<b>Cash flows from operating activities</b>		
Profit for the period	43,610,284	42,352,119
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	563,086	428,980
Amortisation of intangible assets	-	9,183
Finance cost	4,432,771	4,361,468
Provision for employees' end of service benefits	428,305	298,381
Net changes in fair value of financial assets held at FVTPL	(5,459,648)	4,391,101
Investment properties under development	-	(401,344)
Impairment loss on trade receivables	1,016,530	3,303,014
Provision for inventory obsolescence - net	137,525	143,756
Acquisition of financial assets	(45,200,737)	(32,358,043)
Proceeds from sale of financial assets	17,117,136	32,780,760
Gain on sale of property, plant and equipment	-	(40,124)
Provision for impairment on investment property	-	1,250,000
	<b>16,645,252</b>	<b>56,519,251</b>
<i>Changes in:</i>		
- inventories	1,762,013	2,327,858
- trade and other receivables	9,756,925	(51,474,260)
- due from related parties	(684,046)	(471,127)
- due to related parties	(7,653,483)	(718,341)
- assets held for sale	5,603	-
- trade and other payables	13,661,859	(91,891)
	<b>33,494,123</b>	<b>6,091,490</b>
Cash generated from operating activities	33,494,123	6,091,490
- employees end of service benefits paid	-	(33,252)
<b>Net cash generated from operating activities</b>	<b>33,494,123</b>	<b>6,058,238</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(44,775)	(1,366,931)
Acquisition of intangible	-	(86,033)
Proceeds from disposal of property, plant and equipment	-	527,078
Additions to investment property under development	(6,298,879)	-
<b>Net cash used in investing activities</b>	<b>(6,343,654)</b>	<b>(925,886)</b>

... continued

## Foodco Holding – P.J.S.C.

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

	<b>31 Mar 2018</b>	31 Mar 2017
	<b>AED</b>	AED
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from financing activities</b>		
Net decrease in long term loans	<b>30,383,410</b>	(4,242,167)
Finance costs paid	<b>(4,432,771)</b>	(4,232,693)
<b>Net cash generated from / (used in) financing activities</b>	<b>25,950,639</b>	(8,474,860)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>53,101,108</b>	(3,342,508)
Cash and cash equivalents at 1 January*	<b>(319,551,552)</b>	(250,762,792)
<b>Cash and cash equivalents at 31 March* (note 16)</b>	<b>(266,450,444)</b>	(254,105,300)

\* 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 from 1 to 25 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	95.6%	UAE	Catering services and restaurant business
5 P L Logistics Solutions LLC	100%	UAE	Shipment, clearance and warehousing services
Abu Dhabi National Catering LLC	100%	UAE	Catering services and wholesale of foodstuff

### 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 2017. 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.

### 3 Significant accounting policies

The accounting policies applied in these condensed consolidated interim financial information are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2017, except for the changes in significant accounting policies explained in note 4.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 3 Significant accounting policies *(continued)*

##### (a) Discontinued operations

A discontinued operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations; or
- is a part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations.

Classification as discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the presentation had been discontinued from the start of the comparative year.

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

###### IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has to perform a detailed assessment of potential impact on its consolidated financial statements. The actual impact of applying IFRS 16 on the consolidated financial statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate at 1 January 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 3 Significant accounting policies *(continued)*

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

###### *Other standards*

The following amended standards and interpretations are not expected to have a significant impact on the consolidated financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to IFRS 1 and IAS 28.
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2).
- Transfers of Investment Property (Amendments to IAS 40).
- Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28).
- IFRIC 22 Foreign Currency Transactions and Advance Considerations.
- IFRIC 23 Uncertainty over Income Tax Treatments.

The Group is currently assessing the impact from the adoption of the above new and amended standards on its financial position and performance.

#### 4 Changes in significant accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The Group has initially adopted IFRS 15 Revenue from Contracts with Customers (see a) and IFRS 9 Financial Instruments (see b) from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

##### (a) IFRS 15 Revenue from Contracts with Customers

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies (continued)

##### (a) IFRS 15 Revenue from Contracts with Customers (continued)

Type of product/ Service	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
a) Distribution of food and non-food item.	<p>Invoices and delivery notes are issued at the time of delivering the goods in the customer's locations. These are acknowledged in the form of signature / stamp or both. The invoices are posted and the revenue is recognized at that point of time.</p> <p>Returns: There are no significant abnormal returns occurring in the retail segment. The returns from defense are contractual where the aging inventory is replaced with fresh ones. Foodco logistics team present in the defense sites monitors the inventory. The Group have back to back agreement with our suppliers for 50% of the inventory. The remaining stock is transferred to retail segments to be sold in the market on cost basis. The company based on the historical and expected losses maintains a running provision to account for any failure / contingency in the rotations process.</p> <p>The above cannot be classified as returns since no loss occurs to the company when the contractual rotation is done. No new customer invoice is made or cash exchanged for the above process.</p>	IFRS 15 did not have a significant impact on the Group's accounting policies.
b) Leasing and storage facilities	The company own various buildings and warehouses which are leased to tenants on yearly contracts. Revenue is recognized over time as those services are provided.	IFRS 15 did not have a significant impact on the Group's accounting policies.

Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

Based on management assessment, the application of IFRS 15 does not have a significant impact on the consolidated financial statements.

##### (b) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies *(continued)*

##### (b) IFRS 9 Financial Instruments *(continued)*

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

##### (i) *Classification and measurement of financial assets and financial liabilities*

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.



## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies *(continued)*

##### (b) IFRS 9 Financial Instruments *(continued)*

##### (i) *Classification and measurement of financial assets and financial liabilities (continued)*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

##### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognised in profit or loss.

##### **Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

##### **Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### **Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies (continued)

##### (i) Classification and measurement of financial assets and financial liabilities (continued)

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial asset	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 AED	New carrying amount under IFRS 9 AED
Equity securities (a)	10	Available for sale	FVOCI – equity instrument	229,953,368	229,953,368
Equity securities (b)	10	Held for trading	Mandatorily at FVTPL	325,578,728	325,578,728
Trade and other receivables (c)	12	Loans and receivables	Amortized cost	166,437,664	166,437,664
Cash and cash equivalents	19	Loans and receivables	Amortized cost	1,351,515	1,351,515
<b>Total financial assets</b>				<b>723,321,275</b>	<b>723,321,275</b>

- (a) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- (b) Under IAS 39, these equity securities were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.
- (c) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

##### (ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies *(continued)*

##### (b) IFRS 9 Financial Instruments *(continued)*

##### (ii) *Impairment of financial assets (continued)*

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### **Credit impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 4 Changes in significant accounting policies *(continued)*

##### (b) IFRS 9 Financial Instruments *(continued)*

##### (ii) *Impairment of financial assets (continued)*

###### **Presentation of impairment**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The new impairment model has no material impact on the impairment allowance.

##### (iii) *Hedge accounting*

The group does not have any hedge relationship at the reporting date.

##### (iv) *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

#### 5 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 2017.

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

### 6 Investment properties under development

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
At 1 January	76,336,756	45,291,466
Cost incurred during the period / year	6,298,879	31,045,290
<b>At the end of period / year</b>	<b>82,635,635</b>	<b>76,336,756</b>

During 2017, the Group has carried an internal valuation for these properties to determine if there is any indication of impairment. The management believes that no impairment needs to be recorded.

### 7 Investment properties

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
Abu Dhabi land, commercial and residential building, UAE	76,035,000	76,035,000
Leasehold warehouses	108,441,802	108,441,802
Residential building in Abu Dhabi, UAE *	80,613,224	80,613,224
Less: provision for impairment	(28,000,000)	(28,000,000)
	<b>237,090,026</b>	<b>237,090,026</b>

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

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
As at 1 January	237,090,026	255,975,868
Additions	-	1,114,158
Disposals	-	(7,000,000)
Loss on revaluation of investment properties	-	(13,000,000)
<b>As at 31 March 2018 / 31 December 2017</b>	<b>237,090,026</b>	<b>237,090,026</b>

\* 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.

The Group has practice to engage independent appraiser for performing assessment of the fair value of investment property portfolio every three years.

The fair value measurement for revalued investment properties has been categorized as follows:

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 7 Investment properties (continued)

**Level 1:** unadjusted quoted prices in active markets for identical assets or liabilities;

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices);

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment property	Level 1	Level 2	Level 3
i) Developed	-	21,113,224	215,976,802
ii) Under-developed	-	-	82,635,635
	<u>-</u>	<u>21,113,224</u>	<u>298,612,437</u>

#### 8 Financial assets

	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
Financial assets held at fair value through other comprehensive income (FVTOCI)	229,953,368	182,881,498
Financial assets held at fair value through profit and loss (FVTPL)	325,578,728	304,632,871
	<u>555,532,096</u>	<u>487,514,369</u>

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

	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
Investment in quoted UAE equity securities	206,645,754	166,398,774
Investment in quoted non - UAE equity securities	17,762,379	10,937,489
Investment in unquoted non - UAE equity securities	2,670,983	2,670,983
Investment in unquoted UAE equity securities	2,874,252	2,874,252
	<u>229,953,368</u>	<u>182,881,498</u>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 8 Financial assets (continued)

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

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
Investment in quoted UAE equity securities	<b>311,089,674</b>	292,648,090
Investment in quoted non - UAE equity securities	<b>7,633,591</b>	5,400,293
Investment in mutual funds*	<b>6,855,463</b>	6,584,488
	<b><u>325,578,728</u></b>	<u>304,632,871</u>

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

The movement in financial assets is as follows:

	<b>At fair value through profit or loss 31 March 2018 AED (unaudited)</b>	<b>At fair value through other comprehensive income 31 March 2018 AED (unaudited)</b>	<b>At fair value through profit or loss 31 December 2017 AED (audited)</b>	<b>At fair value through other comprehensive income 31 December 2017 AED (audited)</b>
At 1 January	<b>304,632,871</b>	<b>182,881,498</b>	217,135,489	187,569,094
Purchase of financial assets	<b>31,632,330</b>	<b>13,568,407</b>	201,614,466	4,100,086
Disposal of financial assets	<b>(16,146,121)</b>	<b>(971,015)</b>	(112,097,212)	(1,081,923)
Increase / (decrease) in fair value	<b>5,459,648</b>	<b>34,474,478</b>	(2,019,872)	(1,756,249)
At end of the period / year	<b><u>325,578,728</u></b>	<b><u>229,953,368</u></b>	<u>217,135,489</u>	<u>187,569,094</u>

Investments amounting to AED 60,000 thousand are lodged with a commercial bank for securing a term loan.

## Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

### 9 Inventories

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
Goods for resale	21,833,587	21,910,435
Goods in transit	2,907,276	4,806,357
	<u>24,740,863</u>	<u>26,716,792</u>
Less: allowance for slow moving inventories	<u>(5,708,698)</u>	<u>(5,785,089)</u>
	<u><u>19,032,165</u></u>	<u><u>20,931,703</u></u>

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

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
At 1 January	5,785,089	4,533,272
Charge for the period / year	137,525	3,268,120
Reversal during the period / year	<u>(213,916)</u>	<u>(2,016,303)</u>
At end of the period / year	<u><u>5,708,698</u></u>	<u><u>5,785,089</u></u>

### 10 Trade and other receivables

	Current		Non-current	
	2018 AED (unaudited)	2017 AED (audited)	2018 AED (unaudited)	2017 AED (audited)
Trade receivables	148,012,731	185,610,004	-	-
Less: allowance for impairment of doubtful receivables	<u>(23,200,515)</u>	<u>(22,183,985)</u>	-	-
	124,812,216	163,426,019	-	-
Prepayments	1,515,520	1,978,538	-	-
Other receivables**	44,227,229	15,923,863	5,949,510	5,949,510
Less: impairment loss on other receivables	<u>(2,601,781)</u>	<u>(2,601,781)</u>	-	-
	<u><u>167,953,184</u></u>	<u><u>178,726,639</u></u>	<u><u>5,949,510</u></u>	<u><u>5,949,510</u></u>

\*\* Other receivable classified as non-current represent right to acquire land located in Gulf region, from a third party, The Group is in the process of finalising the transfer of this land.



## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 10 Trade and other receivables (continued)

Movement in the allowance for impairment of doubtful debts:

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
At beginning of the period / year	<b>22,183,985</b>	11,170,782
Charge during the period / year	<b>1,016,530</b>	13,581,514
Unutilised during period / year	-	(2,568,311)
At the end of the period / year	<b>23,200,515</b>	22,183,985

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 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
At 1 January	<b>2,601,781</b>	1,882,271
Charge for the period / year	-	719,510
At end of the period / year	<b>2,601,781</b>	2,601,781

#### 11 Loans and borrowings

	<b>Current</b>		<b>Non-current</b>	
	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
<b>Secured – at amortised cost</b>				
Bank overdrafts	<b>267,801,959</b>	321,473,515	-	-
Term loan # 1 (i)	<b>1,573,000</b>	1,573,000	<b>2,451,643</b>	3,238,415
Term loan # 2 (ii)	<b>10,000,000</b>	10,000,000	<b>32,500,000</b>	35,000,000
Term loan # 3 (iii)	<b>2,666,666</b>	2,666,667	<b>1,333,333</b>	2,222,222
Term loan # 4 (iv)	<b>11,250,000</b>	11,250,000	<b>22,500,000</b>	22,500,000
Term loan # 5 (v)	-	-	<b>10,623,545</b>	6,064,473
Term loan # 6 (vi)	<b>8,000,000</b>	-	<b>22,000,000</b>	-
	<b>301,291,625</b>	346,963,182	<b>91,408,521</b>	69,025,110

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 11 Loans and borrowings (continued)

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 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.
- (iii) Term loan # 3 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.
- (iv) Term loan # 4 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 pledge over shares for an amount of AED 100,000 thousand.
- (v) Term loan # 5 in the amount of AED 30,737 thousands was obtained in April 2017 from a local bank. Management has withdrawn an amount of AED 6,064,473 from this facility which is repayable in quarterly instalments of within a maximum period of 5 years. It is secured by a registered ledge over the under construction land and building.
- (vi) Term loan # 6 in the amount of AED 30,000 thousands was obtained in February 2018 from a local bank. The loan is repayable in semi-annual instalments of within a maximum period of 5 years. It is secured by a registered lodge over shares for an amount of AED 60,000 thousand.

The average interest rates during the year were as follows:

##### March 2018 and 2017

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

#### 12 Trade and other payables

	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
Trade payables	64,009,564	59,466,918
Accruals	1,258,062	7,187,891
Other payables	21,926,014	6,876,972
	<u>87,193,640</u>	<u>73,531,781</u>

## Foodco Holding – P.J.S.C.

Notes to the condensed consolidated interim financial information

### 13 Rentals and changes in fair value of investment properties

	<b>31 March 2018 AED (unaudited)</b>	31 March 2017 AED (unaudited)
Operating rental income	<b>8,985,858</b>	9,102,559
Net change in fair value of investment properties	-	(1,250,000)
	<b><u>8,985,858</u></b>	<b><u>7,852,559</u></b>

### 14 Dividend and changes in fair value of financial assets

	<b>31 March 2018 AED</b>	31 March 2017 AED
Dividend income	<b>29,865,763</b>	30,238,277
(Loss) / Gain on sale of financial assets	<b>(567,730)</b>	9,655,471
Net changes in fair value of financial assets held at FVTPL ( <i>note 9</i> )	<b>5,459,648</b>	(4,391,101)
	<b><u>34,757,681</u></b>	<b><u>35,502,647</u></b>

### 15 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 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
<b>Amounts due from related parties:</b>		
Board of directors	<b>894,164</b>	255,156
Shareholders	<b>205,424</b>	160,386
	<b><u>1,099,588</u></b>	<b><u>415,542</u></b>

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 15 Related parties (continued)

##### Amounts due to related parties:

Shareholders	4,389,661	12,043,144
Board of directors' remuneration	4,550,000	4,550,000
	<u>8,939,661</u>	<u>16,593,144</u>

##### Significant transactions with related parties comprised:

	31 March 2018 AED (unaudited)	31 March 2017 AED (unaudited)
Sales	<u>228,859</u>	<u>417,022</u>
Purchases and other charges	<u>5,937,804</u>	<u>32,745</u>

##### Key management personnel compensation

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

	31 March 2018 AED (unaudited)	31 March 2017 AED (unaudited)
Management compensation	<u>517,000</u>	<u>377,315</u>

#### 16 Cash and cash equivalents

	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
Cash and bank balances	1,351,515	1,921,963
Less: bank overdrafts (note 11)	(267,801,959)	(321,473,515)
	<u>(266,450,444)</u>	<u>(319,551,552)</u>

#### 17 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 2017.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 18 Discontinued operations

During 2018, the management of Sense Gourmet Food Company P.S.C. (“the Subsidiary”) decided to discontinue their restaurant operations. The Subsidiary was not previously classified as a discontinued operation. Accordingly, the comparative condensed consolidated statement of profit or loss and other comprehensive income has been restated to show discontinued operation separately from continuing operations.

##### (a) Results of discontinued operations

	<b>31 March 2018 AED (unaudited)</b>	31 March 2017 AED (unaudited)
Income	-	2,325,756
Expenses	-	(2,906,238)
Loss from discontinued operations	<u>-</u>	<u>(580,482)</u>

##### (b) Cash flows from discontinued operations

	<b>31 March 2018 AED (unaudited)</b>	31 December 2017 AED (audited)
Net cash from discontinued operations	<u>-</u>	<u>(7,992,545)</u>

#### 19 Basic and diluted earnings per share

	<b>31 March 2018 AED (unaudited)</b>	31 March 2017 AED (audited)
Weighted-average number of ordinary shares	<u>120,000,000</u>	<u>120,000,000</u>

Weighted average number of shares outstanding for the three month periods ended 31 March 2018 and 31 March 2017 have been retrospectively adjusted to include the 20% bonus shares approved in the shareholders’ Annual General Meeting (AGM) held on 24 April 2018.

## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 19 Basic and diluted earnings per share *(continued)*

For the three month period ended 31 March 2018 (unaudited):

	Continuing operations	Discontinued operation	Total
Profit for the period, attributable to the owners of the Group (AED)	<u>43,596,784</u>	<u>-</u>	<u>43,596,784</u>
Basic and diluted earnings per share	<u>0.363</u>	<u>-</u>	<u>0.363</u>

For the three month period ended 31 March 2017 (unaudited):

	Continuing operations	Discontinued operation	Total
Profit / (loss) for the period, attributable to the owners of the Group (AED)	<u>42,932,601</u>	<u>(472,156)</u>	<u>42,460,445</u>
Basic and diluted earnings per share	<u>0.358</u>	<u>(0.004)</u>	<u>0.354</u>

#### 20 Commitments and contingent liabilities

	31 March 2018 AED (unaudited)	31 December 2017 AED (audited)
Letters of credit	<u>1,170,463</u>	<u>524,670</u>
Bank guarantees	<u>51,261,694</u>	<u>72,261,768</u>

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 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.
- (v) Abu Dhabi National Foodstuff Company L.L.C. which is engaged in wholesale and distribution of food products.
- (vi) Abu Dhabi National Catering L.L.C. which is engaged in catering services and wholesale 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

#### 21 Segment information (continued)

Information regarding these segments is presented below:

For the three month period ended 31 March 2018 (unaudited):

	Foodco Holding - P.J.S.C AED	Abu Dhabi National Foodstuff Co LLC AED	Abu Dhabi National Catering LLC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Company LLC AED	Eliminations AED	Consolidated AED
Income – external	43,743,539	67,056,654	-	818,619	-	-	-	111,618,812
Income – internal	994,438	3,667	-	325,322	-	-	(1,323,427)	-
Interest expense	4,338,134	-	-	87,816	6,821	-	-	4,432,771
Depreciation and amortisation	75,947	334,900	-	144,997	7,242	-	-	563,086
Profit / (loss) for the year	37,622,314	6,783,379	-	-	(292,797)	(50,000)	(452,612)	43,610,284

For the three month period ended 31 March 2017 (unaudited):

	Foodco Holding - P.J.S.C AED	Abu Dhabi National Foodstuff Co LLC AED	Abu Dhabi National Catering LLC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Company LLC AED	Eliminations AED	Consolidated AED
Income – external	42,218,205	61,050,388	1,137,000	285,386	-	-	-	104,690,979
Income – internal	1,003,043	395	-	39,277	-	-	(1,042,715)	-
Interest expense	4,338,134	-	-	87,816	6,821	-	(162,087)	4,270,684
Depreciation and amortisation	75,947	189,850	10,944	144,997	7,242	-	-	428,980
Profit / (loss) for the year	36,548,184	7,944,070	235,122	(2,130,060)	(210,098)	(35,099)	-	42,352,119



## Foodco Holding – P.J.S.C.

### Notes to the condensed consolidated interim financial information

#### 21 Segment information (continued)

The segment assets and liabilities are as follows:

##### As at 31 March 2018 (unaudited):

	Foodco Holding PJSC AED	Abu Dhabi National Foodstuff Co LLC AED	Abu Dhabi National Catering LLC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Eliminations AED	Consolidated AED
Assets	874,136,858	212,540,095	7,412,747	3,492,313	5,846,161	1,742,993	(23,391,759)	1,081,779,408
Liabilities	410,451,319	75,524,995	6,491,298	20,780,928	132,270	594,396	(21,476,685)	492,498,521
Capital expenditure	-	44,775	-	-	-	-	-	44,775

##### 31 December 2017 (audited)

	Foodco Holding PJSC AED	Abu Dhabi National Foodstuff Co LLC AED	Abu Dhabi National Catering LLC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Foodstuff Company LLC AED	Eliminations AED	Consolidated AED
Assets	817,570,594	218,554,614	7,899,251	3,934,739	5,408,911	1,743,990	(34,565,988)	1,020,546,111
Liabilities	413,330,719	87,862,266	6,888,795	20,155,119	470,256	544,396	(19,901,565)	509,349,986
Capital expenditure	1,464,274	1,421,619	135,341	458,930	9,750	-	-	3,489,914

## 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).

#### 31 March 2018

	Level 1 AED	Level 2 AED	Total AED
<i>Financial assets at FVTPL</i>			
Quoted shares	318,723,265	-	318,723,265
Mutual funds	-	6,855,463	6,855,463
<i>Financial asset at FVTOCI</i>			
Quoted shares	224,408,133	-	224,408,133
Unquoted shares	-	5,454,235	5,545,235
<b>Total</b>	<b>543,131,398</b>	<b>12,309,698</b>	<b>555,532,096</b>

#### 31 December 2017

	Level 1 AED	Level 2 AED	Total AED
<i>Financial assets at FVTPL</i>			
Quoted shares	318,723,265	-	318,723,265
Mutual funds	-	6,855,464	6,855,464
<i>Financial asset at FVTOCI</i>			
Quoted shares	224,533,039	-	224,533,039
Unquoted shares	-	5,454,235	5,545,235
<b>Total</b>	<b>543,256,304</b>	<b>12,309,699</b>	<b>555,657,003</b>

## **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)*

The total gains and losses for the period included a loss of AED 21,628 thousands relating to assets held at the end of the reporting period. These were included within the profit or loss.

All gains and losses included in other comprehensive income relate to quoted and unquoted shares held at the end of the reporting period and are reported as changes in 'Fair value reserve'.

#### **23 Dividends**

At the Annual General Meeting held on 24 April 2018, shareholders' approved cash dividend of AED 20,000 thousands, representing 20% of the issued share capital and 20% bonus shares, representing 20% of the issued share capital shares has been proposed by the Board of Directors *(2016: cash dividend of AED 20,000 thousands, representing 20% of the issued share capital)*.

#### **24 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.

#### **25 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 15 MAY 2018.