

Translation from Arabic

**Juhayna Food Industries
(An Egyptian Joint Stock Company)
Interim Consolidated financial statements
For the financial period ended
31 March 2018
and review report**

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Giza- Cairo – Egypt**

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A member of Grant Thornton international
87 Ramsis St., Cairo**

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Interim Consolidated financial statements
for the financial period ended 31 March 2018

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Report on Limited Review of interim Consolidated Financial Statements

To: The members of board of directors of Juhayna Food Industries S.A.E

Introduction

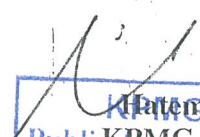
We have performed a limited review for the accompanying consolidated statement of financial position of Juhayna Food Industries S.A.E as of 31 March 2018 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

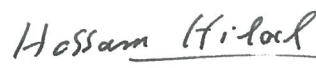
Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of interim Financial Statements Performed by the Independent Auditor of the Entity". A limited review of periodic consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian 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 on these interim consolidated financial statements.

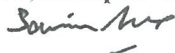
Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the three-months then ended in accordance with Egyptian Accounting Standards.


Hossam Hilal
KPMG Hazem Hassan
Public Accountants & Consultants
⑦ Public Accountants & Consultancies


Hossam Hilal
Mohamed Hilal – Grant Thornton

Cairo, 22 April 2018



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Ju Hayna Food Industries
(An Egyptian Joint Stock Company)

Translation from Arabic

Consolidated statement of financial position
For the financial period ended 31 March 2018

	Note	31/3/2018	31/12/2017
	No.	L.E.	L.E.
Assets			
Non-current assets			
Property, plant and equipment (net)	(12)	3 150 770 976	3 235 369 148
Projects under construction	(13)	153 028 396	94 865 930
Plant wealth	(14-1)	13 052 172	13 152 016
Plant wealth - under preparation	(14-2)	2 275 194	1 915 410
Biological wealth	(15)	127 342 008	115 273 119
Investments under joint control (equity)	(11)	7 678 483	7 194 884
Other - long term assets		754 892	756 960
Other - long term - debit balances	(30)	8 328 533	8 625 978
Goodwill	(35)	97 092 890	97 092 890
Non-current assets		3 560 323 544	3 574 246 335
Current assets			
Biological assets- Existing Agriculture		8 803 512	8 857 367
PPE held for sale		15 173 432	-
Inventories	(17)	895 937 840	832 004 987
Trade and other receivables (net)	(18)	507 922 212	418 404 120
Cash and cash equivalents	(19)	119 651 653	85 736 257
Current assets		1 547 488 649	1 345 002 731
Total assets		5 107 812 193	4 919 249 066
Equity			
Issued and paid up capital	(20)	941 405 082	941 405 082
Legal reserve		534 279 681	518 993 941
General reserve - issuance premium	(20-1)	330 920 428	330 920 428
Retained earnings		475 180 574	524 903 922
Total equity attributable to the shareholders of the parent company		2 281 785 765	2 316 223 373
Non-controlling interest		776 460	857 853
Total equity		2 282 562 225	2 317 081 226
Non-current liabilities			
Loans	(21)	789 574 430	765 385 939
Other non Current liabilities	(25)	26 966 808	30 635 840
Deferred revenues	(26)	90 583 640	94 155 323
Deferred tax liabilities	(27)	232 427 605	231 719 785
Non-current liabilities		1 139 552 483	1 121 896 887
Current liabilities			
Provisions for claims	(23)	10 140 784	8 298 642
Banks - overdraft	(19)	26 051 153	20 663 601
Banks - credit facilities	(22)	471 674 737	518 651 701
Creditors and other credit balances	(24)	730 946 685	599 790 370
Income tax payable	(34)	28 960 720	14 561 649
Due to related parties	(33-1)	5 920 865	2 826 538
Dividends payable		115 157 673	1 070
Loans-current portion	(21)	296 844 868	315 477 382
Current liabilities		1 685 697 485	1 480 270 953
Total liabilities		2 825 249 968	2 602 167 840
Total equity and total liabilities		5 107 812 193	4 919 249 066

The notes from pages (1) to (38) are an integral part of these consolidated financial statements and should be read there to.

Finance Director
Sameh El-hodaiby

Chairman
Safwan Thabet

Cairo, 22 April 2018

"Review report attached".

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated income statement
For the financial period ended 31 March 2018

Translation from Arabic

		The financial period From 1/1/2018 To 31/3/2018 L.E.	The financial period From 1/1/2017 To 31/3/2017 L.E.
	Note No.		
Net sales		1 553 247 959	1 287 796 009
Cost of sales		(1 088 287 820)	(874 689 309)
Gross profit		464 960 139	413 106 700
Other operating revenue	(5)	27 275 745	20 939 155
Sales & distribution expenses	(6)	(215 600 314)	(222 792 806)
General & administrative expenses	(7)	(63 087 697)	(42 465 449)
Other expenses	(8)	(28 350 007)	(7 395 416)
Board of directors remuneration		(355 000)	(435 000)
Results from operating activities		184 842 866	160 957 184
Share in the gain (losses) of a company under joint control		483 599	(739 409)
Cost of end of service		(6 054 530)	(7 793 591)
Net finance income and finance (expenses)	(9)	(77 446 370)	(84 582 648)
Net profit before income tax		101 825 565	67 841 536
Income tax	(34)	(14 399 071)	(6 068 778)
Tax on dividends		(5 996 155)	-
Deferred tax	(27)	(707 820)	(3 514 852)
Net profit for the year		80 722 519	58 257 906
Distributed as follows			
Parent Company's share in profit		80 562 375	58 192 410
Non-controlling interest		160 144	65 496
		80 722 519	58 257 906

The notes from pages (1) to (38) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
 (An Egyptian Joint Stock Company)
Consolidated statement of comprehensive income
For the financial period ended 31 March 2018

	The financial period From 1/1/2018 To 31/3/2018 L.E.	The financial period From 1/1/2017 To 31/3/2017 L.E.
Net profit for the period	80 722 519	58 257 906
Total other comprehensive income	80 722 519	58 257 906
Distributed as follows		
Parent Company's share in profit	80 562 375	58 192 410
Non-controlling interest	160 144	65 496
	80 722 519	58 257 906

The notes from pages (1) to (38) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Consolidated statement of changes in equity
For the financial period ended 31 March 2018

	Issued & paid up capital L.E.	Legal reserve L.E.	General reserve- issuance premium L.E.	Retained earnings L.E.	Non-controlling interest L.E.	Total L.E.
Balance as at 1 January 2017	941 405 082	497 245 972	330 920 428	521 832 541	756 990	2 292 161 013
Transferred to legal reserve	-	1 470 766	-	(1 470 766)	-	-
Adjustments	-	-	-	63 807	(64 574)	(767)
Total other comprehensive income for the period ended 31 March 2017	-	-	-	58 192 410	65 496	58 257 906
Balance as at 31 March 2017	941 405 082	498 716 738	330 920 428	578 617 992	757 912	2 350 418 152
Balance as at 1 January 2018	941 405 082	518 993 941	330 920 428	524 903 922	857 853	2 317 081 226
Dividends to shareholders	-	-	-	(94 140 508)	-	(94 140 508)
Dividends to employees and board of directors	-	-	-	(21 021 220)	-	(21 021 220)
Dividends from subsidiaries to non controlling interest	-	-	-	-	(76 900)	(76 900)
Transferred to legal reserve	-	15 285 740	-	(15 291 537)	5 797	-
Prior year adjustments	-	-	-	167 542	(170 434)	(2 892)
Total other comprehensive income for the period ended 31 March 2018	-	-	-	80 562 375	160 144	80 722 519
Balance as at 31 March 2018	941 405 082	534 279 681	330 920 428	475 180 574	776 460	2 282 562 225

The notes from pages (1) to (38) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Interim consolidated statement of cash flows
For the financial period ended 31 March 2018

		The financial period From 1/1/2018 To 31/3/2018	The financial period From 1/1/2017 To 31/3/2017
	Note No.	L.E.	L.E.
Cash flows from operating activities			
Net profit for the period before income tax and minority interest in profits		101 825 565	67 841 536
Adjustments for:			
PPE depreciation	(12)	68 639 106	65 506 737
Capital gains		(6 291 422)	(821 433)
Amortization of animal wealth	(15)	3 455 085	3 003 922
Amortization of plant wealth		99 844	99 269
Plant wealth - under preparation		(359 784)	-
Fixed assets impairment		5 860 917	-
Change in Investments in equity accounted investees		(483 599)	739 414
Impairment of trade and other receivables		1 294 018	-
Impairment in inventories		8 117 934	-
Reversal of inventories write of	(17)	-	(848 672)
Provision for claims formed	(23)	2 000 000	-
Financial lease installments		7 474 223	6 920 514
Herd births		(3 084 000)	(2 291 500)
Herd capitalized expenses		(16 195 653)	(6 336 237)
Losses from selling cows		298 002	268 795
Losses from calves death		872 734	(162 667)
Foreign exchange gain		856 443	(1 569 290)
Credit interests	(9)	(4 968 323)	(1 705 664)
Finance interests & expenses	(9)	81 558 250	87 621 501
		250 969 340	218 266 225
Collected time deposits interests		4 968 323	1 705 664
Interest expense paid		(81 558 250)	(86 527 789)
Changes in:			
Inventories	(17)	(72 050 787)	(225 243 621)
Biological assets- Existing Agrecul		53 855	(20 308 424)
Trade and other receivables	(18)	(90 512 597)	(75 589 086)
Creditors & other credit balances	(24)	117 915 920	57 577 193
Due to related parties		3 094 327	(1 538 196)
Provision for claims used		(157 858)	(4 701 722)
Net cash flows from (used in) operating activities		132 722 273	(136 359 756)
Cash flows from investing activities			
Acquisition of PPE & projects under construction	(13,12)	(71 509 479)	(64 941 403)
Proceeds from sale of PPE		14 563 153	2 424 088
Acquisition of plant and animal wealth	(14,15)	(4 162 228)	(1 434 437)
Proceeds from the sale of plant and animal wealth	(14,15)	6 747 171	2 856 205
Net cash flows (used in) from investing activities		(54 361 383)	(61 095 547)
Cash flows from financing activities			
(Payments) proceeds from bank credit facilities	(22)	(46 976 964)	175 993 911
Banks overdraft		5 387 552	-
Proceeds (payments) from bank loans	(21)	5 555 977	(51 406 733)
Payments in lease installments - sales and lease back	(30)	(7 474 223)	(6 920 514)
Decrease in non-controlling interest		(81 393)	(64 574)
Net cash flows (used in) financing activities		(43 589 051)	117 602 090
Change in cash & cash equivalents during the period		34 771 839	(79 853 213)
The effect of foreign exchange difference		(856 443)	(6 953 166)
Cash & cash equivalents at 1 January		85 736 257	104 559 749
Cash & cash equivalents at 31 March	(19)	119 651 653	17 753 370

The notes on pages from (1) to (38) are an integral part of these consolidated financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial period ended 31 March 2018

1 Reporting the entity

The Company was established in 1995 according to the Investment Law No.(230) of 1989 as replaced by the investment incentives and guarantees law No. (8) of 1997 and the decree of the Minister of Economic and Foreign Trade No. 636 of 1994 approving the Company's establishment.

The Company was registered in the commercial registry under No. 100994 on 10/1/1995. Company's period is 25 years starting from the date of registration in the commercial registry.

The address of the Company's registered office is building no.2 polygon Sodic West, Sheikh Zayed Giza.

Mr. Safwan Thabet is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company's purpose

The Company primarily is involved in producing, manufacturing, packaging and packing of all types of dairy, products and all its derivatives, all types of cheeses, fruit juices, drinks and frozen material, preparing, manufacturing, packaging and packing all types of food materials and in general manufacturing of agriculture products.

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges.

2 Basis of preparation

2-1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on 22 April 2018.

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet.

- Non-derivative financial liabilities at fair value through profit or loss are measured at fair value (Note 4-1).
- Biological assets and Agricultural crops at fair value after reducing cost to the point of sale (note 4-2).

The methods used to measure fair values are discussed further in note (4).

2-3 Functional and presentation currency

These consolidated financial statements are presented in Egyptian pound, which is the Company's functional currency.

2-4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 year in which the estimate is revised and in any future periods affected.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Accounting policy no (3-10) : lease classification.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial statements are included in the following notes:

- Note (18) : impairment of trade and notes receivable.
- Note (23) : provisions & contingent liabilities
- Note (27) : deferred tax.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statement of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in equity accounted investees (associates)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Investments in associates is accounted for using the equity method and is recognized initially at cost. The cost of the investment include transaction costs. The consolidated financial statements include the Company's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest including any long-term interests that from part thereof is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

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

3-2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency 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.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

3-3 Investment under joint control

The companies under joint control are companies that practice a joint control on the investee company, the investment under joint controls are included in the consolidated financial statement using the equity method.

3-4 Financial instruments

Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Debtors

Debtors are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Generally, short-duration trade and other receivables with no stated interest rate are stated at their nominal value (original invoice amount) less an allowance for any doubtful debts.

Debtors comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any other categories of financial assets. Available –for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for sale debt instruments, presented in fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non – derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at the fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Generally, trade payables are recorded at their nominal value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Capital

Authorized capital

The Company's authorized capital amounts to L.E 5 billion.

Issued and paid up capital

The Company's issued and fully paid up capital amounted to L.E 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) divided into 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) shares at par value L.E 1 each.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

3-5 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (note 12).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

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.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Description	Estimated useful life (Years)
Buildings & Construction	13.3- 50
Machinery & Equipment	1-13
Transportation & Transport Vehicles	1.5- 8
Tools	1.08 – 10
Office equipment & Furniture	1-10
Empty plastic containers & pallets	5
Computers	3.33-5
Wells	25 or Wells useful life

Depreciation commences when the fixed asset is completed and made available for use.

Depreciation method useful life and residual value are reviewed at each date and adjusted as appropriate.

3-6 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (note no. 13). No depreciation is charged until the project is completed and transferred to fixed asset

3-7 Government grants

Government grants related to assets – including non-monetary grants recorded at fair value presented in financial statement as deferred income (grants considered deferred income and recorded in income statement according to regular systematic basis over the estimated useful lives of assets)

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

3-8 Plant wealth

This item represents the amounts spent for cultivation of fruit trees and protect trees (Kazhurana) which were recognized as noncurrent assets in the balance sheet in projects in progress caption and when it reaches the planned marginal productivity it will be classified as noncurrent assets (plant wealth), and will be depreciated over (25 and 50) years respectively according to the nature of those assets.

3-9 Biological assets

A biological asset is measured on initial recognition and on every reporting date at its fair value less costs to the point of sale capability. A biological asset "harvested agricultural product" is measured at the point of harvest at fair value less costs to the point of sale capability. Profit or loss resulting from the initial recognition of a biological asset at fair value costs to the point of sale capability and from the change in fair value less costs to the point of sale capability of the biological asset is recorded in profit or loss for the period in which it arises, profit or loss resulting from the initial recognition of agricultural product at fair value less costs to the point of sale capability is recorded in profit or loss for the period in which it arises .

When there is no market available to determine prices and values, which the alternative estimates of fair value have shown clearly that it cannot be relied upon, in this case the biological asset is measured at its cost less any accumulated amortization and any accumulated impairment of value. Once the possibility of measuring the fair value of these assets are reliably established, the Company measures it at its fair value less costs to the point of sale capability.

3-10 Leases

Company is the lessee:

Leases are classified as operating leases. The costs in respect of operating leases are charged on a straight-line basis over the lease term. The value of any lease incentive received to take on an operating lease (for example, rent-free periods) is recognized as deferred income and is released over the life of the lease.

3-11 Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed.

3-12 Inventories

Inventories of raw materials, supplies, packaging & packing materials and spare parts are measured at the lower of cost or net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of the completion and selling expenses.

The inventory of work in process is measured at the lower of cost, which is determined based on the lower of the cost last process the work in process reached, or net realizable value.

Finished production is measured at the lower of manufacturing cost or net realizable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

3-13 Impairment

Non –derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. 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 amortization, if no impairment loss had been recognized.

3-14 Defined contribution plans

The Company contributes to the government social insurance system for the benefits of its personnel in accordance with the social insurance Law No. 79 of 1975 and its amendments. Under this Law the employees and the employers contribute into the system on a fixed percentage – of- salaries basis. The Company's contributions are recognized in income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of aforementioned contributions.

3-15 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3-16 Revenue

Goods sold

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.

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Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the 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 recognized as a reduction of revenue as the sales are recognized.

3-17 Rental income

Rental income from other assets is recognized in other income.

3-18 Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3-19 Income tax

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

3-20 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-21 Assets held for sale or held for distribution

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale or held-for-distribution if it is highly probable that they will be recovered primarily through sale or distribution rather than through continuing use.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are premeasured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Once classified as held-for-sale or held-for-distribution, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-22 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

3-23 End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly-without having the possibility of cancellation – a formal detailed plan to either finish the work before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary) / left the work voluntary according to law (12) of 2003 and related Egyptian Laws.

If the bonus is payable for a period of more than 12 months after the date of preparation of the financial statements, it is reduced to its present value.

4 Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4-2 Biological assets

At fair value less costs to the point of sale capability.

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

5 Other operating revenue

	Financial period From 1/1/2018 To 31/3/2018 L.E	Financial period From 1/1/2017 To 31/3/2017 L.E
Export subsidy revenue	7 806 212	9 916 037
Deferred capital gains	3 571 684	3 571 684
Capital gain	6 291 422	821 433
Reversal of inventories write down	-	848 672
Drawback of sales tax	-	15 245
Increase in biological wealth due to newborn	3 084 000	2 291 500
Compensation for calves death	70 141	162 667
Others	6 452 286	3 311 917
	27 275 745	20 939 155

6 Sales and distribution expenses

	Financial period From 1/1/2018 To 31/3/2018 L.E	Financial period From 1/1/2017 To 31/3/2017 L.E
Advertising expenses	84 934 604	102 585 423
Salaries and Wages	56 775 985	52 678 104
Depreciation	14 362 148	14 438 128
Cars Expenses	16 169 865	15 100 780
Replacement of goods	16 362 113	11 203 454
Rent	9 095 134	8 842 630
Temporary labor contractors	3 439 190	2 889 279
Others	14 461 275	15 055 008
	215 600 314	222 792 806

7 General & administrative expenses

	Financial period. From 1/1/2018 To 31/3/2018 L.E	Financial period From 1/1/2017 To 31/3/2017 L.E
Salaries and wages	24 289 585	25 709 151
Depreciation expense	5 154 896	4 217 723
Rent expense	1 825 286	2 396 223
Other administrative expense	31 817 930	10 142 352
	63 087 697	42 465 449

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

8 Other expenses

	Financial period From 1/1/2018 To 31/3/2018 L.E	Financial period From 1/1/2017 To 31/3/2017 L.E
Leasing installment	7 474 223	6 920 514
Provision	2 000 000	-
Inventory write down	8 117 934	-
Fixed assets impairment	5 860 917	-
Receivables impairment	1 294 018	-
Other	3 602 915	474 902
	28 350 007	7 395 416

9 Finance income and finance expenses

	Financial period From 1/1/2018 To 31/3/2018 L.E	Financial period From 1/1/2017 To 31/3/2017 L.E
Interest expense	(81 147 434)	(87 621 501)
Interest income	4 968 323	1 705 664
Foreign exchange (losses) gain	(1 267 259)	1 569 290
Change in present value	-	(236 101)
	(77 446 370)	(84 582 648)

10- Segmentation reports**10-1 Segmentation reports for the financial ended period 31 March 2018**

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries. Segments results include units that directly participate unit in each segment activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Activity Segments				Undistributed items	Elimination of consolidated transactions	Total L.E
	Dairy sector L.E	Chilled sector L.E	Juices sector L.E	Concentrates sector L.E			
	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
Sales	791 017 790	315 782 190	284 845 146	99 627 744	9 149 427		1 553 247 959
Sales between segments	642 388 846	257 020 424	235 889 995	18 050 784	50 342 816	(1203 692 865)	-
Other operating income	9 395 914	1 216 525	1 137 899	8 654 679	5 744 147		27 759 344
expense	(139 889 110)	(117 059 127)	(89 942 318)	(13 725 996)	(25 037 559)		(390 893 918)
Other Information							
Depreciation	21 135 042	19 458 977	16 596 945	4 852 463	6 595 679	-	68 639 106
Assets	1 241 452 475	1265 364 559	1093 653 474	531 322 776	809 934 535	-	5 107 812 193
Liabilities	983 592 950	722 136 063	576 864 288	319 857 207	216 878 593	-	2 825 249 967

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

10- Segmentation reports**10-2 Segmentation reports for the financial ended period 31 March 2017**

The segmentation reports was prepared on an activity segments basis, the primary report for the activity segments was prepared in accordance with the organizational and managerial chart of the Company and its subsidiaries. Segments results include units that directly participate unit in each segment activity.

The primary report for activity segmentations:

Revenues and expenses according to activity segmentations were as follows:

	Dairy sector L.E 31/03/2017	chilled sector L.E 31/03/2017	Activity Segments Juices sector L.E 31/03/2017	Concentrates sector L.E 31/03/2017	Agriculture sector L.E 31/03/2017	Undistributed items L.E 31/03/2017	Elimination of consolidated transactions L.E 31/03/2017	Total L.E 31/03/2017
Sales	614 809 613	251 741 982	245 811 640	133 991 725	846 198	40 594 851		1 287 796 009
Sales between segments	539 569 250	199 615 955	196 447 017	19 753 801	57 395 295	-	(1 012 781 318)	-
Other operating income	3 950 236	1 586 607	1 551 244	9 961 348	3 889 720	-		20 939 155
expense	(133 766 622)	(119 871 662)	(97 921 131)	(9 215 138)	(4 690 357)	(739 409)		(366 204 319)
Other Information								
Depreciation	19 655 964	19 016 189	16 815 975	3 915 700	6 102 909	-		65 506 737
Assets	1 127 199 032	1253 104 454	1085 525 577	489 532 224	802 257 744	161 630 035		4 919 249 066
Liabilities	815 733 455	769 915 121	549 616 822	249 236 187	214 839 717	2 826 538		2 602 167 840

The Group operates in one geographical sector - Arab Republic of Egypt. Operating revenues primarily result from activities related to the food industry.

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Notes to the interim consolidated financial statements for the financial period ended 31 March 2018

11 Investment under joint control (Equity)

Name of the investee company	Share percentage	Current assets		Non current assets		Total assets		Current liabilities		long term liabilities		Total liabilities		Revenues		Expenses		Net (loss)		Cost of investment	
		L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
31-Mar-18																					
Argu Company For food Industrial	50.75	22 832 300	352 300	352 300	23 184 600	8 054 585	-	8 054 585	-	8 054 585	14 434 357	(13 481 452)	952 905	7 678 483							
Balance as at 31 March 2018		22 832 300	352 300	352 300	23 184 600	8 054 585	-	8 054 585	(13 481 452)	952 905	7 678 483										
31-Dec-17																					
Argu Company For food Industrial	50.75	25 302 171	370 300	370 300	25 672 471	11 495 360	-	11 495 360	21 865 702	(21 654 345)	211 357	7 194 884									
Balance as at 31 December 2017		25 302 171	370 300	370 300	25 672 471	11 495 360	-	11 495 360	(21 654 345)	211 357	7 194 884										

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Notes to the interim consolidated financial statements for the financial period ended 31 March 2018

Translation from Arabic

11-Property, plant, and equipment (net)

Description	Land* L.E.	Buildings & constructions L.E.	Machinery & equipment L.E.	Transportation & transport vehicles L.E.	Tools L.E.	Empty plastic containers & Palletes L.E.	Display refg.'s L.E.	Wells L.E.	Office furniture & equipment L.E.	Computers L.E.	Total L.E.
Cost											
Cost as at 1/1/2017	213 682 424	1 279 030 415	2 020 670 845	296 575 057	98 362 346	41 917 429	96 669 401	42 232 790	27 293 542	93 483 905	4 211 918 154
Additions during year	3 145 404	257 166 367	191 327 841	1 140 060	8 179 500	17 085 384	84 883	2 306 883	2 387 889	10 939 405	493 763 616
Disposals during the year	(44 718 652)	(2 767 749)	(10 653 363)	(27 141 335)	(2 727 034)	(1 348 429)	(214 846)	(402 262)	(325 923)	(53 525)	(90 353 118)
Cost as at 31/12/2017	172 109 176	1 533 429 033	2 201 345 323	270 573 782	103 814 812	57 654 384	96 539 438	44 137 411	29 355 508	106 369 785	4 615 328 652
Additions during period	-	6 742 198	3 790 559	530 000	1 970 816	237 437	-	-	66 827	9 177	13 347 014
Disposals during period	-	(6 380 399)	(36 201 424)	(780 503)	-	(4 622 253)	(111 763)	-	(5 082)	(2 866)	(48 104 290)
Cost as at 31/3/2018	172 109 176	1 533 790 832	2 168 934 458	270 323 279	105 785 628	53 269 568	96 427 675	44 137 411	29 417 253	106 376 096	4 580 571 376
Accumulated depreciation											
Accumulated depreciation as at 1/1/2017	-	102 125 175	719 768 425	116 060 915	44 481 730	27 905 306	43 562 248	6 114 194	11 941 049	73 708 328	1 145 667 370
Depreciation during the year	-	28 838 387	149 521 299	28 268 457	10 144 837	10 296 748	18 595 272	2 064 183	2 534 734	12 974 652	263 238 569
Accumulated depreciation of disposals	-	(651 332)	(5 165 064)	(21 195 873)	(290 063)	(987 460)	(170 656)	(273 016)	(168 945)	(44 026)	(28 946 435)
Accumulated depreciation as at 31/12/2017	-	130 312 230	864 124 660	123 133 499	54 336 504	37 214 594	61 986 864	7 905 361	14 306 838	86 638 954	1 379 959 504
Depreciation during period	-	8 523 774	39 181 303	6 764 831	2 561 848	2 658 366	4 647 326	535 994	650 614	3 115 050	68 639 106
Accumulated depreciation of disposals	-	(533 226)	(19 470 741)	(326 002)	-	(4 238 358)	(85 944)	-	(1 990)	(2 866)	(24 659 127)
Accumulated depreciation as at 31/3/2018	-	138 302 778	883 835 222	129 572 328	56 898 352	35 634 602	66 548 246	8 441 355	14 955 462	89 751 138	1 423 939 483
Impairment	-	5 246 045	-	-	-	-	-	614 872	-	-	5 860 917
Net book value as at 31/3/2018	172 109 176	1 390 242 009	1 285 099 236	140 750 951	48 887 276	17 634 966	29 879 429	35 081 184	14 461 791	16 624 958	3 150 770 976
Net book value as at 31/12/2017	172 109 176	1 403 116 803	1 337 220 663	147 440 283	49 478 308	20 439 790	34 552 574	36 232 050	15 048 670	19 730 831	3 235 369 148

* Fully depreciated assets amounted to L.E 148 087 715 as at 31 March 2018.

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

The land item amounted to L.E 172 109 176 on 31/12/2017 includes an amount of L.E 98 990 398 for a land that is under registration.

12-1 Land of Juhayna Food Industries Co.

Description	Amount L.E	
Marsa Allam	1 367 244	Preliminary contract
	1 367 244	

12-2 Land of Tiba for Trad. & Distr. Co.

Description	Amount L.E	
Hoof valley Land	11 798 056	Preliminary contract
Demyat land	10 942 734	Preliminary contract
Obour land	9 047 399	Preliminary contract
New cairo land pc.60,62	6 868 125	Specification letter
Olaykat Arab land	2 589 300	Preliminary contract
Other	9 537 769	
	50 783 383	

12-3 Land of Egyptian Co. for Dairy Products

Description	Amount as per Egyptian Co. for Dairy Products L.E.	(Adjustment) L.E.	Amount as per Consolidated financial statement L.E.	
The service axis 1,2- 6 th of October	2 415 388	(539 598)	1 875 790	Specification letter

12-4 Land of International Co. for Modern Industries Co.

Description	Amount L.E	
Pc. 112:118 m ³ 6 th of October	11 060 593	Specification letter

12-5 Land of and of Almasrya Co. (Egyfood)

Description	Amount L.E	Instrument of posses
Pc. 19 A, 9 B third zone 6 th of October	2 241 861	Specification letter
Pc. 24 B	2 611 004	Specification letter
	4 852 865	

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12-6 Land of Modern Concentration Co.

Description	Amount	
	L.E	
Pc. 42 forth zone 6 th of October	4 333 446	Preliminary contract
Pc. 10 th of Ramadan	6 508 437	Specification letter
	<u>10 841 883</u>	

12-7 Land of Inmaa for Agriculture Development & Biological wealth

The Land item includes the follows:

- Area of 2 500 Acres on Farafra zone amounted to L.E 1 250 000 with the virtue of preliminary contract from Alwadi Algadeed governorate with purpose – only - of reclamation and cultivation.

12-8 Land of Inmaa For Live Stock

- Area of 550 Acres amounted to L.E 1 089 000 in the virtue of a preliminary contract from Inmaa for Agriculture Development & Biological Wealth. The necessary legal procedures with government for legal convey of land are in progress.

12-9 Land of Inmaa for Agriculture Development

- Area of 6 318 Acres amounted to L.E 12 509 640 in the virtue of a preliminary contract from Inmaa for Agriculture Development & Biological Wealth. The necessary legal procedures with government for legal convey of land are in progress.
- Area of 2 000 Acres amounted to L.E 3 000 000 in the virtue of a contract with the seizure (Mohamad Mahrous Ahmad) dated 21 March 2013 and all the necessary legal procedures with government for legal convey of land are in progress.
- Area of 240 Acres amounted to L.E 360 000 in the virtue of a contract with the seizure (Mohamad Ali Farag) dated 21 March 2013 and all the necessary legal procedures with government for legal convey of land are in progress.

12-10 Land grants

Company management has acquired five plots of land as a governorate grant for the establishment of projects in the areas and provinces where the land are located against guarantees by the company for the governorate with total value of L.E 2 516 750. In case the company did not meet the conditions of acquiring these lands, the letters of guarantee will be liquidated. These lands as follows:-

- land plots from No. 637 to No. 650 in Assuit governorate its total area 30 000 m² to establish a project for reserving & cooling dairy products in refrigerators for cooling the juices and concentrates
- Plots numbers (67/68/69/75/76) in Beni suef governorate its total area 10.335 thousands m² to establish a factory for the production of natural juices , dairy products , white cheese, freezing & cooling vegetables , fruits , meat & fish.
- Land plot in Sohag governorate its total area 10000 m² to establish a refrigerator for reserving foodstuff
- Land plot in Qena governorate numbers (186/187/188, plus main part of 185) its total area 5960 m² to establish a factory for reserving , cooling and freezing dairy products , juices and concentrates

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

13 Projects under constructions

	31/3/2018	31/12/2017
	L.E.	L.E.
Buildings and constructions in progress	12 802 265	10 107 037
Machineries under installation	126 696 376	56 285 915
Advance payments for fixed assets purchase	19 936 141	34 879 362
Wells and water pump	2 060 534	2 060 534
Furniture	1 503 492	1 503 492
	162 998 808	104 836 340
Less:		
Impairment of project under construction	(9 970 412)	(9 970 410)
	153 028 396	94 865 930

14 Plant wealth**14-1 Plant wealth**

	31/3/2018	31/12/2017
	L.E.	L.E.
Cost at beginning of the period	13 880 181	13 800 318
Additions during the period	-	79 863
Cost at end of the period	13 880 181	13 880 181
Less:		
Accumulated depreciation at beginning of the period	(728 165)	(330 897)
Depreciation during the period	(99 844)	(397 268)
Accumulated depreciation at the end of the period	(828 009)	(728 165)
Net	13 052 172	13 152 016

- The cost is the value of fruit trees.

14-2 Plant wealth – under construction

	31/3/2018	31/12/2017
	L.E.	L.E.
Land reclamation	141 799	141 799
Fruit trees	1 891 208	1 531 424
Protection trees (Kazhurana)	237 775	237 775
Palm trees	4 412	4 412
	2 275 194	1 915 410

15- Biological wealth

	Flock of dairy live stock - productive		Flock of dairy live stock - unproductive		Total	
	Number	L.E.	Number	L.E.	Number	L.E.
Amount of flock of livestock at 1-1-2018	2 581	84 865 853	2 788	48 281 796	5 369	133 147 649
<u>Adding:</u>						
Addition during the year						-
* Transferred from biological wealth (Flock of dairy live stock - unproductive)	205	7 472 814	(205)	(7 472 814)	-	-
Births of flock						
Male			242	1 142 000	242	1 142 000
Female			273	1 942 000	273	1 942 000
** Capital cost during drying -off	-	1 913 707		14 281 926	-	16 195 633
	<u>2 786</u>	<u>94 252 374</u>	<u>3 098</u>	<u>58 174 908</u>	<u>5 884</u>	<u>152 427 282</u>
Biological wealth sales						
Cows	100	3 192 842	5	207 821	105	3 400 663
pregnant			5	253 440	5	253 440
Newborn - Female			1	11 649	1	11 649
Newborn - Male					-	-
The death of live stock losses						-
Cows	11	343 658			11	343 658
Female			24	273 914	24	273 914
Male			37	330 655	37	330 655
	<u>111</u>	<u>3 536 500</u>	<u>72</u>	<u>1 077 479</u>	<u>183</u>	<u>4 613 979</u>
Cost of flock of livestock at 31/3/2018	<u>2 675</u>	<u>90 715 874</u>	<u>3 026</u>	<u>57 097 429</u>	<u>5 701</u>	<u>147 813 303</u>
Accumulated depreciation						
Depreciation milking cows at 1/1/2018		17 874 530				17 874 530
Depreciation milking cows		3 455 085				3 455 085
Accumulated depreciation of disposals of sales case		(782 827)				(782 827)
Accumulated depreciation of disposals of death case		(75 493)				(75 493)
Accumulated depreciation at 31 March 2018	-	20 471 295	-	-	-	20 471 295
Net amount of flock of livestock at 31/3/2018	<u>2 675</u>	<u>70 244 579</u>	<u>3 026</u>	<u>57 097 429</u>	<u>5 701</u>	<u>127 342 008</u>
Net amount of flock of livestock at 31/12/2016	<u>2 581</u>	<u>66 991 323</u>	<u>2 788</u>	<u>48 281 796</u>	<u>5 369</u>	<u>115 273 119</u>

* Calves of flocks are measured at fair value deducted by sale cost. Increase or decrease in fair value about book value is recognized at financial statement date in income statement

** The company capitalized special cost at drying off period and consume it at rest of useful life of livestock

*** The company management measure the Flock of dairy live stock at cost because unavailable active market that can rely on in determine fair value

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Notes to the consolidated financial statements for the financial period ended 31 March 2018

16 Tax status

Holding Compan

16-1 Corporate tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over annual taxable profits.

The period from the beginning of operation till year 2009

The Company has been inspected and all tax inspection differences were paid.

Years from 2010 till 2013

The tax authority sent Form (19) with an arbitral assessment and the company appealed in due dates. The tax appeal committee decided a re-inspection on actual basis.

Years from 2014 till 2015

The company received Forms (31 and 32) for inspecting these tax years and the company requested postponing the inspections by Form (26).

Year 2016

The Company submitted the annual tax return for the income tax in the due date.

16-2 Salaries tax

The period from the beginning of operation till year 2014

The tax inspection performed and differences settled.

Year 2015/2016

The company not inspected yet.

16-3 Stamp tax

The period from the beginning of operation till 2010

The tax inspection performed and differences settled.

The period from 2011 till 2014

The tax inspection performed and differences settled.

Year 2015/2016

The tax inspection performed and differences settled

16-4 Sales tax

The tax inspection performed and the company settled differences till 31/12/2015.

The period from January till August 2016

The company submits monthly sales tax declarations and the company remitted the sales tax for this period.

16-5 Value added tax

The sales tax was replaced by value added tax by the issuance of the law no. 67 for year 2016 to be applied as of the day following its issuance date on 7 September 2016.

16-6 Withholding tax

The company remitted the amount that was deducted to tax authority on due dates.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

16-2 Subsidiaries

First: Corporation tax

The Companies that enjoy the corporate tax exemption	Tax inspection ending date
Subsidiaries	
The Egyptian Company For Food Industries "Egyfood"	31/12/2018
Modern Concentrates Industrial Company	31/12/2018
International Company For Modern Food Industries	31/12/2018
Inmaa for agriculture development & biological wealth.	19/03/2021

The Companies that are not exempted.

Egyptian Company for Dairy Products

The tax inspection performed and settled till 2004

Tiba for Trading and Distributing

The company was inspected for year 2009 appealed the inspection during the legal period. The appeal was settled in the appeal committee.

Al Marwa for Food Industries

The company was inspected from the beginning of its operations till 31/12/2005 and the differences settled. The company submits its annual tax returns in due dates. The company is subject to corporate tax from 1/1/2010.

Inmaa for Agriculture Development and Reclamation

The company not inspected yet.

Inmaa for Live Stock

The company was not inspected yet.

Second: Salaries tax

Egyptian Company for Dairy Products	- Inspection was performed from starting of activity till 2014 and tax settled.
Al-Marwa for Food industries	- Inspection was performed from starting activity till 2015 and tax settled.
Tiba for Trading and Distributing	- Years from 2006 till 2012 was inspected and difference partially settled in internal committee at L.E 2 million and other matters are pending with the higher appeal committee - The Company is preparing for inspection for years 2013 till 2016.
International Company For Modern Food Industries	- Tax inspection was performed from start of activity till 2010 and differences settled. The company is preparing for inspection for years 2011 till 2014.
The Egyptian Company For Food Industries "Egyfood"	- Tax inspection was performed till 2012 and tax differences settled.
Modern Concentrates Industrial Company	- Tax Inspection was performed from start of activity till 2015 and differences settled.
Inmaa for Agriculture Development Co. and Biological Wealth	- Tax inspection was performed from start of activity till 2010 and differences settled.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

Inmaa for live stock

-The company was not inspected till now

Third: Stamp tax

Egyptian Company for Dairy Products

Inspection has been performed and difference settled till 31/12/2014.

Al-Marwa for Food Industries

Inspection has been performed and difference settled till 31/12/2015.

Tiba for Trading and Distribution

Inspection has been performed and difference settled till 2015.

International Company For Modern Food Industries

Inspection has been performed and difference settled till 31/12/2015.

The Egyptian Company for Food Industries "Egyfood"

Inspection finished from starting activity till 31/12/2015 and difference settled.

Modern Concentrates Industrial Company

- Inspection was performed from start of activity till 31/12/2013 and difference settled.
- Years 2014, 2015 under inspections

Inmaa for Agriculture development & biological wealth

Not inspected yet.

Fourth: Sales tax

Egyptian Company for Dairy Products

- The inspection was performed and difference settled 31-12-2015

Al-Marwa for Food Industries

-Inspected and difference settled 31/12/2015

International Company For Modern Food Industries

-The company present sales tax return on monthly basis, inspected and difference settled till 2015 .

The Egyptian Company For Food Industries "Egyfood"

-Inspected and difference settled till 2015

Modern Concentrates Industrial Company

-The company was inspected from the inception till 31/12/2013 and differences settled.

Tiba for Trading and Distribution

-The company submits the sales tax return on monthly basis, inspected and differences settled till 31/12/2015.

Inmaa for Agriculture Development Co.

- The tax inspection performed till 31/8/2014 and differences settled.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

17 Inventories

	31/3/2018	31/12/2017
	L.E.	L.E.
Raw materials	280 673 663	281 932 227
Packaging & packing materials	223 682 685	173 031 626
Finished products	317 318 148	323 028 142
Spare parts & miscellaneous supplies	47 855 311	50 764 359
Goods in transit - L/C's for goods purchase	26 408 033	3 248 633
	895 937 840	832 004 987

18 Trade and other receivables (Net)

	31/3/2018	31/12/2017
	L.E.	L.E.
Trade receivables	259 311 141	184 996 537
Less: Impairment in trade receivables	(6 302 369)	(6 302 369)
	253 008 772	178 694 168
Notes receivables	17 550 867	30 696 548
Suppliers – advance payments	19 822 507	15 530 999
Prepaid expenses	29 207 617	21 398 571
Export subsidy	47 925 978	42 324 733
Accrued revenues	-	2 752 357
Tax authority	36 495 556	36 646 926
Customs authority	22 903 388	11 636 707
Deposits with others	12 790 312	15 407 526
*Letter of credit (cash cover)	47 928 052	58 416 489
Other debit balances	24 528 169	9 138 102
	512 161 218	422 643 126
Less: Impairment in other debit balances	(4 239 006)	(4 239 006)
	507 922 212	418 404 120

- This balance represents the amount held by the banks that the company deals with in return for opening documentary credits for purchase of fixed assets. These amounts will be refunded upon paying the facility to the bank in accordance with the central bank instructions.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

19 Cash and cash equivalents

	31/3/2018	31/12/2017
	L.E.	L.E.
Time deposits *	21 810 828	27 068 134
Banks – current accounts	22 686 476	25 035 604
Checks under collection	29 274 403	29 836 806
Cash in hand	1 843 000	1 714 540
Cash in transit	44 036 946	2 081 173
	119 551 653	85 736 257
Bank (Credit) over draft	(26 051 153)	(20 663 601)
Cash and cash equivalents in the statement of cash flows	93 600 500	65 072 656

* The above mentioned time deposits are maturing within 3 months.

20 Share capital

	31/3/2018	31/12/2017
	L.E.	L.E.
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082

20-1- General reserve - issuance premium

The balance of general reserve – issuance premium as follows:-

Collected from issuance premium of 205 972 632 shares during the year 2010	999 379 210
<u>Less:</u>	
- Nominal value of issued shares with a premium	205 972 632
- Issuance fees	38 507 164
- Legal reserve formed to reach 50 % of paid up capital	350 398 732
- Difference between the nominal value and the cost of own shares cancelled on 5/2/2012.	73 580 254
	330 920 428

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

21 Loans

The long term loans and short term that are granted to the group companies are as follow:

	Current portion L.E	Non –current L.E	Total L.E
National Bank of Kuwait - Egypt		100 000 000	100 000 000
Commercial international bank (CIB)	123 829 533	461 674 430	585 503 963
European Bank for Reconstruction & Development	59 000 000	118 000 000	177 000 000
HSBC bank	25 942 591	12 500 000	38 442 591
Qatar National bank (QNB)	32 800 000	22 400 000	55 200 000
Egypt Golf bank (EGBE)	30 000 000	75 000 000	105 000 000
Attijariwafa egypt bank	25 272 744	–	25 272 744
Balance at 31/3/2018	296 844 868	789 574 430	1086 419 298
Balance at 31/12/2017	315 477 382	765 385 939	1080 863 321

22 Banks – credit facilities

This balance amounted to L.E 471 674 737 as at 31/3/2018 (against L.E 518 651 701 as at 31/12/2017), represents the drawn down portion of the L.E. 1.946 billion (in aggregate principal) bank facilities. Interest is charged on such drawn down amounts at a variable interest rate. These lending banks were provided with various guarantees granted by the group companies against these obtained facilities.

23 Provision for claims

Description	Balance at 1/1/2018 L.E	Provision formed during the period L.E	Provision used during the period L.E	Balance at 31/3/2018 L.E.
Provision for claims	8 298 642	2 000 000	(157 858)	10 140 784

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

24 Creditors and other credit balances

	31/3/2018	31/12/2017
	L.E.	L.E.
Suppliers	533 407 174	416 474 976
Notes payable	6 165 589	7 076 953
Accrued expenses	96 246 077	92 106 849
PP&E' creditors	1 974 806	4 216 378
Tax authority	25 914 943	30 180 570
Deposits from others	4 334 147	3 700 667
Sales tax installments on the imported machineries and equipment	7 694 929	7 990 561
Deferred capital gains	14 286 733	14 286 733
Due to Sodic company- current portion	6 753 362	6 904 405
Social insurance authority	4 744 435	3 652 206
Advances from customers	22 198 714	6 133 963
10 th of Ramadan city authority- short term	1 501 856	1 501 856
Other credit balances	5 723 920	5 564 253
	730 946 685	599 790 370

25 Other Non current liabilities

	31/3/2018	31/12/2017
	L.E.	L.E.
The value of sales tax installments on the imported machineries and equipment due from January 2018 a. The installments due within one year amounted to L.E 7 694 929 as at 31/3/2018 (L E 7 990 561 as at 31/12/2017) are shown under the caption of creditors and other credit balances in the consolidated balance sheet (Note 24).	25 369 535	27 405 672
The amount due to (Sodic SIAC for Real State and Investments Company) as a value of purchasing an administrative building according to agreed contract dated 30/12/2012 amounted to L.E 83 106 655. Total payments amounted to L.E69 726 635 and the rest will be settled over 5 equal installments starting from June 2018.	1 597 273	3 230 168
	26 966 808	30 635 840

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

26 Deferred revenues

	31/3/2018	31/12/2017
	L.E.	L.E.
The balance is represented in the long term deferred capital gain from the sale of a plot of land located in Zayed city No.21 (Crazy Water Corridor) together with the buildings and constructions according to finance lease contract with QNB Al Ahli dated 23/3/2016. The Company had deferred the gain of L.E 117 837 021 as the sale transaction was in the form of a sale and lease back within 10 years starting on March 2016 through to March 2026. The deferred revenue is amortized during the lease period starting from 1/4/2016.	82 416 615	85 360 065
The amortization for the period is L.E 2 943 451 and the short term portion during the period ended amounted to L.E 11 773 802 included in the trade & other credit balances item of the balance sheet (Note 24).		
The balance is represented in the long term capital gains deferred resulted from the sale of a plot of land owned by Tiba Company and leased back with an amount of L.E 141 721 908 on 84 monthly installments from 31 July 2015 till 30 June 2022, L.E 1 757 339 for each Installment. The amortization during the year ended amounted to L.E 628 233 while the short term portion amounted to L.E 2 512 930 included in the trade & other credit balances item of the consolidated balance sheet (Note 24).	8 167 025	8 795 258
	90 583 640	94 155 323

27 Deferred tax liabilities

Deferred tax liability amounted to L.E 232 427 605 on 31/3/2018 representing net book value of taxable assets and liabilities:

	Balance on 1/1/2018 L.E	Deferred tax as at 31 March 2018 L.E	Balance on 31/3/2018 L.E
Deferred tax liability from fixed assets	231 719 785	707 820	232 427 605

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

Recognized deferred tax assets and liabilities

Deferred tax liabilities are :

	Liabilities	
	31/3/2018	31/12/2017
	L.E.	L.E.
Fixed assets	232 427 605	231 719 785
Net tax liabilities	232 427 605	231 719 785

28 Group companies

The following sets out the subsidiaries of Juhayna Food Industries Company that were acquired and controlled by the Company as at 31/3/2018 and the company under joint control shown together with their respective contribution percentage held as at the financial position date.

Subsidiary Name	Contribution	Contribution	Country
	percentage	percentage	
	31/3/2018	31/12/2017	
Egyptian Co. for Dairy Products	99.99 %	99.99 %	Egypt
International Co. for Modern Food Industries	99.99 %	99.99 %	Egypt
The Egyptian Company for Food Industries "Egyfood"	99.98 %	99.98 %	Egypt
Tiba For Trading & Distributing	99.90 %	99.90 %	Egypt
Al-Marwa for Food Industries	99.91 %	99.91 %	Egypt
Modern Concentrates Industrial Co.	Indirect 99.81 %	Indirect 99.81 %	Egypt
Inmaa for Agriculture Development Co.	99.994 %	99.994 %	Egypt
Inmaa for Live Stock	99.862 % Indirect	99.862 % Indirect	Egypt
Inmaa for Agriculture and improvement	99.964 % Indirect	99.964 % Indirect	Egypt
Company under joint control			
Arju Company for Food Industries	50.75 % under joint control	50.75 % under joint control	Egypt

29 Financial instruments**Financial risk management****Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk

Trade and other receivables

The Company is dealing with one main customer (related party), which in turn distributes the credit risk on a number of customers who enjoy strong and stable financial positions. It also deals with its customers through contracts and agreements concluded with them, in addition the Company (related party) review the credit limits granted to customers on a regular basis as it gets sufficient guarantees from its customers.

Credit risk**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		31/3/2018	31/12/2017
		L.E.	L.E.
Trade receivables	(18)	253 008 772	178 694 168
Banks credit facilities	(22)	471 674 737	518 651 701
Total long term loans	(21)	1 086 419 298	1 080 863 321

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

A credit facility in a principal amount of L.E 471 674 737 on which the interest is charged at a variable interest rate for facilities in Egyptian pound and US Dollars facilities.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount L.E.	Contractual cash flows L.E.
Credit facilities	471 674 737	1 946 000 000

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the management.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the L.E. The currencies in which these transactions primarily are denominated are Euro, USD, and Swiss Francs (CHF).

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Foreign currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD	Euro	GBP
Trade and other debit balances	5 896 473	80	-
Cash and cash equivalents	1 779 001	23 015	1 410
Credit facilities	(381 426)	(58 517)	(9 415)
Trade and other payables	(14 386 094)	(662 214)	(86 552)
31 March 2018	(7 092 046)	(697 636)	(94 557)
31 December 2017	(6 759 420)	(696 356)	(74 203)

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

The following significant exchange rates applied during the period:

	Average rate		Closing Rate	
	31/3/2018	2017	2018	2017
USD	17.71	18.30	17.69	17.78
Euro	21.83	19.50	21.79	21.34

Sensitivity analysis

A weakening of the Egyptian Pound, as indicated above, against the USD and Euro at 31 March 2018 would have decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for 2017.

Effect of 10 %

	Profit/(Loss)	
	31/3/2018	31/12/2017
	L.E.	L.E.
USD	(12 545 830)	(12 231 171)
Euro	(1 520 148)	(1 413 254)
GBP	(235 176)	(178 342)
	(14 301 154)	(13 822 767)

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of paid up capital and retained earnings. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

	31/3/2018	31/12/2017
	L.E.	L.E.
Total liabilities	2 825 249 968	2 602 167 840
Less: cash and cash equivalents	(119 651 653)	(85 736 257)
Net debt	2 705 598 315	2 516 431 583
Total equity	2 282 562 225	2 317 081 226
Net debt to equity ratio	%118.53	108.63%

There were no changes in the company's approach to capital management during the period.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

30 Financial lease contracts

The company signed a finance lease contract with Sajulis Leasing Company:

Financial lease contracts (Sale and lease back)

On 23/3/2016 the Company signed a contract with regard to a land lease (including the building built thereon), of land located on plot no. 21 of the Crazy water's corridor in Zayed City with a total area of 15 374.47 m². The following is a summary of the above mentioned contract:

Description	Lease value		Lease period	Purchase value at end of contract	Quarterly lease value
	Contractual value	Accrued interest			
	L.E	L.E	Months	L.E	L.E
Contract from 24/3/2016 to 23/3/2026	288 169 556	127 651 718	120	1	6 986 293

30-2.1 Juhayna has leased the administration building of Tiba for Trading and Distributing Company (Subsidiary) under operating lease agreement for a monthly lease rent of L.E. 220 000 based upon the approval from the leaser's company.

30-2.2 The monthly finance lease's instalments and the expenses related to the issue of this lease contract (sale with the right of re-sale) were allocated to the other operating expenses item in the income statement. Thus, total instalments of the financial period ended 31/3/2018 amounted to L.E. 7 474 223

30-2.3 The company paid 11 897 900 L.E as a down payment and as at 31 March 2018 amounted L.E 9 518 322 L.E classified under the current portion amounted to L.E 1 189 789 in advance payments (note 23) and the non-current portion amounted to L.E 8 328 533 classified in the other long term debit balances.

The company has signed financial lease Contracts With International for Financial Lease (Ancolis) during 2015 that allow selling the owned Plot of Land of Tiba Company (subsidiary) with leaseback with an amount of L.E 140 092 635 on 84 monthly installment starting from 31 July 2015 till 30 June 2022 for L.E 1 726 598 each Installment

	L.E
Total amount of the contract	121 848 259
Contract updated amount (increase in interest)	22 261 635
Down payment	(4 017 259)
Remaining amount	140 092 635
Paid installment	(52 036 137)
Unpaid (51 installment by L.E 1 726 598 monthly)	88 056 498

31 Contingencies

The Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business the Company has given guarantees on 31/3/2018 amounting to LE 6 604 429 with covered amount of L.E 25 398.

Juhayna Food Industries Company (S.A.E.)

Notes to the consolidated financial statements for the financial period ended 31 March 2018

32 Capital commitments

The capital commitments related to setting up and acquiring fixed assets amounted to L.E 20 313 560 on 31/3/2018.

33 Related party transactions

The related parties are represented in the Company's shareholders and companies in which they own directly or indirectly shares giving them significant influence or controls over these companies.

The following is a summary of significant transactions concluded, during the period, between the Company and its related parties.

33-1 Due from related parties

Company's name	Nature of transaction	Total value of transactions		Balance as at	
		31/3/2018	31/12/2017	31/3/2018	31/12/2017
		L.E.	L.E.	L.E.	L.E.
Argu	Current account	3 094 339	(11 351 903)	5 920 865	2 826 538
				<u>5 920 865</u>	<u>2 826 538</u>

34 Income tax payable

	31/3/2018	31/12/2017
	L.E.	L.E.
Balance at 1/1	14 561 649	34 483 198
Tax paid	-	(34 483 198)
Income tax during the period	14 399 071	14 561 649
	<u>28 960 720</u>	<u>14 561 649</u>

35 Goodwill

	31/3/2018	31/12/2017
	L.E.	L.E.
Goodwill resulting from acquiring the Egyptian Company for Dairy Products	46 433 934	46 433 934
Goodwill resulting from acquiring Al-Marwa for Food Industries Company	50 658 956	50 658 956
	<u>97 092 890</u>	<u>97 092 890</u>