Foodco Holding - P.J.S.C.

Consolidated financial statements

31 December 2015

Principal business address:
P.O. Box 2378
Behind Mina Centre
Meena Road
Abu Dhabi
United Arab Emirates

Foodco Holding - P.J.S.C.

Consolidated financial statements

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Foodco Holding P.J.S.C.

Board of Directors' Report
For year ended December 31, 2015

The Board of Directors of Foodco Holding PJSC are pleased to report the Consolidated Financial Statements for Year Ended December 31, 2015

The Groups' revenue for the year was AED 286.475 million (2014: 220.727 million) while the profit of the parent company was AED 55.306 million (2014: 42.505 million).

The following is the summary of the Financial statements:

Amount in AED '000

	December 2015	December 2014	Increase / (Decrease)	
			Amount	%
Profit and Loss summary				
Revenue	286,475	220,727	65,748	29.8%
Gross Profit	111,902	88,812	23,090	26.0%
Profit	55,306	42,505	12,801	30.1%
Earning per share (AED)	0.55	0.43	0.13	30.1%

	December 2015	December 2014	Increase / (Decrease)	
			Amount	%
Statement of financial position summary				
Current Assets	258,648	223,696	34,952	15.6%
Non Current Assets	608,968	655,086	(46,118)	-7.0%
Current Liabilities	386,189	338,133	48,056	14.2%
Non Current Liabilities	24,117	36,341	(12,224)	-33.6%
Total Shareholders' Equity (Group)	455,414	498,462	(43,048)	-8.6%
Book Value of Share (AED)	4.55	4.98	(0.43)	-8.6%

A cash dividend of 15% (2014: 25%) of the share capital has been proposed for approval at the Annual General Meeting.

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
Febrauary 29, 2016

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Independent auditors' report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Foodco Holding – P.J.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 2 of 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. 2 of 2015, we report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 2 of 2015;

iii) the Group has maintained proper books of accounts;

iv) the financial information included in the Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of accounts of the Group;

v) as disclosed in note 9 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2015;

vi) note 25 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2015 any of the applicable provisions of the UAE Federal Law No. 2 of 2015 or in respect of the Company its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2015.

KPMG Lower Gulf Limited
Munther Dajani
Registration No. 268

0 9 MAR 2016

Foodco Holding - P.J.S.C.

Consolidated statement of financial position
as at 31 December

	Note	2015 AED	2014 AED
Assets			
Property, plant and equipment	*5*	**10,535,149**	7,493,290
Intangible assets	*6*	**1,083,180**	1,369,562
Investment properties under development	*7*	**44,386,666**	19,688,320
Investment properties	*8*	**290,070,867**	283,484,886
Investments held at fair value through other comprehensive income	*9*	**262,892,564**	343,050,142
Non-current assets		**608,968,426**	655,086,200
Inventories	*10*	**18,957,319**	12,182,992
Investments held at fair value through profit or loss	*9*	**130,714,245**	119,676,507
Trade and other receivables	*11*	**102,077,318**	91,010,573
Amounts due from related parties	*25*	**379,799**	687,314
Cash and cash equivalents		**6,519,296**	138,482
Current assets		**258,647,977**	223,695,868
Total assets		**867,616,403**	878,782,068
Equity			
Share capital	*12*	**100,000,000**	100,000,000
Legal reserve	*13*	**50,000,000**	50,000,000
Regulatory reserve	*14*	**50,000,000**	50,000,000
Fair value reserve		**(28,865,245)**	41,587,341
Retained earnings		**284,279,686**	256,875,152
Equity attributable to owners of the Company		**455,414,441**	498,462,493
Non-controlling interests		**1,895,923**	5,845,113
Total equity		**457,310,364**	504,307,606
Liabilities			
Provision for employees' end of service benefits	*16*	**3,701,063**	3,047,828
Loans and borrowings	*17*	**20,415,982**	33,293,600
Non-current liabilities		**24,117,045**	36,341,428
Trade and other payables	*18*	**70,610,030**	46,686,566
Loans and borrowings	*17*	**311,415,800**	287,628,250
Amounts due to related parties	*25*	**4,163,164**	3,818,218
Current liabilities		**386,188,994**	338,133,034
Total liabilities		**410,306,039**	374,474,462
Total equity and liabilities		**867,616,403**	878,782,068

These consolidated financial statements were approved on 09 MAR 2016 and authorised for issue by:

Ahmed Ali Khalfan Al Dhahry	Mohamed Ali Khamis Al Hossani	Mohammed Tariq Sheikh
Chairman	*Director*	*Chief Financial Officer*

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FOODCO HOLDING P.J.S.C.

The notes from 1 to 31 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

Foodco Holding - P.J.S.C.

Consolidated statement of profit or loss
for the year ended 31 December

	Note	2015 AED	2014 AED
Revenue	*19*	**286,475,133**	220,726,591
Cost of sales		**(174,572,799)**	(131,914,730)
Fair value gain on investment properties and investment properties under development	*7,8*	**28,618,022**	-
Share of profit of an equity accounted investee		-	26,419
Net changes in fair value of investments held at fair value through profit or loss	*9*	**(32,205,952)**	(9,910,648)
Selling, general and administrative expenses	*22*	**(42,684,509)**	(26,991,937)
Finance costs		**(13,708,462)**	(11,814,594)
Profit for the year		**51,921,433**	40,121,103
Profit attributable to:			
Equity owners of the Company		**55,306,097**	42,505,150
Non-controlling interests		**(3,384,664)**	(2,384,047)
		51,921,433	40,121,103
Basic and diluted earnings per share (AED)	*24*	**0.55**	0.43

The notes from 1 to 31 form an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 1 and 2.

Foodco Holding - P.J.S.C.

Consolidated statement of comprehensive income
for the year ended 31 December

	Note	**2015 AED**	2014 AED
Profit for the year		**51,921,433**	40,121,103
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss			
Net changes in the fair value of investments held through other comprehensive income		**(71,017,112)**	56,670,796
Gain on disposal of investments at fair value through other comprehensive income		**1,098,437**	10,157,682
Board of Directors remuneration	*25*	**(4,000,000)**	(3,747,679)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		-	(28,436)
Other comprehensive (loss) / income		**(73,918,675)**	63,052,363
Total comprehensive (loss) / income		**(21,997,242)**	103,173,466
Total comprehensive (loss) / income attributable to:			
Equity owners of the Company		**(18,048,052)**	104,844,344
Non-controlling interests		**(3,949,190)**	(1,670,878)
		(21,997,242)	103,173,466

The notes from 1 to 31 form an integral part of these consolidated financial statements.

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Foodco Holding - P.J.S.C.

Consolidated statement of changes in equity
for the year ended 31 December

	Share capital AED *(note 12)*	Legal reserve AED *(note 13)*	Regulatory reserve AED *(note 14)*	Fair value reserve AED	Translation reserve AED	Retained earnings AED	Equity attributable to owners of the Company AED	Non-controlling interests AED	Total AED
Balance at 1 January 2014	100,000,000	49,471,135	47,865,669	(38,468,152)	28,436	249,721,061	408,618,149	7,515,991	416,134,140
Profit for the year	-	-	-	-	-	42,505,150	42,505,150	(2,384,047)	40,121,103
Other comprehensive income	-	-	-	80,055,493	(28,436)	(17,687,863)	62,339,194	713,169	63,052,363
Total comprehensive income for the year	-	-	-	80,055,493	(28,436)	24,817,287	104,844,344	(1,670,878)	103,173,466
Dividends	-	-	-	-	-	(15,000,000)	(15,000,000)	-	(15,000,000)
Appropriation to reserves	-	528,865	2,134,331	-	-	(2,663,196)	-	-	-
Balance at 31 December 2014	**100,000,000**	**50,000,000**	**50,000,000**	**41,587,341**	**-**	**256,875,152**	**498,462,493**	**5,845,113**	**504,307,606**
Balance at 1 January 2015	100,000,000	50,000,000	50,000,000	41,587,341	-	256,875,152	498,462,493	5,845,113	504,307,606
Profit for the year	-	-	-	-	-	55,306,097	55,306,097	(3,384,664)	51,921,433
Other comprehensive income	-	-	-	(70,452,586)	-	(2,901,563)	(73,354,149)	(564,526)	(73,918,675)
Total comprehensive income for the year	-	-	-	(70,452,586)	-	52,404,534	(18,048,052)	(3,949,190)	(21,997,242)
Dividends	-	-	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Balance at 31 December 2015	**100,000,000**	**50,000,000**	**50,000,000**	**(28,865,245)**	**-**	**284,279,686**	**455,414,441**	**1,895,923**	**457,310,364**

The notes from 1 to 31 form an integral part of these consolidated financial statements.

Foodco Holding - P.J.S.C.

Consolidated statement of cash flows

for the year ended 31 December

	Note	2015 AED	2014 AED
Cash flows from operating activities			
Profit for the year		**51,921,433**	40,121,103
Adjustments for:			
Depreciation of property, plant and equipment	5	**1,986,941**	2,070,461
Amortisation of intangible assets	6	**36,745**	47,981
Dividend income	21	**(35,872,809)**	(12,279,943)
Finance costs		**13,708,462**	11,814,594
Operating rental income (net)	20	**(29,552,410)**	(29,933,501)
Provision for employees' end of service benefits	16	**1,096,515**	821,671
Share of profit from an equity accounted investee		**-**	(26,419)
(Gain) / loss on disposal of property, plant and equipment		**(33,745)**	563,656
Gain on disposal of investment property		**(288,136)**	(3,056,000)
Net changes in fair value of investments held at FVTPL	9	**32,205,952**	9,910,648
Loss / (gain) on sale of investments		**32,572**	(14,875,506)
Impairment loss on trade receivables	11	**4,558,515**	402,299
Provision for inventory obsolescence	10	**3,538,615**	470,621
Fair value gain on investment properties and investment properties under development	7, 8	**(28,618,022)**	-
Impairment loss on property and equipment	5	**430,166**	-
Impairment loss on goodwill	6	**249,637**	-
		15,400,431	6,051,665
Changes in:			
- inventories	10	**(10,312,942)**	(2,926,493)
- trade and other receivables	11	**(16,521,956)**	(38,612,972)
- amounts due from related parties	25	**307,515**	8,539,793
- trade and other payables	18	**22,969,036**	19,139,453
- amounts due to related parties	25	**(3,655,054)**	(2,632,874)
Cash from / (used in) operating activities		**8,187,030**	(10,441,428)
Employees' end of service benefits paid	16	**(443,280)**	(706,833)
Net cash from / (used in) operating activities		**7,743,750**	(11,148,261)
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	**(5,458,976)**	(2,036,818)
Payments for investment properties under development	7	**(5,878,170)**	(464,320)
Proceeds from disposal of property, plant and equipment		**33,755**	4,439
Acquisition of investments	9	**(79,581,046)**	(257,015,454)
Proceeds from sale of investments		**46,543,687**	173,853,141
Dividends received	21	**35,872,809**	12,279,943
Dividend received from an equity accounted investee		**-**	225,000
Proceeds from sale of investment in equity accounted investee		**-**	8,182,031
Proceeds from sale of investment properties		**3,500,000**	20,256,000
Acquisition of investment properties	8	**-**	(25,688,500)
Rentals received (net)		**30,449,107**	29,933,501
Net cash from / (used in) investing activities		**25,481,166**	(40,471,037)

Foodco Holding - P.J.S.C.

Consolidated statement of cash flows *(continued)*
for the year ended 31 December

	Note	2015 AED	2014 AED
Cash flows from financing activities			
Repayment of bank borrowings	*17*	**(14,482,959)**	(14,711,600)
Increase in bank overdraft	*17*	**25,392,891**	91,965,473
Finance costs paid		**(12,754,034)**	(11,814,594)
Dividends paid	*15*	**(25,000,000)**	(15,000,000)
Net cash (used in) / from financing activities		**(26,844,102)**	50,439,279
Net increase / (decrease) in cash and cash equivalents		**6,380,814**	(1,180,019)
Cash and cash equivalents at 1 January		**138,482**	1,346,937
Net movement in translation reserve		**-**	(28,436)
Cash and cash equivalents at 31 December		**6,519,296**	138,482

The notes from 1 to 31 form an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 and 2.

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.

These consolidated financial statements include the financial position and the financial performance of the following subsidiaries:

Name of subsidiary	Percentage of ownership	Country of incorporation	Principal activity
Oasis National Foodstuff Company LLC	100%	UAE	Packing of foodstuff
Abu Dhabi National Foodstuff Co LLC	100%	UAE	Wholesale and distribution of foodstuff
Sense Gourmet Food Company PSC*	48.44%	UAE	Catering services and restaurant business
5 P L Logistics LLC**	100%	UAE	Shipment, clearance and warehousing services

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

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

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

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and comply where appropriate, with the relevant Articles of Association and the requirements of the UAE Federal Law No. 2 of 2015. UAE Federal Law No 2 of 2015 being the Commercial Companies Law ("UAE Companies Law of 2015") was issued on 1 April 2015 and has come into force on 1 July 2015. Companies are allowed to ensure compliance with the new UAE Companies Law of 2015 by 30 June 2016 as per the transitional provisions contained therein.

(b) Basis of measurement

These financial statements are prepared on the historical cost basis except for the following:

- Investments held at fair value through profit or loss are measured at fair value;
- Investments held at fair value through other comprehensive income measured at fair value; and
- Investment properties measured at fair value.

2 Basis of preparation *(continued)*

(c) Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Group's functional and reporting currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements is described in note 4.

3 Summary of significant accounting policies

The Group has consistently applied the following accounting policies which comply with IFRS, to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

(ii) Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- at fair value; or
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

3 Summary of significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv) Transactions eliminated on consolidations

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investment in associates and jointly controlled entities (equity-accounted investees)

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(c) Revenue

(i) *Sale of goods*
Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) *Rental income*
Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other properties is recognised as other income.

(iii) *Dividend income*
Dividend income from investments is recognised when the right to receive payment has been established. Dividend income is classified within investment income in these consolidated financial statements.

(iv) *Interest income*
Interest income is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable.

3 Summary of significant accounting policies *(continued)*

(c) Revenue *(continued)*

(v) Cost of sales

The cost of sales comprises of cost of goods sold, depreciation, operating rental expenses and other direct costs.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and the comparative periods are as follows:

	Years
Warehouse and office buildings	25
Equipment, furniture and fittings	10 to 20
Motor vehicles	4

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. Depreciation methods, useful lives and residual values are reassessed at every reporting date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Capital work in progress

The Group capitalises all costs relating to assets as capital work-in-progress, until the date of completion and commissioning of these assets. These costs are transferred from capital work in progress to the appropriate asset category upon completion and commissioning and depreciated over their useful economic lives from the date of such completion and commissioning.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 Summary of significant accounting policies *(continued)*

(g) Intangible assets and goodwill

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity accounted investee as a whole.

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful life for the current and comparative years is 20 years for all franchise costs.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(j) Leasing

Assets held by the Group under leases which transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3 Summary of significant accounting policies *(continued)*

(j) Leasing *(continued)*

The Group as lessee

Rental payments under operating leases are charged to profit or loss as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Employee benefits

The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Monthly pension contributions are made in respect of UAE National employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi, Finance Department, represented by the Abu Dhabi Retirement Pensions and Benefits Fund.

(m) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Translation of non-monetary items depends on whether the non-monetary items are carried at historical cost or at fair value. Non-monetary items carried at historical cost are translated using the historical exchange rate that existed at the date of the transaction. Non-monetary items that are carried at fair value are translated using the exchange rate on the date that the fair values are determined.

The resulting exchange differences are recorded in the profit or loss as foreign currency gains or losses except for those non-monetary items whose fair value change is recorded as a component of shareholders' equity.

3 Summary of significant accounting policies *(continued)*

(n) Financial assets

All financial assets are recognised and derecognised on a trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

The Group made an early adoption of IFRS 9 in 2009.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets
The Group had the following financial assets as at 31 December 2015: 'cash and cash equivalents', 'loans and receivables', 'investments held at fair value through profit or loss (FVTPL)' and 'investments held at fair value through other comprehensive income (FVTOCI.)'. The Group does not hold any held to maturity investments as at 31 December 2015.

Cash and cash equivalents
Cash and cash equivalents which include cash on hand and deposits held at call with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Investments held at FVTPL
Financial assets are classified as at fair value though profit and loss (FVTPL) where the financial asset is either held for trading or designated as at FVTPL.

Investments in equity instruments are mandatorily classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) at initial recognition as described below.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

3 Summary of significant accounting policies *(continued)*

(n) Financial assets *(continued)*

Investments held at FVTOCI
At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value revaluation reserve. Where the asset is disposed of, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IAS 18 Revenue, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss and are included in the net investment and other income line item in the profit or loss.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

(o) Impairment

(i) Non-derivative financial assets
Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

3 Summary of significant accounting policies *(continued)*

(o) Impairment *(continued)*

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows (cash generating unit, or CGU) from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3 Summary of significant accounting policies *(continued)*

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

IFRS 15 Revenue from contract with customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS-15.

IFRS 16 Leases
IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 16.

4 Critical accounting judgements and key sources of estimation uncertainty

(a) Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property plant and equipment and land held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by management.

4 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

(a) Critical judgments in applying the Group's accounting policies *(continued)*

Classification of investments
Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI, FVTPL or amortised cost. In making a judgement whether investments in securities are as at FVTOCI, FVTPL or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

Fair value of unquoted financial instruments
The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that designed them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counter party), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(b) Key sources of estimation uncertainty

Estimate of fair value of investment property
The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the management determined the amount within a range of reasonable fair value estimates by considering recent transaction prices or rentals and discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing leases and other contracts and (when possible) by external evidence such as current market rent for similar properties in the same or similar locations and conditions, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. Management has also identified any differences in the nature, location or condition of the properties, or in the contractual terms of the leases and other contracts, with adjustments made to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at market prices. Such estimation is based on certain assumptions, which are subject to uncertainty and may differ from the actual results.

Allowance for doubtful receivables
Management has estimated the recoverability of trade receivable balances and has considered the allowance required for doubtful receivables. Management has estimated the allowance for doubtful receivables on the basis of prior experience and the current economic environment.

4 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

(b) Key sources of estimation uncertainty *(continued)*

Business model
In making an assessment whether a business model's objective is to hold assets in order to collect contractual cash flows, the Group considers at which level of its business activities such assessment should be made. Generally, a business model is a matter of fact which can be evidenced by theway business is managed and the information provided to management. However, in some circumstances it may not be clear whether a particular activity involves one business model with some infrequent asset sales or whether the anticipated sales indicate that there are two different business models.

In determining whether its business model for managing financial assets is to hold assets in order to collect contractual cash flows the Group considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focuses on earning contractual profit revenues;
- the degree of frequency of any expected asset sales;
- the reason for any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

In particular, the Group exercises judgment to determine the objective of the business model for portfolios which are held for liquidity purposes.

Operating segment
In preparation of the segment information disclosure, the Group employs assumptions to arrive at the segment reporting. These assumptions are reassessed by the management on a periodic basis.

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
Cost					
1 January 2014	18,772,005	34,968,204	6,107,794	212,692	60,060,695
Additions	-	1,957,318	79,500	-	2,036,818
Disposals	-	(1,341,972)	(57,400)	-	(1,399,372)
31 December 2014	**18,772,005**	**35,583,550**	**6,129,894**	**212,692**	**60,698,141**
1 January 2015	18,772,005	35,583,550	6,129,894	212,692	60,698,141
Additions	-	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**
Accumulated depreciation and impairment losses					
1 January 2014	16,875,621	29,321,444	5,768,602	-	51,965,667
Charge for the year	166,702	1,751,848	151,911	-	2,070,461
Disposals	-	(773,907)	(57,370)	-	(831,277)
31 December 2014	**17,042,323**	**30,299,385**	**5,863,143**	-	**53,204,851**
1 January 2015	17,042,323	30,299,385	5,863,143	-	53,204,851
Charge for the year	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**
Carrying amount					
31 December 2014	1,729,682	5,284,165	266,751	212,692	7,493,290
31 December 2015	**1,554,145**	**7,184,837**	**316,731**	**1,479,436**	**10,535,149**

Included under warehouse and office buildings are warehouses constructed on a leased land in Mina Zayed port in Abu Dhabi ("AUH"). The Group and Abu Dhabi Ports Company, representing the Government of AUH, signed a lease agreement covering the land for a period of 15 years with effect from 1 January 1998. The lease agreement is renewable based on terms to be determined by the Seaport Authority. The contract has been extended for 5 more years effective 1 January 2012.

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 under equipment, furniture and fittings, is the office complex which was completed in August 2001 on the aforesaid leased land in Mina Zayed Port in Abu Dhabi. The construction was financed by a loan obtained from Abu Dhabi Commercial Properties, formerly known as the Department of Social Services and Commercial Buildings of the Government of Abu Dhabi (note 18).

6 Intangible assets

	Goodwill AED	Franchise cost AED	Total AED
Cost			
At 1 January 2014	249,637	1,675,050	1,924,687
Disposal	-	(91,863)	(91,863)
At 31 December 2014	**249,637**	**1,583,187**	**1,832,824**
At 1 January 2015	249,637	1,583,187	1,832,824
At 31 December 2015	**249,637**	**1,583,187**	**1,832,824**
Accumulated amortisation and impairment losses			
At 1 January 2014	-	507,144	507,144
Charge for the year	-	47,981	47,981
Disposal	-	(91,863)	(91,863)
At 31 December 2014	-	**463,262**	**463,262**
At 1 January 2015	-	463,262	463,262
Charge for the year	-	36,745	36,745
Impairment loss	249,637	-	249,637
Disposal	-	-	-
At 31 December 2015	**249,637**	**500,007**	**749,644**
Carrying amount			
At 31 December 2014	249,637	1,119,925	1,369,562
At 31 December 2015	-	**1,083,180**	**1,083,180**

7 Investment properties under development

	2015 AED	2014 AED
At 1 January	**19,688,320**	43,002,576
Cost incurred during the year	**5,878,170**	464,320
Gain on revaluation	**6,000,000**	-
Transfer of land from investment properties *(note 8)*	**12,820,176**	19,000,000
Transfer to investment properties *(note 8)*	-	(42,778,576)
At 31 December	**44,386,666**	19,688,320

During the year, the Group has requested an external valuation by Chesterton International LLC, an independent appraiser, who has determined the fair value of the investment properties using valuation models that utilise sales comparison method that uses market observable inputs and conforms to RICS Valuation – Professional Standards 2014. Based on this valuation, there is an increase in the fair value of these plots of land ("Plots") by AED 6,000 thousands. For details in respect of key assumptions used by an independent appraiser, refer to note 9.

8 Investment properties

	2015 AED	2014 AED
Abu Dhabi land, commercial and residential buildings, UAE	**75,680,000**	66,160,000
Leasehold warehouses	**108,390,867**	105,207,767
Land in Abu Dhabi, UAE	**7,000,000**	19,820,176
Residential building in Abu Dhabi, UAE	**109,000,000**	97,296,943
Less: Provision for impairment	**(10,000,000)**	(5,000,000)
	290,070,867	283,484,886

Fair value of investment properties:

	2015 AED	2014 AED
At 1 January	**283,484,886**	251,217,810
Additions	-	25,688,500
Disposals	**(3,211,865)**	(17,200,000)
Transfer from properties under development	-	42,778,576
Transfer of land to properties under development	**(12,820,176)**	(19,000,000)
Gain on revaluation of investment properties	**22,618,022**	-
At 31 December	**290,070,867**	283,484,886

During the year, the Group has 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, there is an increase in the fair value of these plots of land ("Plots") by AED 22,618 thousands.

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.

i. Fair value hierarchy:

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:

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).

8 Investment properties *(continued)*

i. Fair value hierarchy: *(continued)*

Investment property	Level 1	Level 2	Level 3
i) Developed	-	**69,830,000**	**161,680,000**
ii) Under-developed	-	**26,129,320**	-
	-	**95,959,320**	**161,680,000**

ii. Valuation technique and significant unobservable inputs (Level 3)

a) Valuation technique:

Discounted cash flows:

The valuation model considers present value of net cash flows to be generated from property, taking into account expected rental growth rate, occupancy rate and estimated operational costs. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

b) Significant unobservable inputs:

- Expected market rental growth rate (year-1 to year-2: 1% to 4%, year-3 onwards, weighted average: 1.3%);
- Occupancy rate (year-1: 100%, weighed average 97.7%);
- Risk adjusted discount rates (year-1 to year-10: 8% and year-11 onwards: 9%);
- Expected operational costs (year-1 to year-10: 5% - 13% and year-11 onwards: 13% - 15%); and
- Terminal value calculated beyond year-10 considering that rentals will continue till perpetuity.

c) Interrelationship between key observable inputs and fair value measurement:

The estimation value would increase / (decrease) if:

- expected market rental growth were higher / (lower);
- the occupancy rate were higher / (lower); and
- the risk adjusted discount rate were lower / (higher).

Investment properties amounting to AED 58,561 thousands and investment properties under development amounting to AED 18,257 thousands have not been revalued as these properties have recently been purchased by the Group and as per management's assessment, the cost of these properties approximate their fair value.

9 Financial assets

	2015 AED	2014 AED
Investments held at fair value through other comprehensive income (FVTOCI)	**262,892,564**	343,050,142
Investments held at fair value through profit or loss (FVTPL)	**130,714,245**	119,676,507
	393,606,809	462,726,649

The financial assets at fair value through other comprehensive income at 31 December comprise:

	2015 AED	2014 AED
Investment in quoted UAE equity securities	**237,588,412**	296,687,993
Investment in quoted non-UAE equity securities	**12,035,070**	12,789,320
Investment in unquoted non- UAE equity securities	**9,175,258**	12,821,920
Investment in unquoted UAE equity securities	**4,093,824**	20,750,909
	262,892,564	343,050,142

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

	2015 AED	2014 AED
Investment in quoted UAE equity securities	**123,240,975**	110,521,379
Investment in quoted non-UAE equity securities	**7,473,270**	9,155,128
	130,714,245	119,676,507

The movement in investments was as follows:

	At fair value through profit or loss 2015 AED	At fair value through other comprehensive income 2015 AED	At fair value through profit or loss 2014 AED	At fair value through other comprehensive income 2014 AED
At 1 January	**119,676,507**	**343,050,142**	53,888,240	257,855,439
Purchase of investments	**72,074,282**	**7,506,764**	209,943,347	47,072,107
Disposal of investments	**(28,830,592)**	**(16,647,230)**	(134,244,432)	(21,174,174)
(Decrease) / increase in fair value	**(32,205,952)**	**(71,017,112)**	(9,910,648)	59,296,770
At 31 December	**130,714,245**	**262,892,564**	119,676,507	343,050,142

10 Inventories

	2015 AED	2014 AED
Goods for resale	**21,644,336**	13,533,362
Goods in transit	**1,249,011**	1,615,178
Total inventories	**22,893,347**	15,148,540
Less: Allowance for slow moving inventories	**(3,936,028)**	(2,965,548)
	18,957,319	12,182,992

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

	2015 AED	2014 AED
At 1 January	**2,965,548**	2,494,927
Charge for the year	**3,538,615**	3,373,257
Written off during the year	**(2,568,135)**	(2,902,636)
At 31 December	**3,936,028**	2,965,548

11 Trade and other receivables

	2015 AED	2014 AED
Trade receivables	**99,646,621**	87,891,657
Less: allowance for impairment of doubtful receivables	**(8,384,963)**	(5,620,260)
Net trade receivables	**91,261,658**	82,271,397
Prepayments	**3,741,657**	3,726,148
Other receivables	**8,956,274**	6,895,299
Less: allowance for impairment of doubtful receivables	**(1,882,271)**	(1,882,271)
	102,077,318	91,010,573

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 year, 56% is due from one customer *(2014: 67% due from one customers)*.

Trade receivables that are less than one year past due are not considered impaired. As of 31 December 2015, trade receivables amounting to AED 21,323 thousands *(2014: AED 19,000 thousands)* were past due but not impaired. A balance from a particular customer is past due for more than one year but still not considered impaired, as this customers is a governmental body which has no history of default.

11 Trade and other receivables *(continued)*

The average age of these receivables is 163 days *(2014: 199 days).* Ageing of past due but not impaired:

	2015 AED	2014 AED
61 – 90 days	**8,460,789**	5,971,830
91 – 180 days	**18,444,158**	6,929,113
181 – 365 days	**14,654,971**	11,947,634
More than 365 days	**26,760,435**	19,062,172
Total	**68,320,353**	43,910,749

Movement in the allowance for doubtful trade receivables:

	2015 AED	2014 AED
At 1 January	**5,620,260**	11,693,018
Impairment loss recognised	**4,558,515**	-
Reversal of impairment loss recognised	**(1,793,812)**	(6,072,758)
At 31 December	**8,384,963**	5,620,260

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 there is no further credit provision required in excess of the allowance for doubtful debts.

Movement in the allowance for doubtful other receivables:

	2015 AED	2014 AED
At 1 January	**1,882,271**	1,650,000
Additional impairment loss recognised on other receivables	-	232,271
At 31 December	**1,882,271**	1,882,271

12 Share capital

	2015 AED	2014 AED
Authorised, allotted, issued and fully paid:		
100 million shares of AED 1 each	**100,000,000**	100,000,000

The Group has not purchased any shares during the year ended 31 December 2015 *(31 December 2014: Nil).*

13 Legal reserve

In accordance with the Articles of Association of the Company, as amended, and in line with the with Article 103 of the UAE Federal Law No.2 of 2015, the Company is required to transfer annually to a legal reserve account an amount equal to 10% of its net profit, until such reserve reaches 50% of the issued and fully paid-up share capital of the Company. This reserve is not available for distribution.

14 Regulatory reserve

In accordance with Clause 48 of the Company's Articles of Association, the regulatory reserve account is created by appropriation from the net profit at a rate to be approved by the General Assembly based on proposal of the Board of Directors.

15 Dividends

A cash dividend of AED 15,000 thousand has been proposed by the Board of Directors, representing 15% of the issued share capital *(2014: AED 25,000 thousands , representing 25% of the issued share capital).*

16 Provision for employees' end of service benefits

	2015 AED	2014 AED
At 1 January	**3,047,828**	2,932,990
Charge for the year	**1,096,515**	821,671
Payments during the year	**(443,280)**	(706,833)
At 31 December	**3,701,063**	3,047,828

17 Loans and borrowings

	Current 2015 AED	2014 AED	**Non-current 2015 AED**	2014 AED
Secured – at amortised cost				
Bank overdrafts	**297,669,354**	272,275,444	-	-
Term loan # 1 (i)	**1,573,000**	1,573,000	**6,027,113**	7,360,310
Term loan # 2 (ii)	-	1,606,360	-	-
Term loan # 3 (iii)	**6,173,446**	6,173,446	**5,388,869**	10,933,290
Term loan # 4 (iv)	**6,000,000**	6,000,000	**9,000,000**	15,000,000
	311,415,800	287,628,250	**20,415,982**	33,293,600

The bank overdrafts are repayable on demand.

17 Loans and borrowings *(continued)*

(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. The loan was obtained to finance the operations of the Group, and is secured by a charge over the commercial and residential building. The loan is repayable in annual instalments of AED 1,573 thousands each starting from 1 January 1999 and ending on 1 February 2021 through Abu Dhabi Commercial Properties (ADCP), which now manages the DSSCB's property loans.

(ii) Term loan # 2 amounting to AED 9,635 thousands was converted from overdraft in November 2010 from a local bank. The loan was repayable in monthly instalments of AED 160,583 each, ending on 30 October 2015. This loan has been fully paid during the current year.

(iii) Term loan # 3 amounting to 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.

(iv) Term loan # 4 amounting to AED 30,000 thousands was obtained in August 2013 from a local bank. The loan is repayable in quarterly instalments of AED 1,500 thousands each starting from 26 August 2013 and ending 30 June 2018. It is secured by a first degree mortgage over the commercial and residential buildings.

The average interest rates during the year were as follows:

	2015 and 2014
Bank overdrafts	1 month EIBOR + [1.5% - 3%]
Term loans	3 month EIBOR + [2.25% - 4.5%]
Term loans – DSSCB (through ADCP)	3% fixed rate per annum

18 Trade and other payables

	2015 AED	2014 AED
Trade payables	**28,192,841**	16,589,197
Accruals	**10,211,748**	6,306,725
Other payables	**32,205,441**	23,790,644
	70,610,030	46,686,566

19 Revenue

	2015 AED	2014 AED
Sale of goods	**193,844,618**	134,534,248
Management fees	**16,000,000**	16,901,357
Operating rental income *(note 20)*	**40,424,239**	39,052,235
Investment income (*note 21*)	**36,206,276**	30,238,751
	286,475,133	220,726,591

20 Operating rental income - net

	2015	2014
	AED	AED
Operating rental income *(note 19)*	**40,424,239**	39,052,235
Less: Operating rental expenses *(note 23)*	**(10,871,829)**	(9,118,734)
	29,552,410	29,933,501

21 Investment income

	2015	2014
	AED	AED
Dividend income	**35,872,809**	12,279,943
Gain on sale of investment properties	**288,136**	3,056,000
(Loss) / gain on sale of investments held at FVTPL	**(32,572)**	14,875,506
Other income	**77,903**	27,302
	36,206,276	30,238,751

22 Selling, general and administrative expenses

	2015	2014
	AED	AED
Selling and distribution expenses	**33,688,530**	23,092,528
General and administrative expenses	**3,757,661**	3,497,110
Impairment loss on trade receivables	**4,558,515**	402,299
Impairment loss on property and equipment	**430,166**	-
Impairment loss on goodwill	**249,637**	-
	42,684,509	26,991,937

23 Profit for the year

Profit for the year is arrived at after charging the following:

	2015	2014
	AED	AED
Staff costs	**19,760,357**	15,711,829
Depreciation of property, plant and equipment	**1,986,941**	2,070,461
Amortisation of intangible assets	**36,745**	47,981
Operating rental expenses *(note 20)*	**10,871,829**	9,118,734

24 Basic and diluted earnings per share

The following reflects the profit and share data used in the earnings per share computations:

	2015	2014
Profit attributable to owners of the Company (AED)	**55,306,097**	42,505,150
Weighted average number of shares on issue	**100,000,000**	100,000,000
Earnings per share (AED)	**0.55**	0.43

The Group does not have potentially dilutive shares and accordingly, diluted earnings per share equals to basic earnings per share.

25 Related parties

In the ordinary course of business the Group enters into transactions at agreed terms and conditions 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 the Group entities, its executive officers and business entities over which they can exercise significant influence or which can exercise significant influence over the Group.

The volume of related party transactions, outstanding balances and related expenses and income for the year are as follows:

Key management personnel compensation

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

	2015 AED	2014 AED
Directors' remuneration	**4,000,000**	3,747,679
Management compensation	**2,952,926**	2,654,651

Directors' remuneration

In accordance with Clauses 29 and 48 of the Articles of Association of the Company, as amended, the annual remuneration of the Board of Directors should be determined by the General Assembly at a rate not to exceed 10% of the net profit of the Company for the year. The Directors' remuneration in the amount of AED 4,000,000 *(2014: AED 3,747,679)* is proposed by Board of Directors, subject to the approval of the General Assembly.

25 Related parties *(continued)*

In accordance with the interpretation of Article 169 of the UAE Federal Law No. 2 of 2015 by the Ministry of Economy and Commerce, Board of Directors remuneration has been treated as an appropriation of retained earnings.

Transactions and balances with related parties
The Group maintains balances with these related parties which arise from commercial transactions as follows:

	2015	2014
	AED	AED
Amounts due from related parties:		
Entities under significant influence	-	17,950
Shareholders	**92,935**	535,242
Board of Directors	**286,864**	134,122
	379,799	687,314
Amounts due to related parties:		
Entities under significant influence	-	44,843
Shareholders	**163,164**	25,696
Board of Directors	**4,000,000**	3,747,679
	4,163,164	3,818,218

Significant transactions with related parties during the year comprise:

	2015	2014
	AED	AED
Sales	**420,339**	9,859,696
Purchases and other charges	**1,338,933**	13,394,283
Rental income from a major shareholder*	-	15,456,229

*During 2014, a major shareholder, Abu Dhabi Cooperative Society sold its shares to Al Wathba Insurance Co. Although there is no major change on the Sales and Rental revenue, the related party transactions does not comprise these revenue.

26 Financial instruments

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital, reserves and retained earnings.

Gearing ratio

The Group's management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

26 Financial instruments

(a) Capital risk management *(continued)*

The gearing ratio as at 31 December was as follows:

	2015 AED	2014 AED
Net debt (i)	**325,312,486**	320,783,368
Equity (ii)	**455,414,441**	498,462,493
Debt to equity ratio	**0.71:1**	0.64: 1

(i) Net debt is defined as long and short term borrowings as detailed in note 18, reduced by cash and bank balances.

(ii) Equity includes all capital and reserves of the Group attributable to owners.

(b) Financial risk management objectives

The Group is exposed to the following risks related to financial instruments- credit risk, liquidity risk, currency risk, interest rate risk, price risk and fair value interest rate risk. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative or risk management purposes.

(c) Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates (as illustrated in note 26 (e).

(d) Foreign currency risk management

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets the reporting date are as follows:

	USD	EGP	BHD	EUR	OMR	KWD	SYP	Total
At 31 December 2015 (in thousands)								
Financial assets	**4,805**	**1,213**	**9,259**	**6,708**	**1,441**	**-**	**5,965**	**29,391**
At 31 December 2014 (in thousands)								
Financial assets	6,421	1,115	11,987	8,756	1,275	-	6,824	36,379

26 Financial instruments *(continued)*

(d) Foreign currency risk management *(continued)*

The sensitivity analysis below has been determined based on the exposure to foreign currency risks at the reporting date. If exchange rates had been 10% higher / lower: The Group's equity reserves would increase / decrease by AED 2,672 thousands *(2014: increase / decrease by AED 3,307 thousands)* as a result of the change in exchange rates underlying foreign currencies.

(e) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates risk on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used to represent management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's Profit for the year ended 31 December 2015 would decrease / increase by AED 1,200 thousands *(2014: decrease / increase by AED 1,143 thousands)*. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(f) Other price risks

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 10% higher / lower: The Group's equity reserves would increase / decrease by AED 39,733 thousands *(2014: increase / decrease by AED 46,800 thousands)* as a result of the Group's portfolio classified as both FVTPL and FVOCI.

26 Financial instruments *(continued)*

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of trade and other receivables and cash and cash equivalents represents the Group's maximum exposure to credit risk.

(h) Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Effective interest rate %	Less than 1 year AED '000	1 - 3 years AED '000	3 - 5 years AED '000	More than 5 years AED '000	Total AED '000
2015						
Interest bearing	**1.5-4.5**	**319,906**	**28,213**	**1,403**	**-**	**349,522**
Non-interest bearing		**74,773**	**-**	**-**	**-**	**74,773**
		394,679	**28,213**	**1,403**	**-**	**424,295**
2014						
Interest bearing	1.5-3.0	287,628	27,359	5,934	-	320,921
Non-interest bearing		50,505	-	-	-	50,505
		338,133	27,359	5,934	-	371,426

26 Financial instruments *(continued)*

The Group has access to financing facilities, the total unused amount is AED 135,893 thousand (*2014: AED 249,000 thousand*) at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(i) Fair value of financial assets and liabilities

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

		2015
	Carrying value AED	**Fair value AED**
Financial assets		
Cash and cash equivalents	**6,519,296**	**6,519,296**
Trade and other receivables	**98,335,661**	**98,335,661**
Amounts due from related parties	**379,799**	**379,799**
Investments at fair value through profit or loss	**130,714,245**	**130,714,245**
Investments at fair value through other comprehensive income	**262,892,564**	**262,892,564**
	498,841,565	**498,841,565**
Financial liabilities		
Trade and other payables	**70,610,030**	**70,610,030**
Amounts due to related parties	**4,163,164**	**4,163,164**
Bank borrowings	**331,831,782**	**331,831,782**
	406,604,976	**406,604,976**

		2014
	Carrying value AED	Fair value AED
Financial assets		
Cash and cash equivalents	138,482	138,482
Trade and other receivables	87,284,425	87,284,425
Amounts due from related parties	687,314	687,314
Investments at fair value through profit or loss	119,676,507	119,676,507
Investments at fair value through other comprehensive income	343,050,142	343,050,142
	550,836,870	550,836,870
Financial liabilities		
Trade and other payables	46,686,566	46,686,566
Amounts due to related parties	3,818,218	3,818,218
Bank borrowings	320,921,850	320,921,850
	371,426,634	371,426,634

26 Financial instruments *(continued)*

(i) Fair value of financial assets and liabilities *(continued)*

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 December 2015

	Level 1 AED	**Level 2 AED**	**Total AED**
Investments at FVTPL			
Quoted shares	**130,714,245**	**-**	**130,714,245**
Investments at FVTOCI			
Quoted shares	**250,137,160**	**-**	**250,137,160**
Unquoted shares	**-**	**12,755,404**	**12,755,404**
Total	**380,851,405**	**12,755,404**	**393,606,809**

31 December 2014

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

The total gains or losses for the year included a loss of AED 32,206 thousands relating to assets held at the end of the reporting period *(2014: loss of AED 9,911 thousands)*. These were included within the profit or loss.

All gain 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 of 'Fair value reserve'.

27 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 senior management 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 Holding P.J.S.C. which is engaged in the import and distribution of foodstuffs and household items;

(ii) 5PL Logistics LLC which is engaged in the marine, air and land shipment services along with management and operation of store and warehouses;

(iii) Sense Gourmet Food Company P.S.C. which is engaged in the provision of catering services and Figaro's Pizza Restaurant Business; and

(iv) Oasis National Foodstuff Company L.L.C. which is engaged in packing and repacking of food products.

Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

Information regarding these segments is presented below:

31 December 2015

	FOODCO Holding PJSC AED	5PL Logistics LLC AED	Sense Gourmet Foodstuff Company PJSC AED	Oasis National Company LLC AED	Eliminations AED	Consolidated AED
Revenue – external	268,682,935	79,172	17,713,026	-	-	286,475,133
Revenue – internal	2,320,340	931,944	121,878	406,989	(3,781,151)	-
Interest expense	13,558,264	-	272,076	-	(121,878)	13,708,462
Depreciation and amortisation	663,553	-	1,315,990	7,398	-	1,986,941
Impairment loss	-	-	679,803	-	-	679,803
Profit / (loss) for the year	61,600,665	(2,620,780)	(6,564,515)	(372,059)	(121,878)	51,921,433

27 Segment information *(continued)*

31 December 2014

	FOODCO Holding PJSC	Sense Gourmet Food Company PJSC	Oasis National Foodstuff Company LLC	Eliminations	Consolidated
	AED	AED	AED	AED	AED
Revenue – external	135,280,149	16,155,458	-	-	151,435,607
Revenue – internal	101,522	-	386,144	(487,666)	-
Interest expense	11,854,348	51,277	-	(91,031)	11,814,594
Depreciation and amortisation	597,231	1,460,560	12,670	-	2,070,461
Share of profit of equity accounted investees	26,419	-	-	-	26,419
Profit / (loss) for the year	44,691,290	376,169	53,644	(5,000,000)	40,121,103

The segment assets and liabilities are as follows:

31 December 2015

	FOODCO Holding PJSC	**5PL Logistics LLC**	**Sense Gourmet Food Company PJSC**	**Oasis National Foodstuff Company LLC**	**Eliminations**	**Group**
	AED	**AED**	**AED**	**AED**	**AED**	**AED**
Assets	**879,179,107**	**2,407,272**	**21,101,934**	**407,004**	**(35,478,914)**	**867,616,403**
Liabilities	**417,470,098**	**5,028,052**	**12,424,814**	**(1,172,051)**	**(23,444,874)**	**410,306,039**
Capital expenditure	**737,497**	**2,300,063**	**2,421,416**	**-**	**-**	**5,458,976**

27 Segment information *(continued)*

31 December 2014

	FOODCO Holding PJSC AED	Sense Gourmet Food Company PJSC AED	Oasis National Foodstuff Company LLC AED	Eliminations AED	Group AED
Assets	883,816,942	22,480,453	1,951,116	(29,466,503)	878,782,008
Liabilities	383,168,309	6,113,926	-	(14,807,773)	374,474,462
Capital expenditure	397,252	1,637,766	1,800	-	2,036,818

Geographic information:

The segments of the Group are managed and operated locally, therefore, no geographical information is presented in these financial statements.

All non-current assets of the Group as at 31 December 2015 are located in United Arab Emirates.

100 percent of the gross sales of the Group are made to customers located in United Arab Emirates.

Major Customer:

Revenues from two customers of the Group's FOODCO Holding PJSC segment represented approximately AED 122,929 thousands of the Group's total revenues.

28 Contingencies and commitements

	2015 AED	2014 AED
Letters of credit	-	300,928
Bank guarantees	**45,180,831**	45,960,153

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

The Group has capital commitments as at 31 December 2015 of AED 622 thousands *(2014: AED Nil)*

29 Group entities

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

Sense Gourmet Food Company P.S.C.

NCI percentage	**51.56%**
	2015
	AED
Investments held at fair value through other comprehensive income	4,000,143
Trade and other receivables	5,896,649
Property, plant and equipment	5,142,869
Trade and other payables	3,472,877
Net assets	**8,677,118**
Carrying amount of NCI	4,473,922
Revenue	17,277,552
Loss for the period	(6,564,518)
Total comprehensive loss	(7,659,410)
Loss allocated to NCI	(3,949,192)
Net cash generated from operating activities	1,703,957
Net cash used in investing activities	(656,322)
Net cash used in financing activities before dividend to NCI	(97,914)
Net increase in cash and cash equivalent	**949,721**

Sense Gourmet Food Company P.S.C. has its principal place of business in United Arab Emirates.

30 Comparative figures

Comparative figures have been re-classified, wherever necessary, for the purpose of comparison. Significant reclassification for correct presentation includes:

i. transfer of balance amounting to AED 5,000 thousand from investment properties under development to investment properties; and
ii. On 26 April 2015, the Group has revised its articles of association to include trading in investments and leasing of investment properties as its principal activities. Accordingly, certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these consolidated financial statements.

		As previously reported	**As reclassified**	**Net effect**
			2014	
	Note	**AED**	**AED**	**AED**
Revenue	*7*	**151,435,607**	**220,726,591**	**(69,290,984)**
Operating rental income	*20*	**39,052,235**	**-**	**39,052,235**
Investment income	*21*	**30,238,751**	**-**	**30,238,751**

31 Subsequent events

Subsequent to the reporting date, cash dividend of AED 15,000 thousands has been proposed by the Board of Directors, representing 15% of the issued share capital *(2014: AED 25,000 thousands, representing 25% of the issued share capital)*.