

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

**Interim Condensed Financial Information for**  
**The Six Months Ended June 30, 2016**  
**(Unaudited)**  
**with**  
**Review report**

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

**Interim Condensed Financial Information for**  
**The Six Months Ended June 30, 2016**  
**(Unaudited)**  
**with**  
**Review report**

**Contents**

Review report

Interim condensed statement of financial position (Unaudited)  
Interim condensed statement of comprehensive income (Unaudited)  
Interim condensed statement of changes in equity (Unaudited)  
Interim condensed statement of cash flows (Unaudited)

Exhibit

A  
B  
C  
D

Notes to the interim condensed financial information (Unaudited)

Page  
1 - 6

# Rödl

## Middle East

Burgan International Accountants  
S.A. (A) (Private) Ltd.

P.O. Box: 22351 Safat | 3084 Kuwait  
Sharq - Dasman Complex - Block 2 - 9 Floor  
Tel 22464574-6 / Fax: 22414956  
Email: info-kuwait@rodline.com  
[www.rodline.com](http://www.rodline.com)

**HLB** Kuwaiti Accountant Auditing  
Certified Public Accountants, Consultants, Business Advisors

Ahmed Al-Jaber Street P.O. Box 26888, 17 A, Wafra Insurance  
Complex, 13129 Safat, Kuwait Fax: 22423205 - Tel.: 22449454  
Kuwaiti Accountant Auditing is a member of HLB International,  
World-wide organization of accounting and business advisors.  
Email: info.auditing@hlb.com - [www.hlbkuwait.com](http://www.hlbkuwait.com)

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

### 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 June 30, 2016 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended. Management 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 review of other legal and regulatory matters

Furthermore, based on our review, the interim condensed financial information is in agreement with the 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 related Executive Regulations or the Company's memorandum and articles of association have occurred during the six month period ended June 30, 2016 that might have had a material effect on the business of the Company or on its interim condensed financial position.



Ali A. Al-Hasawi  
License No. 30 (A)  
Rödl Middle East  
Burgan-International Accountants



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

July 21, 2016

State of Kuwait


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

**Interim condensed statement of financial position as of June 30, 2016**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar"*

	Note	June 30, 2016	December 31, 2015 (audited)	June 30, 2015
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		371,906	325,418	97,105
Accounts receivable and other debit balances	3	9,788,963	10,380,621	8,960,687
Inventory	4	7,555,081	7,547,250	6,407,771
		<u>17,715,950</u>	<u>18,253,289</u>	<u>15,465,563</u>
<b>Non-current assets</b>				
Intangible assets		127,509	170,009	212,510
Property and equipment	6	391,700	428,800	382,504
		<u>519,209</u>	<u>598,809</u>	<u>595,014</u>
<b>Total assets</b>		<u>18,235,159</u>	<u>18,852,098</u>	<u>16,060,577</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Murabaha payables		2,365,108	3,460,234	2,661,508
Accounts payable and other credit balances	7	224,825	217,136	217,763
		<u>2,589,933</u>	<u>3,677,370</u>	<u>2,879,271</u>
<b>Non-current liabilities</b>				
Murabaha payables		2,500,046	2,677,009	1,352,412
Provision for end of service indemnity		200,789	188,934	177,166
		<u>2,700,835</u>	<u>2,865,943</u>	<u>1,529,578</u>
<b>Equity</b>				
Share capital	8	10,045,588	10,045,588	10,045,588
Statutory reserve		1,090,920	1,090,920	957,065
Voluntary reserve		161,136	161,136	27,281
Retained earnings		1,646,747	1,011,141	621,794
		<u>12,944,391</u>	<u>12,308,785</u>	<u>11,651,728</u>
<b>Total liabilities and equity</b>		<u>18,235,159</u>	<u>18,852,098</u>	<u>16,060,577</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 comprehensive income for the six months ended June 30, 2016**  
**(Unaudited)**  
*"All amounts are in Kuwaiti Dinars"*

	Note	The three months ended June 30		The six months ended June 30	
		2016	2015	2016	2015
<b>Revenue</b>					
Sales		3,427,042	3,327,389	6,974,001	6,578,498
Cost of sales	9	(2,867,622)	(2,797,227)	(5,843,516)	(5,519,360)
Gross profit of sales		559,420	530,162	1,130,485	1,059,138
Other income		27,269	21,824	69,084	61,669
Total revenue		586,689	551,986	1,199,569	1,120,807
<b>Expenses and other charges</b>					
General and administrative expenses		143,444	80,952	254,109	202,977
Finance charges		68,930	78,453	175,800	178,360
Depreciation and amortization		39,800	32,500	79,600	65,000
Provisions		12,608	11,893	24,766	23,650
Total expenses and other charges		264,782	203,798	534,275	469,987
<b>Net profit for the period before KFAS, Zakat and National Labour Support Tax</b>		321,907	348,188	665,294	650,820
Contribution to Kuwait Foundation for the Advancement of Science		(2,898)	(3,133)	(5,988)	(5,857)
Zakat		(3,279)	(3,535)	(6,771)	(6,620)
National Labour Support Tax		(8,199)	(8,835)	(16,929)	(16,549)
<b>Net profit for the period</b>		307,531	332,685	635,606	621,794
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		307,531	332,685	635,606	621,794
<b>Earning per share/(Fils)</b>	10	3.06	3.31	6.33	6.19

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 changes in equity for the six months ended June 30, 2016**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	Share capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2015	9,050,080	957,065	128,787	894,002	11,029,934
Issue bonus shares	995,508	-	(101,506)	(894,002)	-
Net profit for the period	-	-	-	621,794	621,794
<b>Balance at June 30, 2015</b>	<b>10,045,588</b>	<b>957,065</b>	<b>27,281</b>	<b>621,794</b>	<b>11,651,728</b>
Balance at January 1, 2016	10,045,588	1,090,920	161,136	1,011,141	12,308,785
Net profit for the period	-	-	-	635,606	635,606
<b>Balance at June 30, 2016</b>	<b>10,045,588</b>	<b>1,090,920</b>	<b>161,136</b>	<b>1,646,747</b>	<b>12,944,391</b>

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 six months ended June 30, 2016**

**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	<b>The six months ended June 30</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	635,606	621,794
<b>Adjustments:</b>		
Depreciation and amortization	79,600	65,000
Provision for end of service indemnity	11,855	11,150
Finance charges	175,800	178,360
Operating profit before changes in working capital items	902,861	876,304
Accounts receivable and other debit balances	591,658	(45,033)
Inventory	(7,831)	230,714
Accounts payable and other credit balances	7,689	24,445
Net cash generated from operating activities	<u>1,494,377</u>	<u>1,086,430</u>
<b>Cash flows from financing activities</b>		
Murabaha payables	(1,272,089)	(2,167,191)
Finance charges paid	(175,800)	(178,360)
Net cash used in financing activities	<u>(1,447,889)</u>	<u>(2,345,551)</u>
Net increase/(decrease) in cash and cash equivalents	46,488	(1,259,121)
Cash and cash equivalents at beginning of the period	325,418	1,356,226
<b>Cash and cash equivalents at end of the period</b>	<u>371,906</u>	<u>97,105</u>

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 six months ended June 30, 2016  
(Unaudited)

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

---

## 1- Company's formation and activities

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutaury 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 obligations to the new company based on evaluation made by an independent expert.

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

The interim condensed financial information for the six months ended June 30, 2016 was authorized for issue by the Board of Directors on July 21, 2016.



**Al Eid Food Company**

K.S.C. (Public)

Kuwait

Notes to the interim condensed financial information for six months ended June 30, 2016

(Unaudited)

*"All amounts are in Kuwaiti Dinar unless stated otherwise"***2- Significant Accounting Policies****2/1) Basis of preparation**

The interim condensed financial information of the Company has been prepared in accordance with IAS 34, "*Interim Financial Reporting*". Accordingly, it does not include all of the information's and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual audited financial statements of the Company for the financial year ended December 31, 2015.

During the period the Company has adopted all the standards that came into effect for annual periods beginning January 1, 2016. The adoption of these standards did not have any material impact on this interim condensed financial information.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further informations, refer to the annual audited financial statements and notes thereto for the year ended December 31, 2015.

This interim condensed financial information is presented in Kuwaiti Dinar which is the functional and presentation currency of the Company.

Amendments to IFRSs which are effective for annual accounting period starting from January 1, 2016 did not have any material impact on the accounting policies, financial position or performance of the Company.

**2/2) 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 expenses. 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 of and for the financial year ended December 31, 2015.

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

	<b>June</b>	<b>December</b>	<b>June</b>
	<b>30, 2016</b>	<b>31, 2015</b>	<b>30, 2015</b>
	<u>7,393,487</u>	<u>(402,320)</u>	<u>6,665,324</u>
Trade receivables	7,393,487	7,785,108	6,665,324
Provision for doubtful debts	(402,320)	(402,320)	(402,320)
	<u>6,991,167</u>	<u>7,382,788</u>	<u>6,263,004</u>
Cheques under collection	2,795,821	2,995,858	2,695,708
Refundable deposits	1,975	1,975	1,975
	<u>9,788,963</u>	<u>10,380,621</u>	<u>8,960,687</u>

**Al Eid Food Company**

K.S.C. (Public)

Kuwait

Notes to the interim condensed financial information for six months ended June 30, 2016  
(Unaudited)*"All amounts are in Kuwaiti Dinar unless stated otherwise"***4- Inventory**

	June 30, 2016	December 31, 2015 (audited)	June 30, 2015
Ending inventory	4,714,209	4,764,759	3,939,619
Provision for slow moving goods	(114,460)	(114,460)	(114,460)
Goods in transit	4,599,749	4,650,299	3,825,159
	<u>2,955,332</u>	<u>2,896,951</u>	<u>2,582,612</u>
	<u>7,555,081</u>	<u>7,547,250</u>	<u>6,407,771</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 and transactions with related parties included in the Company's interim condensed financial information are as follows:

**Interim condensed statement of financial position**

Interim condensed statement of financial position doesn't include any balances with related parties.

**Interim condensed statement of comprehensive income**

Key management benefits  
Salary and other benefits

<b>The Six months ended June 30</b>	
<u>2016</u>	<u>2015</u>
7,500	7,500

(4)

**Al Eid Food Company**

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

**Kuwait**

**Notes to the interim condensed financial information for the six months ended June 30, 2016**

**(Unaudited)**

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

**6- Property and equipment**

	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Decorations</b>	<b>Total</b>
<b>Cost</b>					
Balance at January 1, 2016	900,000	290,609	419,815	425,642	2,036,066
Balance at June 30, 2016	<u>900,000</u>	<u>290,609</u>	<u>419,815</u>	<u>425,642</u>	<u>2,036,066</u>
<b>Accumulated depreciation</b>					
Balance at January 1, 2016	540,000	290,608	351,018	425,640	1,607,266
Charged for the period	22,500	-	14,600	-	37,100
Balance at June 30, 2016	<u>562,500</u>	<u>290,608</u>	<u>365,618</u>	<u>425,640</u>	<u>1,644,366</u>
<b>Net book value</b>					
At June 30, 2016	<u>337,500</u>	<u>1</u>	<u>54,197</u>	<u>2</u>	<u>391,700</u>
At December 31, 2015	<u>360,000</u>	<u>1</u>	<u>68,797</u>	<u>2</u>	<u>428,800</u>

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

**Notes to the interim condensed financial information for the six months ended June 30, 2016**  
**(Unaudited)**

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

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

	<b>June 30, 2016</b>	<b>December 31, 2015 (audited)</b>	<b>June 30, 2015</b>
Vehicles purchase payables	22,500	33,750	-
Provision for staff leave	27,619	23,937	35,609
KFAS	28,687	22,699	33,585
Zakat	51,758	44,987	54,869
National Labour Support Tax	94,261	91,763	93,700
	<u>224,825</u>	<u>217,136</u>	<u>217,763</u>

**8- Share capital**

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

**9- Cost of sales**

	<b>The three months ended June 30</b>		<b>The six months ended June 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Beginning inventory	-	-	4,764,759	3,974,108
Purchases	3,008,848	2,850,435	5,792,966	5,484,871
	<u>3,008,848</u>	<u>2,850,435</u>	<u>10,557,725</u>	<u>9,458,979</u>
Ending inventory	(141,226)	(53,208)	(4,714,209)	(3,939,619)
	<u>2,867,622</u>	<u>2,797,227</u>	<u>5,843,516</u>	<u>5,519,360</u>

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

Earnings per share are 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 June 30</b>		<b>The six months ended June 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit for the period	307,531	332,685	635,606	621,794
Weighted average number of shares outstanding during the period	100,455,880	100,455,880	100,455,880	100,455,880
Earning per share/(Fils)	<u>3.06</u>	<u>3.31</u>	<u>6.33</u>	<u>6.19</u>

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

**Notes to the interim condensed financial information for the six months ended June 30, 2016**  
**(Unaudited)**

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

**11- General Assembly of shareholders**

The Ordinary General Assembly of Shareholders had been held on May 29, 2016 has approved the financial statements for the financial year ended December 31, 2015 and no dividends for the financial year ended December 31, 2015 and no remuneration for the Board of Directors' for the financial year ended December 31, 2015.

**12- Financial instruments**

**Categories of financial instruments**

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

**Financial assets:**

	<b>June 30, 2016</b>	<b>December 31, 2015 (audited)</b>	<b>June 30, 2015</b>
Cash and cash equivalents	<u>371,906</u>	<u>325,418</u>	<u>97,105</u>
Accounts receivable and other debit balances	<u>9,788,963</u>	<u>10,380,621</u>	<u>8,960,687</u>
	<u><b>10,160,869</b></u>	<u><b>10,706,039</b></u>	<u><b>9,057,792</b></u>

**Financial liabilities:**

	<b>June 30, 2016</b>	<b>December 31, 2015 (audited)</b>	<b>June 30, 2015</b>
Murabaha payables	<u>4,865,154</u>	<u>6,137,243</u>	<u>4,013,920</u>
Accounts payable and other credit balances	<u>224,825</u>	<u>217,136</u>	<u>217,763</u>
	<u><b>5,089,979</b></u>	<u><b>6,354,379</b></u>	<u><b>4,231,683</b></u>