

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim Condensed Financial Information for**  
**The Three Months Ended March 31, 2019**  
**(Unaudited)**  
**With**  
**Independent auditors' review report**

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim Condensed Financial Information for**  
**The Three Months Ended March 31, 2019**  
**(Unaudited)**  
**With**  
**Independent auditors' review report**

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**The Board of Directors  
Al Eid Food Company  
K.S.C. (Public)  
Kuwait**

**Independent auditors' review report on the interim condensed financial information**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of Al Eid Food Company K.S.C. (Public) as of March 31, 2019 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. Management of the company is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed 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 Auditors of the Entity".

A review of interim condensed 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 interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

**Report on other legal and regulatory matters**

Furthermore, based on our review, the interim condensed financial information is in agreement with the accounting books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law no. 1 of year 2016 and its executive regulations, as amended, or the Company's memorandum and articles of association, as amended, have occurred during the three month period ended March 31, 2019 that might have had a material effect on the business of the Company or on its interim condensed financial position.



**Abdulhussain M. Al-Rasheed**  
License No. 67 – (A)  
Rödl Middle East – Burgan  
International Accountants



**Adel Al-Sanea**  
Auditors Registry No. 86 Category (A)  
Kuwaiti Accounting Auditing  
A member of H.L.B International

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of financial position as of March 31, 2019**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar"*

	Note	March 31, 2019	December 31, 2018 (audited)	March 31, 2018
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		475,643	261,723	464,235
Accounts receivable and other debit balances	3	12,350,522	12,082,218	11,726,440
Inventory	4	9,544,187	9,553,193	8,895,563
		<u>22,370,352</u>	<u>21,897,134</u>	<u>21,086,238</u>
<b>Non-current assets</b>				
Intangible assets		76,501	78,626	1
Property and equipment	6	545,290	578,782	285,852
		<u>621,791</u>	<u>657,408</u>	<u>285,853</u>
<b>Total assets</b>		<u>22,992,143</u>	<u>22,554,542</u>	<u>21,372,091</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Murabahat payables		4,716,711	4,610,172	4,419,258
Accounts payable and other credit balances	7	375,239	362,848	313,753
		<u>5,091,950</u>	<u>4,973,020</u>	<u>4,733,011</u>
<b>Non-current liabilities</b>				
Murabahat payables		928,625	902,461	1,117,029
Provision for end of service indemnity		273,009	265,859	244,959
		<u>1,201,634</u>	<u>1,168,320</u>	<u>1,361,988</u>
<b>Equity</b>				
Share capital	8	10,045,588	10,045,588	10,045,588
Statutory reserve		1,523,800	1,523,800	1,374,991
Voluntary reserve		594,016	594,016	445,207
Retained earnings		4,535,155	4,249,798	3,411,306
		<u>16,698,559</u>	<u>16,413,202</u>	<u>15,277,092</u>
<b>Total liabilities and equity</b>		<u>22,992,143</u>	<u>22,554,542</u>	<u>21,372,091</u>



**Fahed Saud Al Mutairy**  
**Chairman**

**Abdullah Saud Al Mutairy**  
**Vice Chairman and Chief**  
**executive officer**

The accompanying notes form an integral part of this interim condensed financial information.

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of profit or loss and other comprehensive income for the three months ended March 31, 2019**

**(Unaudited)**

*"All amounts are in Kuwaiti Dinar"*

	Note	The three months ended	
		March 31	
		2019	2018
<b>Revenue</b>			
Sales		3,954,218	3,735,218
Cost of sales	9	(3,327,870)	(3,148,789)
Gross profit of sales		626,348	586,429
Other income		42,109	48,318
Total revenue		668,457	634,747
<b>Expenses and other charges</b>			
General and administrative expenses		159,106	144,184
Finance expenses		159,381	157,562
Depreciation and amortization		35,617	18,550
Provisions		15,600	17,173
Total expenses and other charges		369,704	337,469
<b>Net profit for the period before KFAS, Zakat and National Labour Support Tax</b>		298,753	297,278
Contribution to Kuwait Foundation for the Advancement of Science		(2,689)	(2,676)
Zakat		(3,059)	(2,763)
National Labour Support Tax		(7,648)	(6,909)
<b>Net profit for the period</b>		285,357	284,930
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		285,357	284,930
<b>Earning per share/(Fils)</b>	10	2.84	2.84

The accompanying notes form an integral part of this interim condensed financial information.

Exhibit - C

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of changes in equity for the three months ended March 31, 2019**

**(Unaudited)**

*"All amounts are in Kuwaiti Dinar"*

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at January 1, 2018	10,045,588	1,374,991	445,207	3,156,976	15,022,762
Transition adjustment on adoption of IFRS 9	-	-	-	(30,600)	(30,600)
Balance at January 1, 2018 (adjusted)	10,045,588	1,374,991	445,207	3,126,376	14,992,162
Net profit for the period	-	-	-	284,930	284,930
<b>Balance at March 31, 2018</b>	<u>10,045,588</u>	<u>1,374,991</u>	<u>445,207</u>	<u>3,411,306</u>	<u>15,277,092</u>
Balance at January 1, 2019	10,045,588	1,523,800	594,016	4,249,798	16,413,202
Net profit for the period	-	-	-	285,357	285,357
<b>Balance at March 31, 2019</b>	<u>10,045,588</u>	<u>1,523,800</u>	<u>594,016</u>	<u>4,535,155</u>	<u>16,698,559</u>

The accompanying notes form an integral part of this interim condensed financial information.

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of cash flows for the three months ended March 31, 2019**  
**(Unaudited)**  
*"All amounts are in Kuwaiti Dinar"*

	<b>The three months ended</b>	
	<b>March 31</b>	
	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	<b>285,357</b>	284,930
<b>Adjustments:</b>		
Depreciation and amortization	<b>35,617</b>	18,550
Provision for end of service indemnity	<b>7,150</b>	6,215
Provision for doubtful debts	-	3,450
Finance expenses	<b>159,381</b>	157,562
Adjusted profit before calculating the effect of changes in working capital items	<b>487,505</b>	470,707
Accounts receivable and other debit balances	<b>(268,304)</b>	7,041
Inventory	<b>9,006</b>	48,899
Accounts payable and other credit balances	<b>12,391</b>	19,856
Net cash generated from operating activities	<b>240,598</b>	546,503
<b>Cash flows from financing activities</b>		
Murabahat payables	<b>132,703</b>	(325,191)
Finance expenses paid	<b>(159,381)</b>	(157,562)
Net cash used in financing activities	<b>(26,678)</b>	(482,753)
Net increase in cash and cash equivalents	<b>213,920</b>	63,750
Cash and cash equivalents at beginning of the period	<b>261,723</b>	400,485
<b>Cash and cash equivalents at end of the period</b>	<b>475,643</b>	464,235

The accompanying notes form an integral part of this interim condensed financial information.

## **Al Eid Food Company**

**K.S.C. (Public)**

**Kuwait**

**Notes to the interim condensed financial information for the three months ended March 31, 2019**

**(Unaudited)**

*"All amounts are in Kuwaiti Dinar unless stated otherwise"*

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### **1- Company's formation and activities**

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutairy and Partners) was incorporated as W.L.L Company in accordance with the Articles of Association dated on March 4, 1994 and subsequent amendments.

The legal entity of the company has been transferred from (limited liability company) to a kuwaiti shareholding company (Public) under the name of Al Eid Food Company as per the Articles of Association dated on June 2, 2004 through transferring all assets and liabilities to the new company based on evaluation made by an independent expert.

The objectives, for which the company was incorporated, are as follows:

- Managing and operating all works related to nutrition supplies in restaurants, hospitals, schools, universities, companies, factories and military camps, parks, commercial and residential complexes, clubs, institutes, entertainment cities, guest houses, residential houses, theaters, cinemas, recreational, sports and tourism projects and shops in various grades and levels including all indigenous and assistance services and facilities thereto and other necessary services, whether directly or to the favor of others.
- Making food and beverages, foodstuffs and other consumables (after the approval of the General Authority of Industry), importing, selling, packaging, storage and distributing in the manner that the company deems appropriate, in wholesale or retail.
- Opening and managing restaurants, including fast-food restaurants.
- Purchasing and importing devices, supplies and equipment necessary for the implementation of the objectives of the company.
- Representing companies and participating in similar tenders that are similar to these purposes.
- Owning movables and real estate that are necessary to conduct its activities to acceptable limits in accordance with the law.
- Utilizing the financial surpluses that are available to the company through investing them in financial portfolios managed by specialized companies and authorities.

The company may conduct the previous mentioned business objectives inside and outside the State of Kuwait by itself or as an agent.

The company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The postal address of the company is: Ardiya – P.O. Box 41081, Post Code 85851 Kuwait.

The interim condensed financial information for the three months ended March 31, 2019 was authorized for issue by the Board of Directors on May 14, 2019.



**Al Eid Food Company**

K.S.C. (Public)

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**Notes to the interim condensed financial information for the three months ended March 31, 2019****(Unaudited)***"All amounts are in Kuwaiti Dinar unless stated otherwise"*

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**2- Significant accounting policies****2/1) Basis of preparation**

The accompanying interim condensed financial statements are prepared in accordance with IAS 34-"Interim Financial Reporting". These interim condensed financial statements should be read in conjunction with the financial statements of the Company for the year ended December 31, 2018.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for three-month period ended March 31, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

The preparation of the interim condensed financial statements 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.

The significant judgments made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2018.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of newly effective and amended standards as set out below.

**Newly effective standard and amendments and improvements to standards**

The new International Financial Reporting Standard ("IFRS" or "standard") No. 16 and several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following new standard, interpretation and amendments to standards have been applied by the Company in preparation of these interim condensed financial statements. The amendments to the below standards did not have any material impact to the Company, but they may result in additional disclosures at the year end:

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures

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**(Unaudited)**

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- Annual Improvements 2015-2017 Cycle (issued in December 2017)
  - Amendments to IFRS 3 Business Combinations
  - Amendments to IFRS 11 Joint Arrangements
  - Amendments to IAS 12 Income Taxes
  - Amendments to IAS 23 Borrowing Costs

The adoption of the above did not result in any changes to previously reported net profit or equity of the Company.

**New and amended standards not yet effective, but available for early adoption**

The below new and amended IFRS that are available for early adoption for financial year ending December 31, 2019 are not effective until a later period, and they have not been applied in preparing these financial statements.

Adoption not expected to impact the Company's financial statements:

<u>Effective date</u>	<u>Description</u>
January 1, 2020	<ul style="list-style-type: none"> <li>• Amendments to IFRS 3</li> <li>• Amendments to References to the Conceptual Framework in IFRS Standards</li> <li>• Amendments to IAS 1 and IAS 8 on 'Definition of Material'</li> </ul>
January 1, 2022	<ul style="list-style-type: none"> <li>• IFRS 17 Insurance Contracts</li> </ul>
Effective date to be determined	<ul style="list-style-type: none"> <li>• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</li> </ul>

**2/2) Critical judgments and estimates**

The preparation of interim condensed 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 expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgments made by management in applying "the Company's" accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements as at and for the year ended December 31, 2018.

**Al Eid Food Company**  
**K.S.C. (Public)**  
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**Notes to the interim condensed financial information for the three months ended March 31, 2019**

**(Unaudited)**

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**3- Accounts receivable and other debit balances**

	<b>March</b>	December	March
	<b>31, 2019</b>	31, 2018	31, 2018
		(audited)	
Trade receivables	<u>9,867,550</u>	9,639,227	9,304,787
Provision for doubtful debts	<u>(450,820)</u>	(450,820)	(436,370)
	<u>9,416,730</u>	9,188,407	8,868,417
Cheques under collection	<u>2,874,703</u>	2,834,722	2,844,215
Refundable deposits	<u>59,089</u>	59,089	13,808
	<u><u>12,350,522</u></u>	<u>12,082,218</u>	<u>11,726,440</u>

**4- Inventory**

	<b>March</b>	December	March
	<b>31, 2019</b>	31, 2018	31, 2018
		(audited)	
Ending inventory	<u>5,873,736</u>	5,984,711	5,664,394
Provision for slow moving items	<u>(114,460)</u>	(114,460)	(114,460)
	<u>5,759,276</u>	5,870,251	5,549,934
Good in transit	<u>3,784,911</u>	3,682,942	3,345,629
	<u><u>9,544,187</u></u>	<u>9,553,193</u>	<u>8,895,563</u>

**5- Transactions with related parties**

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The management approves the terms and condition of related parties transactions. The transactions with related parties are subject to the approval of Shareholders' General Assembly.

The balances of transactions with related parties included in the interim condensed financial information are as follows:

**Interim condensed statement of financial position**

Interim condensed Statement of financial position does not include any transactions with related parties.

**Interim condensed statement of profit or loss and other comprehensive income**

**Key Management bonuses and benefits**

Salaries and other benefits

**The three months ended**  
**March 31**

<u>2019</u>	<u>2018</u>
<b>6,000</b>	6,000

(5)

**Al Eid Food Company**  
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**Notes to the interim condensed financial information for the three months ended March 31, 2019**

**(Unaudited)**

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**6- Property and equipment**

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Decorations</u>	<u>Total</u>
<b>Cost</b>					
Balance at January 1, 2019	900,000	311,161	359,150	166,106	1,736,417
Balance at March 31, 2019	<u>900,000</u>	<u>311,161</u>	<u>359,150</u>	<u>166,106</u>	<u>1,736,417</u>
<b>Accumulated depreciation</b>					
Balance at January 1, 2019	675,000	110,197	239,620	132,818	1,157,635
Charged for the period	11,250	10,322	9,997	1,923	33,492
Balance at March 31, 2019	<u>686,250</u>	<u>120,519</u>	<u>249,617</u>	<u>134,741</u>	<u>1,191,127</u>
<b>Net book value</b>					
<b>At March 31, 2019</b>	<u>213,750</u>	<u>190,642</u>	<u>109,533</u>	<u>31,365</u>	<u>545,290</u>
At December 31, 2018 (audited)	<u>225,000</u>	<u>200,964</u>	<u>119,530</u>	<u>33,288</u>	<u>578,782</u>

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**Notes to the interim condensed financial information for the three months ended March 31, 2019**

**(Unaudited)**

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**7- Accounts payable and other credit balances**

	<b>March 31, 2019</b>	December 31, 2018 (audited)	March 31, 2018
Provision for staff leave	<b>31,320</b>	32,325	37,934
KFAS	<b>64,347</b>	61,658	50,941
Zakat	<b>84,001</b>	80,942	68,374
National Labour Support Tax	<b>195,571</b>	187,923	156,504
	<b><u>375,239</u></b>	<u>362,848</u>	<u>313,753</u>

**8- Share capital**

The authorized, issued and full paid-up capital is KD 10,045,588 distributed on 100,455,880 shares with nominal value 100 Fils of each share and all shares are in cash.

**9- Cost of sales**

	<b>The three months ended March 31</b>	
	<b>2019</b>	2018
Beginning inventory	<b>5,984,711</b>	5,574,713
Purchases	<b>3,216,895</b>	3,238,470
	<b>9,201,606</b>	8,813,183
Ending inventory	<b>(5,873,736)</b>	(5,664,394)
	<b><u>3,327,870</u></b>	<u>3,148,789</u>

**10- Earning per share/(Fils)**

Earning per share is calculated through dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	<b>The three months ended March 31</b>	
	<b>2019</b>	2018
Net profit for the period	<b>285,357</b>	284,930
Weighted average number of shares outstanding during the period	<b>100,455,880</b>	100,455,880
Earning per share/(Fils)	<b><u>2.84</u></b>	<u>2.84</u>

**11- General Assembly of shareholders**

The Ordinary General Assembly of Shareholders held on May 1, 2019 has approved the financial statements for the financial year ended December 31, 2018 and non distribution of dividends for the financial year ended December 31, 2018 nor remuneration for the Board of Directors for the financial year ended December 31, 2018.

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**Notes to the interim condensed financial information for the three months ended March 31, 2019**

**(Unaudited)**

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**12- Financial instruments**

**Categories of financial instruments**

The Company's financial assets and financial liabilities are classified in the interim condensed statement of financial position as follows:

	<b>March 31, 2019</b>	December 31, 2018 (audited)	March 31, 2018
<b>Financial assets</b>			
Cash and cash equivalents	745,643	261,723	464,235
Accounts receivable and other debit balances	<u>12,350,522</u>	12,082,218	11,726,440
	<u><b>13,096,165</b></u>	<u>12,343,941</u>	<u>12,190,675</u>
<b>Financial liabilities</b>			
Murahat payables	5,645,336	5,512,633	5,536,287
Accounts payable and other credit balances	<u>375,239</u>	362,848	313,753
	<u><b>6,020,575</b></u>	<u>5,875,481</u>	<u>5,850,040</u>