

Foodco National Foodstuff PJSC

Condensed consolidated interim financial statements
30 June 2024

Principal business address:
P.O. Box 36808
Dubai
United Arab Emirates

Foodco National Foodstuff PJSC

Condensed consolidated interim financial statements

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Foodco National Foodstuff PJSC

REPORT OF THE BOARD OF DIRECTORS

30 June 2023

The Directors have pleasure in submitting their report and the condensed consolidated interim financial information for the period ended 30 June 2024.

Principal activities

The Company and its subsidiaries (collectively referred to as the "Group") are primarily engaged in the import and distribution of foodstuff and household items, catering services, facility management services and restaurants management in the United Arab Emirates.

Financial results

The results of the Group for the period ended 30 June 2024 are set out on page 5 of the Condensed consolidated interim financial statements.

For and on behalf of Board of Directors



Chairman of the Board



KPMG Lower Gulf Limited
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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Foodco National Foodstuff PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Foodco National Foodstuff PJSC as at 30 June 2024, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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.



Foodco National Foodstuff PJSC
*Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Statements
30 June 2024*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2024 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Avtar Jalif
Registration No.: 5413
Abu Dhabi, United Arab Emirates

Date: **14 AUG 2024**

Foodco National Foodstuff PJSC

Condensed consolidated interim statement of financial position

as at

	Notes	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	82,625,523	64,779,170
Intangible assets		142,810	169,868
Right-of-use assets		6,087,428	6,293,250
Goodwill	6	85,044,135	85,044,135
Investments held at fair value through other comprehensive income		2,864,906	3,377,173
		<u>176,764,802</u>	<u>159,663,596</u>
Current assets			
Inventories	7	12,846,306	5,849,020
Trade and other receivables	8	9,928,847	7,972,462
Amount due from related parties	12	90,260,309	114,708,737
Cash and cash equivalents	9	1,560,756	1,680,131
		<u>114,596,218</u>	<u>130,210,350</u>
TOTAL ASSETS		<u>291,361,020</u>	<u>289,873,946</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		280,000,000	280,000,000
Legal reserve		2,802,579	2,802,579
Merger reserve		(26,331,785)	(26,331,785)
Investment revaluation reserve		(702,377)	(190,109)
Accumulated loss		(38,142,186)	(37,529,545)
Total equity		<u>217,626,231</u>	<u>218,751,140</u>
LIABILITIES			
Non-current liability			
Provision for employees' end of service benefits		1,635,314	1,713,030
Lease liabilities		5,891,078	6,034,886
		<u>7,526,392</u>	<u>7,747,916</u>
Current liabilities			
Bank borrowings	11	1,237,540	727,072
Trade and other payables	10	5,336,995	5,033,559
Amount due to related parties	12	58,955,157	56,935,554
Lease liabilities		678,705	678,705
		<u>66,208,397</u>	<u>63,374,890</u>
Total liabilities		<u>73,734,789</u>	<u>71,122,806</u>
TOTAL EQUITY AND LIABILITIES		<u>291,361,020</u>	<u>289,873,946</u>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on

14 AUG 2024 and was signed on their behalf by:


Chairman


Finance Manager

The notes set out on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements. The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 2 and 3.

Foodco National Foodstuff PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income

for the six-month period ended 30 June

	<i>Note</i>	2024 AED (Unaudited)	2023 AED (Unaudited)
Revenue	13	33,971,672	31,031,615
Cost of sales		<u>(25,027,511)</u>	<u>(30,164,124)</u>
Gross profit		8,944,161	867,491
General and administrative expenses		(4,614,118)	(6,363,089)
Selling and distribution expenses		(4,800,872)	(4,452,093)
Impairment loss on trade and other receivables	8	-	(231,371)
Other income		<u>130,351</u>	<u>207,845</u>
Operating loss		(340,478)	(9,971,217)
Finance cost		<u>(272,163)</u>	<u>(455,087)</u>
Loss for the period		(612,641)	(10,426,304)
Other comprehensive loss for the period			
Items that may be re-classified subsequently to the income statement			
Net change in fair value of debt instrument carried at fair value through other comprehensive income		(512,268)	(341,513)
Total comprehensive loss for the period		<u>(1,124,909)</u>	<u>(10,767,817)</u>
Basic and diluted loss per share	16	<u>(0.002)</u>	<u>(0.037)</u>

The notes set out on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of these condensed consolidated interim financial statements is set out on pages 2 and 3.

Foodco National Foodstuff PJSC

Condensed consolidated interim statement of changes in equity
for the six-month period ended

	Share Capital AED	Legal reserve AED	Merger reserve AED	Investment revaluation reserve AED	Retained earnings AED	Total equity AED
At 1 January 2023 (Audited)	280,000,000	2,802,579	(26,331,785)	(986,969)	(22,940,645)	232,543,180
Loss for the year	-	-	-	-	(10,426,304)	(10,426,304)
Other comprehensive loss for the period	-	-	-	(341,513)	-	(341,513)
Total comprehensive loss for the period	-	-	-	(341,513)	(10,426,304)	(10,767,817)
At 30 June 2023 (Unaudited)	280,000,000	2,802,579	(26,331,785)	(1,328,482)	(33,366,949)	221,775,363
At 1 January 2024 (Audited)	280,000,000	2,802,579	(26,331,785)	(190,109)	(37,529,545)	218,751,140
Loss for the year	-	-	-	-	(612,641)	(612,641)
Other comprehensive loss for the period	-	-	-	(512,268)	-	(512,268)
Total comprehensive loss for the period	-	-	-	(512,268)	(612,641)	(1,124,909)
At 30 June 2024 (Unaudited)	280,000,000	2,802,579	(26,331,785)	(702,377)	(38,142,186)	217,626,231

The notes set out on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

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Foodco National Foodstuff PJSC

Condensed consolidated interim statement of cash flows for the six-month period ended 30 June

	2024	2023
	AED	AED
Note	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss for the period	(612,641)	(10,426,304)
Adjustments for:		
Depreciation of property and equipment	1,205,944	1,227,148
Amortization of intangible assets	27,058	26,982
Depreciation of right of use assets	205,822	136,290
Provision for slow moving inventories	7 -	171,560
Impairment loss on trade and other receivables	8 -	231,371
Provision for employees' end of service benefits	168,058	208,658
Gain on disposal of property and equipment	(95,238)	-
Dividend income	(189,729)	-
Finance costs	272,163	455,087
	<u>981,437</u>	<u>(7,969,208)</u>
Changes in:		
Inventories	(6,997,286)	3,776,687
Trade and other receivables	(1,956,385)	(3,337,811)
Amount due from related parties	24,448,428	19,718,818
Amount due to related parties	2,019,603	1,830,166
Trade and other payables	303,436	1,906,976
Cash generated from operating activities	<u>18,799,233</u>	<u>15,925,628</u>
Employees' end of service benefits paid	(245,774)	(210,688)
Net cash generated from operating activities	<u>18,553,459</u>	<u>15,714,940</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(19,052,298)	(16,324,030)
Proceeds from disposal of property and equipment	95,238	-
Net cash used in investing activities	<u>(18,957,060)</u>	<u>(16,324,030)</u>
FINANCING ACTIVITIES		
Proceeds from bank borrowings	17,550,235	8,964,862
Repayment of bank borrowings	(17,550,235)	(4,637,500)
Payment of lease liabilities	(384,470)	(311,387)
Dividend received	189,729	-
Finance cost paid	(31,501)	(222,586)
Net cash (used in) / generated from financing activities	<u>(226,242)</u>	<u>3,793,389</u>
Net (decrease) / increase in cash and cash equivalents	<u>(629,843)</u>	<u>3,184,299</u>
Cash and cash equivalents as at 1 January	953,059	(808,215)
Cash and cash equivalents as at 30 June	<u>9 323,216</u>	<u>2,376,084</u>

The notes set out on pages 8 to 17 form an integral part of these condensed consolidated interim financial statements.

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Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

1 Legal status and principal activities

Foodco National Foodstuff PJSC (the "Company") is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates. The registered address of the Company is at P. O. Box 2378, Port Zayed, Mina, Abu Dhabi, UAE.

The Company and its subsidiaries (collectively referred to as the "Group") are primarily engaged in the import and distribution of foodstuff and household items, catering services, facility management services and restaurants management in the United Arab Emirates.

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

Name of subsidiary	Country of incorporation	Percentage of ownership		Principal activities
		30 June 2024	31 December 2023	
Abu Dhabi National Foodstuff Co LLC	UAE	100%	100%	Wholesale and distribution of foodstuff
5PL Logistics LLC	UAE	100%	100%	Shipment, clearance and warehousing services
National Oasis Foodstuff Company LLC	UAE	100%	100%	Packing of foodstuff (non-operational)

2 Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and complies where appropriate, with relevant Articles of Association and the requirements of the UAE Federal Law No. 32 of 2021. It does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Group's financial position and performance since the last financial statements.

3 Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

The following amendments to existing standards and framework have been applied by the Group in preparation of these condensed consolidated interim financial statements. The adoption of the below did not result in changes to previously reported net profit or equity of the Group.

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

3 Material accounting policies (continued)

New currently effective standards

<i>New standards or amendments</i>	<i>Effective date</i>
Non-current Liabilities with Covenants -Amendments to IAS 1	1 January 2024
Classification of liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
Lease Liability in Sale and Leaseback-Amendments to IFRS 16	1 January 2024
Supplier Finance Agreements -Amendments to IAS 7 and IFRS 7	1 January 2024

Forthcoming requirements

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

<i>Forthcoming requirements</i>	<i>Effective date</i>
Lack of Exchangeability -Amendments to IAS 21	1 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

4 Use of judgements and estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

5 Property and equipment

During the period ended 30 June 2024, additions amounting AED 19.05 million (2023: AED 15.93 million) were made to the warehouse facility being developed by SPL Logistics LLC. Additions to warehouse facility are currently recorded as capital work in process and will be transferred to property and equipment when the facility is available for the intended use by management.

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

6 Goodwill

Company	Date of acquisition	Shareholding interest	Amount
Abu Dhabi National Foodstuff Company	2018	100%	85,044,135

The recoverable amount of the CGU (value in use) for impairment testing was estimated based on the present value of forecasted cashflows expected to be derived using discount rate of 10.42% (2023:10.42%) and terminal value growth rate of 4.5% (2023: 4.5%).

The Discount rate used was a measure based on the rate of Abu Dhabi 10-year nominal treasury issued by the government in the UAE market, adjusted for equity and currency risk premium, country risk premium, size risk premium and industry risk premium to reflect the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Management has performed sensitivity analysis for possible upward and downward changes of 10% in discounted forecasted cashflows. With regard to the assessment of value-in-use, management believes that no reasonable possible change in any of the key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Management believes that no impairment indicators were triggered during this six-month period and therefore the value of goodwill as of 30 June 2024 remained consistent with the value determined in December 2023.

7 Inventories

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Goods for resale	12,096,561	6,300,348
Consumables	1,400,577	1,341,914
	<u>13,497,138</u>	<u>7,642,262</u>
Less: provision for slow moving inventories	(650,832)	(1,793,242)
	<u>12,846,306</u>	<u>5,849,020</u>

The movement in provision for slow moving inventories is as follows:

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	1,793,242	1,440,023
Charge for the period / year *	-	2,116,641
Reversal during the period / year	(1,142,410)	(1,763,422)
At the end of the period / year	<u>650,832</u>	<u>1,793,242</u>

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

7 Inventories (continued)

* For the six-month period ended 30 June 2023, amounts are as follows:

	30 June 2023 AED (Unaudited)
Charge for the period	<u>171,560</u>

8 Trade and other receivables

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade receivables	35,660,130	34,814,827
Less: provision for expected credit losses	<u>(27,992,486)</u>	<u>(27,992,486)</u>
	7,667,644	6,822,341
Prepayments	1,311,534	614,891
Advances to suppliers	2,081,509	2,081,509
Other receivables	951,242	536,803
Less: provision for expected credit losses on other receivables and advances to suppliers	<u>(2,083,082)</u>	<u>(2,083,082)</u>
	<u>9,928,847</u>	<u>7,972,462</u>

Movement in provision for expected credit losses on trade receivables during the period / year was as follows:

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
At 1 January	27,992,486	23,989,750
Charge for the period / year *	-	247,594
Transfer during the period / year	-	3,755,142
At the end of the period / year	<u>27,992,486</u>	<u>27,992,486</u>

* For the six-month period ended 30 June 2023, amounts are as follows:

	30 June 2023 AED (Unaudited)
Charge for the period	<u>231,371</u>

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

9 Cash and cash equivalents

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cash in hand	57,895	54,895
Cash in banks – current accounts	<u>1,502,861</u>	<u>1,625,236</u>
	1,560,756	1,680,131
Bank overdrafts (note 11)	<u>(1,237,540)</u>	<u>(727,072)</u>
Cash and cash equivalents	<u>323,216</u>	<u>953,059</u>

For the purpose of the condensed interim statement of cash flows, cash and cash equivalents for the six-month period ended 30 June 2023 are as follows:

	30 June 2023 AED (Unaudited)
Cash in hand	42,370
Cash in banks – current accounts	<u>2,898,243</u>
	2,940,613
Bank overdrafts	<u>(564,529)</u>
Cash and cash equivalents	<u>2,376,084</u>

10 Trade and other payables

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade payables	2,782,835	2,648,430
Accrued expenses	2,323,124	2,151,983
Advance from customers	218,534	207,362
Deferred rental income	-	23,793
Other payables	<u>12,502</u>	<u>1,991</u>
	<u>5,336,995</u>	<u>5,033,559</u>

11 Bank borrowings

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Bank overdrafts	<u>1,237,540</u>	<u>727,072</u>

The Group obtains financing in the form of trust receipts to meet its working capital requirements. The average interest rate on these borrowings was 3 months EIBOR + margin and are repayable after six months from the draw down date. Borrowing against trust receipts is nil as at 30 June 2024,

Borrowings are secured by corporate guarantee of the Company and investment in securities.

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

12 Related party transaction and balances

Ultimate controlling party of the Group is Hily Holding PJSC (“Parent Company”).

Related parties include the Group’s shareholders with significant influence, directors and businesses controlled by them and their families or over which they exercise significant management influence as well as key management personnel.

Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:

(a) Amounts due from related parties

	Nature of relationship	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Hily Holding	Parent company	83,886,090	110,080,916
Green Motors	Other related party	5,638,173	3,958,081
Ali & Sons	Entity with significant influence	488,142	500,817
Mohamed Ali Alhossani	Director	186,944	95,404
Ahmed Ali Khalfan Al Dhahery	Director	26,464	39,171
Mohamed Al Qubaissi	Director	5,600	5,600
Others	Others	28,896	28,748
		<u>90,260,309</u>	<u>114,708,737</u>

(b) Amounts due to related parties

	Nature of relationship	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Dana Plaza Real Estate L.L.C	Common ownership	58,686,397	56,859,863
Al Wathba National Insurance Co.	Entity with significant influence	198,514	16,211
Green Lease	Other related party	70,246	59,480
		<u>58,955,157</u>	<u>56,935,554</u>

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

12 Related party transaction and balances *(continued)*

(c) Transactions with Related parties

	Nature of relationship	For the six months period ended 30 June	
		2024 AED (Unaudited)	2023 AED (Audited)
<i>Revenue</i>			
Green Motors	Other related party	1,680,985	1,530,952
Ali & Sons	Entity with significant influence	439,407	407,312
Ahmed Ali Khalfan Al Dhahery	Director	114,236	121,128
Mohamed Ali Alhossani	Director	91,540	87,008
Rashed Darwish Ahmed Saif Alketbi	Other related party	16,662	19,545
ABK Investment LLC	Other related party	3,521	3,023
AAK Investment LLC	Other related party	1,206	151,832
Sanaa Darwish Ahmed Alketbi	Other related party	-	38,013
Hissa Al Dhaheri	Other related party	-	5,897
Aysha Ali Khalfan Almutawa	Other related party	-	945
Green Lease Rent a Car – Sole Proprietorship LLC	Other related party	1,807	325
		<u>2,349,364</u>	<u>2,365,980</u>
<i>Expense</i>			
Al Wathba National Insurance Co.	Entity with significant influence	(209,677)	(25,419)
Ali & Sons	Entity with significant influence	(6,875)	(25,470)
Green Lease Rent a Car – Sole Proprietorship LLC	Other related party	(188,741)	(4,347)
		<u>(405,294)</u>	<u>(55,236)</u>

The remuneration of key management personnel during the period was as follows:

	For the six months period ended 30 June	
	2024 AED (Unaudited)	2023 AED (Unaudited)
Management compensation	<u>918,025</u>	<u>595,336</u>

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

13 Revenue

	For the six months period ended 30 June	
	2024 AED (Unaudited)	2023 AED (Unaudited)
Income from trading	26,382,082	25,329,722
Income from logistics and storage	7,399,861	5,701,893
Income from investment	189,729	-
	<u>33,971,672</u>	<u>31,031,615</u>

Geographical information

The information on Group's revenue by geography has been compiled based on the principal location of the customers. The Group's principal place of operations is the United Arab Emirates.

	For the six months period ended 30 June	
	2024 AED (Unaudited)	2023 AED (Unaudited)
United Arab Emirates	28,626,307	31,031,615
Kuwait	4,746,538	-
Bahrain	598,827	-
	<u>33,971,672</u>	<u>31,031,615</u>

14 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at the end for the year ended 31 December 2023, except as disclosed in the related notes in these condensed consolidated interim financial statements.

15 Commitments and contingent liabilities

Contingent liabilities

As at reporting date, the following contingent liabilities were outstanding:

	30 June	31 December
	2024 AED (Unaudited)	2023 AED (Audited)
Bank guarantees	1,565,991	2,037,239
Letter of Credit	<u>270,590</u>	<u>-</u>

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

15 Commitments and contingent liabilities *(continued)*

Capital commitments

As at reporting date, the capital commitments relate to the following:

	30 June 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Warehouse expansion	<u>21,351,622</u>	<u>41,817,382</u>

16 Basic and diluted earnings per share

	For the six months period ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Loss for the period (AED)	(612,637)	(10,462,304)
Weighted-average number of ordinary shares	<u>280,000,000</u>	<u>280,000,000</u>
Basic and diluted loss per share (AED)	<u>(0.002)</u>	<u>(0.037)</u>

17 Income Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law will be effective for financial years beginning on or after 1 June 2023 and therefore applicable to the Group with effect on 1 January 2024. The Cabinet Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) which would be subject to the 9% UAE CT rate.

For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024.

The management of the Group is opting to form a tax group where in Foodco National Foodstuff PJSC and its subsidiaries are included in the tax group of the Parent Company, for the purpose of determining taxable income in accordance with Article 42 of the Federal Decree Law No. 47 of 2022. Consequently, the Parent Company has consolidated the financial results, assets and liabilities of the subsidiaries within the Tax group election for the relevant Tax period, eliminating transactions between Parent and each subsidiary that is member of the Tax Group. Additionally, the Group has elected to account for gains and losses of changes in fair value of investments on a realisation basis along with other adjustments.

Foodco National Foodstuff PJSC

Notes to the condensed consolidated interim financial statements

18 Segment information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors in order to allocate resources to the segment and to assess its performance.

For operating purposes, the Group is organised into two major business segments:

- (i) Freight forwarding and storage; and
- (ii) Trading.

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

Information regarding these segments is presented below:

	Trading AED	Logistics and storage AED	Others AED	Eliminations AED	Consolidated AED
For the six-months period ended 30 June 2024 (Unaudited)					
Income – external	26,382,082	7,399,861	189,729	-	33,971,672
Income – internal	-	1,743,525	-	(1,743,525)	-
Profit / (loss) for the period	1,475,145	(2,268,166)	180,384	-	(612,637)

For the six-months period ended 30 June 2023 (Unaudited)

Income – external	25,329,722	5,701,893	-	-	31,031,615
Income – internal	-	2,759,678	-	(2,759,678)	-
Profit / (loss) for the period	(8,543,851)	(1,772,076)	(256,831)	146,454	(10,426,304)

The segment assets and liabilities are as follows:

	Trading AED	Logistics and storage AED	Others AED	Eliminations AED	Consolidated AED
As at 30 June 2024 (Unaudited)					
Asset	164,495,991	127,048,697	271,853,420	(272,037,088)	291,361,020
Liabilities	(32,851,124)	(147,622,890)	(163,618)	106,902,844	(73,734,788)
As at 31 December 2023 (Audited)					
Asset	157,728,658	105,150,556	271,914,441	(244,919,709)	289,873,946
Liabilities	(27,558,934)	(123,456,582)	78,866	79,813,844	(71,122,806)