

Trafco Group B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2018 (REVIEWED)

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRAFCO GROUP B.S.C.

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Trafco Group B.S.C. ("the Company") and its subsidiaries (together "the Group") as of 31 March 2018, and the related interim consolidated statements of income, other comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 ('IAS 34') "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.




Auditor's Registration No. 212
9 May 2018
Manama, Kingdom of Bahrain

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 March 2018 (Reviewed)

	Note	Three-month period ended 31 March	
		2018 BD	2017 BD (Restated)
Revenue from contracts with customers	4	10,044,943	9,732,563
Costs of revenue		(8,000,582)	(7,843,223)
GROSS PROFIT		2,044,361	1,889,340
Other operating income		52,710	26,991
Personnel costs		(902,995)	(903,039)
Selling and distribution expenses		(178,326)	(182,804)
General and administration expenses		(288,489)	(292,105)
Depreciation		(101,203)	(106,457)
PROFIT FROM OPERATIONS		626,058	431,926
Investment income - net		492,781	572,223
Finance costs		(43,527)	(47,166)
Share of results of an associate	7	(59,817)	(19,277)
Foreign exchange gains (losses) - net		12,243	(1,564)
Impairment of non-trading investments		-	(27,624)
PROFIT OF THE GROUP FOR THE PERIOD		1,027,738	908,518
Profit attributable to non-controlling interests		(161,212)	(132,299)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO		866,526	776,219
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	6	11	10



Ebrahim Mohamed Ali Zainal
Chairman



Yusuf Saleh Abdulla Alsaleh
Vice Chairman


The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the period ended 31 March 2018 (Reviewed)

	Three-month period ended 31 March	
	2018 BD	2017 BD (Restated)
PROFIT OF THE GROUP FOR THE PERIOD	1,027,738	908,518
OTHER COMPREHENSIVE (LOSS) INCOME		
<i>Other comprehensive (loss) income not to be reclassified to the interim consolidated statement of income in subsequent periods:</i>		
- Net changes in fair value of investments classified as fair value through other comprehensive income - net (note 8)	(88,515)	1,229,604
- Share of associate's other comprehensive income (note 7)	5,599	27,446
Net other comprehensive (loss) income not to be reclassified to the interim consolidated statement of income in subsequent periods	(82,916)	1,257,050
<i>Other comprehensive (loss) income to be reclassified to the interim consolidated statement of income in subsequent periods:</i>		
- Transfer of gain on disposals of non-trading investments to the interim consolidated statement of income	-	(107,426)
- Exchange differences on translation of foreign operations	(53,936)	11,172
Net other comprehensive loss to be reclassified to the interim consolidated statement of income in subsequent periods	(53,936)	(96,254)
Other comprehensive (loss) income for the period	(136,852)	1,160,796
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD	890,886	2,069,314
Total comprehensive income attributable to non-controlling interests	(134,783)	(137,773)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF TRAFCO	756,103	1,931,541



Ebrahim Mohamed Ali Zainal
Chairman



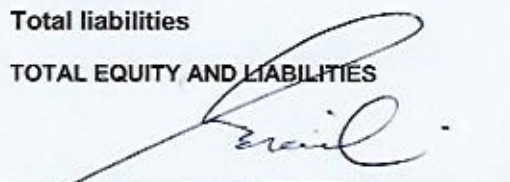
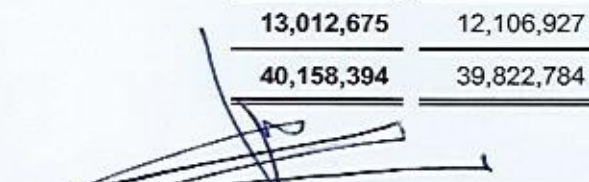
Yusuf Saleh Abdulla Alsaleh
Vice Chairman

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018 (Reviewed)

	Note	31 March 2018 (Reviewed) BD	31 December 2017 (Audited) BD (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		8,830,834	8,896,251
Investment in an associate	7	1,748,407	1,802,625
Non-trading investments	8	9,948,041	9,852,400
		<u>20,527,282</u>	<u>20,551,276</u>
Current assets			
Inventories		8,564,464	8,160,086
Right of return assets		27,684	32,976
Trade and other receivables		9,449,152	8,298,885
Bank balances and cash		1,589,812	2,779,561
		<u>19,631,112</u>	<u>19,271,508</u>
TOTAL ASSETS		<u>40,158,394</u>	<u>39,822,784</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	8,067,505	8,067,505
Treasury shares	12	(834,008)	(834,008)
Share premium	13	3,386,502	3,386,502
Reserves		13,846,890	14,390,651
Equity attributable to shareholders of Trafco		<u>24,466,889</u>	<u>25,010,650</u>
Non-controlling interests		2,678,830	2,705,207
Total equity		<u>27,145,719</u>	<u>27,715,857</u>
Non-current liabilities			
Employees' end of service benefits		1,275,733	1,303,829
Loans from non-controlling interests		248,500	497,000
Term loans		354,173	437,512
		<u>1,878,406</u>	<u>2,238,341</u>
Current liabilities			
Trade and other payables		6,470,145	5,931,976
Import loans		3,157,333	2,946,277
Term loans		333,329	458,329
Bank overdrafts		995,048	364,869
Contract and refund liabilities		178,414	167,135
		<u>11,134,269</u>	<u>9,868,586</u>
Total liabilities		<u>13,012,675</u>	<u>12,106,927</u>
TOTAL EQUITY AND LIABILITIES		<u>40,158,394</u>	<u>39,822,784</u>
 Ebrahim Mohamed Ali Zainal Chairman		 Yusuf Saleh Abdulla Alsaleh Vice Chairman	

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2018 (Reviewed)

	<i>Three-month period ended</i>	
	<i>31 March</i>	
	2018	2017
<i>Note</i>	BD	BD <i>(Restated)</i>
OPERATING ACTIVITIES		
Profit of the Group for the period	1,027,738	908,518
Adjustments for:		
Investment income - net	(492,781)	(572,223)
Depreciation	248,971	256,396
Finance costs	43,527	47,166
Provision for employees' end of service benefits	52,129	52,325
Share of results of an associate	59,817	19,277
Provision for slow moving and obsolete of inventories	3,572	4,929
Reversal of allowance for impairment of trade receivables	(2,573)	(19,633)
Gain on disposal of property, plant and equipment	-	(281)
Impairment of non-trading investments	-	27,624
Operating profit before changes in working capital	940,400	724,098
Working capital changes:		
Inventories	(407,950)	(322,543)
Right of return assets	5,292	2,182
Trade and other receivables	(909,611)	(743,817)
Trade and other payables	(685,677)	302,269
Contract and refund liabilities	11,279	17,298
Cash used in operations	(1,046,267)	(20,513)
Finance costs paid	(43,527)	(44,795)
Directors remuneration	(107,625)	-
Employees' end of service benefits paid	(80,225)	(10,991)
Net cash used in operating activities	(1,277,644)	(76,299)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(183,554)	(731,482)
Proceeds from disposals of property, plant and equipment	-	285
Purchase of non-trading investments	(184,156)	(14,039)
Proceeds from disposal of non-trading investments	-	119,670
Dividends received	295,018	29,191
Net cash used in investing activities	(72,692)	(596,375)
FINANCING ACTIVITIES		
Dividends paid	(8,713)	(25,058)
Net movements in import loans	211,056	1,064,295
Repayment of term loans	(208,339)	(118,390)
Repayment of loans from non-controlling interests	(248,500)	-
Dividend paid to non-controlling interests	(161,160)	-
Net cash (used in) from financing activities	(415,656)	920,847
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,765,992)	248,173
Foreign currency translation adjustments - net	(53,936)	11,172
Cash and cash equivalents at 1 January	2,414,692	(154,344)
CASH AND CASH EQUIVALENTS AT 31 MARCH (a)	594,764	105,001

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the period ended 31 March 2018 (Reviewed)

(a) Cash and cash equivalents comprise of following amounts:

	<i>Three-month period ended</i>	
	<i>31 March</i>	
	2018	2017
	BD	BD
Bank balances and cash	1,589,812	759,434
Bank overdrafts	(995,048)	(654,433)
	594,764	105,001

Non-cash item:

- (i) Unclaimed dividends pertaining to prior period amounting to BD 1,223,846 (2017: BD 1,284,536) have been excluded from the movement of trade and other payables above.
- (ii) Dividends receivable amounting to BD 197,763 (2017: BD 438,936) has been excluded from the movement of trade and other receivables above.

Trafco Group B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2018 (Reviewed)

	<i>Attributable to shareholders of Trafco</i>												
	<i>Share capital BD</i>	<i>Treasury shares BD</i>	<i>Share premium BD</i>	<i>Statutory reserve BD</i>	<i>General reserve BD</i>	<i>Cumulative changes in fair value BD</i>	<i>Reserves</i>			<i>Total reserves BD</i>	<i>Total Trafco's shareholders BD</i>	<i>Non-controlling interests BD</i>	<i>Total equity BD</i>
							<i>Retained earnings - distributable BD</i>	<i>Retained earnings not-distributable BD</i>	<i>Proposed appropriations BD</i>				
Balance at 1 January 2018	8,067,505	(834,008)	3,386,502	3,601,062	1,315,000	5,740,819	2,184,791	272,949	1,282,559	14,397,180	25,017,179	2,708,756	27,725,935
Impact of adoption IFRS 9 and IFRS 15 (note 2)	-	-	-	-	-	-	(73,834)	-	-	(73,834)	(73,834)	(3,549)	(77,383)
Balance at 1 January 2018 (restated)	8,067,505	(834,008)	3,386,502	3,601,062	1,315,000	5,740,819	2,110,957	272,949	1,282,559	14,323,346	24,943,345	2,705,207	27,648,552
Profit for the period	-	-	-	-	-	-	866,526	-	-	866,526	866,526	161,212	1,027,738
Other comprehensive loss for the period	-	-	-	-	-	(110,423)	-	-	-	(110,423)	(110,423)	(26,429)	(136,852)
Total comprehensive (loss) income for the period	-	-	-	-	-	(110,423)	866,526	-	-	756,103	756,103	134,783	890,886
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(161,160)	(161,160)
Dividends (note 14)	-	-	-	-	-	-	-	-	(1,232,559)	(1,232,559)	(1,232,559)	-	(1,232,559)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	-
Balance at 31 March 2018	8,067,505	(834,008)	3,386,502	3,601,062	1,365,000	5,630,396	2,977,483	272,949	-	13,846,890	24,466,889	2,678,830	27,145,719
Balance at 1 January 2017 (as previously reported)	8,067,505	(834,008)	3,386,502	3,432,541	1,265,000	4,988,510	2,038,307	201,811	1,359,594	13,285,763	23,905,762	2,002,258	25,908,020
Impact of IFRS 15 adoption	-	-	-	-	-	-	(7,182)	-	-	(7,182)	(7,182)	(3,903)	(11,085)
Balance at 1 January 2017 (restated)	8,067,505	(834,008)	3,386,502	3,432,541	1,265,000	4,988,510	2,031,125	201,811	1,359,594	13,278,581	23,898,580	1,998,355	25,896,935
Profit for the period	-	-	-	-	-	-	776,219	-	-	776,219	776,219	132,299	908,518
Other comprehensive income for the period	-	-	-	-	-	1,155,322	-	-	-	1,155,322	1,155,322	5,474	1,160,796
Total comprehensive income for the period	-	-	-	-	-	1,155,322	776,219	-	-	1,931,541	1,931,541	137,773	2,069,314
Dividends (note 14)	-	-	-	-	-	-	-	-	(1,309,594)	(1,309,594)	(1,309,594)	-	(1,309,594)
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	-
Balance at 31 March 2017 (restated)	8,067,505	(834,008)	3,386,502	3,432,541	1,315,000	6,143,832	2,807,344	201,811	-	13,900,528	24,520,527	2,136,128	26,656,655

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2018 (Reviewed)

1 CORPORATE INFORMATION

Trafco Group B.S.C. ("the Company" or "Trafco" or "the parent company") is a public joint stock company, the shares of which are publicly traded on the Bahrain Bourse and was incorporated in the Kingdom of Bahrain by Amiri Decree No. 10 of November 1977. The Company is also registered in the Kingdom of Bahrain in accordance with the provisions of the Bahrain Commercial Companies Law and operates under commercial registration (CR) number 8500. The postal address of the Company's registered office is PO Box 20202, Manama, Kingdom of Bahrain. The Company's main activity is trading in various kinds of food products.

The Group comprises of the Company and its following subsidiaries and associates:

<i>Relationship / name</i>	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>Principal activities</i>
		<i>31 March 2018 (Reviewed)</i>	<i>31 December 2017 (Audited)</i>	
Subsidiaries				
Bahrain Water Bottling & Beverages Company S.P.C.	Kingdom of Bahrain	100%	100%	Producing, bottling and marketing of sweet drinking water and beverages.
Bahrain Fresh Fruits Company S.P.C.	Kingdom of Bahrain	100%	100%	Trading in fresh fruits and vegetables and other food items.
Metro Markets Company S.P.C.	Kingdom of Bahrain	100%	100%	Trading in food items and beverages.
Trafco Logistics Company S.P.C	Kingdom of Bahrain	100%	100%	Providing storage and logistics services.
Awal Dairy Company W.L.L.	Kingdom of Bahrain	51%	51%	Production and supply of milk, juices, ice cream and tomato paste.
Kuwait Bahrain Dairy Company V	State of Kuwait	50%*	50%*	Marketing and supply of milk, juices and associated products.
Associates				
Bahrain Livestock Company B.S.C. (c)	Kingdom of Bahrain	36.26%	36.26%	Import and sale of livestock and fresh meat.
Qatari Bahraini Food Trading Co. L.L.C.	State of Qatar	50%	50%	Under liquidation process.

* Effective ownership. Owned by Awal Dairy Company W.L.L.

Except for Awal Dairy Company W.L.L. and its subsidiary Kuwait Bahrain Dairy Company W.L.L. which has 30 September financial year-ends, the financial year-end of all the remaining subsidiaries and associates is 31 December.

The Group primarily operates in the Kingdom of Bahrain and partially in the State of Kuwait.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 9 May 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2018 have been prepared in accordance with International Accounting Standard 34 (IAS 34) "*Interim Financial Reporting*".

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017. In addition, results for the three-month period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the new standards and interpretations and amendments to standards and interpretations effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applied, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Group adopted IFRS 15 using the full retrospective method of adoption.

The Group's revenue from contracts with customers arises from sale of goods and rendering of services. The specific revenue recognition policies in respect of these contracts with customers are discussed below:

(i) Sale of goods

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Variable consideration

Some contracts for the sale of goods provide customers with right of return, volume rebates and display fees. Under IFRS 15, rights of return, volume rebates and display fees give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

a) Rights of return

When a contract provides a customer with a right to return the goods within a specified period, the Group previously estimated expected returns using a probability-weighted average amount approach similar to the expected value method under IFRS 15. Prior to adoption of IFRS 15, the amount of revenue related to the expected returns was deferred and recognised in the statement of financial position within 'Trade and other payables' with a corresponding adjustment to 'Cost of sales'. The initial carrying amount of goods expected to be returned was included within 'Inventories'.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

a) Rights of return (continued)

Under IFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group applies the requirements in IFRS 15 on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price. The Group presents a refund liability and an asset for the right to recover products from a customer within 'Trade and other payables' and 'Trade and other receivables', respectively. The Group determines the amounts of 'Refund liabilities' and 'Right of return assets' and net effect was adjusted in 'Retained earnings' in the interim consolidated statement of changes in equity.

The consolidated statement of financial position as at 31 December 2017 was restated resulting in recognition of 'Right of return assets' and 'Contract and refund liabilities' of BD 32,976 and BD 43,054, respectively. The consolidated statement of income for the three-month period ended 31 March 2017 was also restated, resulting in decreases in 'Revenue from contracts with customers' and 'Costs of revenue' of BD 39,291 and BD 29,581, respectively.

b) Volume rebates

The Group provides retrospective volume rebates to its customers on certain products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer.

Under IFRS 15, retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the 'most likely amount method' for contracts with a single volume threshold and the 'expected value method' for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration. Upon adoption of IFRS 15, the Group recognised 'Contract liabilities' for the expected future rebates, derecognised the provision for rebates recognised under 'Trade and other payables' and adjusted the 'Retained earnings' for the difference.

The consolidated statement of financial position as at 31 December 2017 was restated resulting in recognition of 'Contract liabilities' of BD 124,081 and decreases in 'Trade and other payables' of BD 124,081. The consolidated statement of income for the three-month period ended 31 March 2017 was also restated resulting in a decrease in 'Revenue from contracts with customers' and 'Selling and distribution expenses' of BD 108,571.

c) Display fees

The Group pays display fees to its customers for renting of shelf for displaying its products. Display fees are offset against amounts payable by the customer.

Under IFRS 15, display fees give rise to variable consideration which the Group applies by reducing the revenue.

The consolidated statement of income for the three-month period ended 31 March 2017 was restated in respect of display fees resulting in a decrease in 'Revenue from contracts with customers' and 'Selling and distribution expenses' of BD 25,494.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

(ii) Rendering of services

Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

Under IFRS 15, the Group concluded that revenue for rendering of services will continue to be recognised over time using relevant input methods.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

For the Group classification and measurement and impairment aspects of IFRS 9 had an impact. Since the Group does not enter into derivative contracts, hedge accounting aspect had no impact.

Classification and measurement of financial instruments

The Group has applied IFRS 9 retrospectively, at the initial application date of 1 January 2018, without restating comparatives. The adoption of IFRS 9 impacted the reclassification of the Group's investments in equity instruments from available-for-sale investments to investment at fair value through other comprehensive income (FVOCI).

IFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Financial assets at fair value through other comprehensive income

The Group has designated its non-trading equity investments as FVOCI on initial application of IFRS 9, as the Board of Directors believes that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the interim consolidated statement of income.

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

A financial asset or financial liability is held for trading if:

- (a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- (b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- (c) it is a derivative (except for derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investment in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and "cumulative changes in fair value". The cumulative gain or loss will not be reclassified to the interim condensed consolidated statement of income on disposal of equity investments.

Dividends on the non-trading equity investments are recognised in the interim consolidated statement of income when the Group's right to receive the dividends is established, unless the dividends clearly recover part of the cost of the investment.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement of financial instruments (continued)

Financial assets measured at amortised cost

All other financial assets are initially recognised in accordance with the requirements of IFRS and are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets as described below:

A financial asset is classified as 'amortised cost' only if both of the following criteria are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. They are subsequently measured at amortised cost using the effective interest method (EIR) less any impairment.

Impairment of financial assets

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For 'Trade and other receivables', the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The impact of adoption of IFRS 9 on the Group's interim consolidated financial statements is disclosed below:

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except the comparative information has not been restated. The difference in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in 'Retained earnings' as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 Financial Instruments (continued)

Transition

i) Reconciliation of carrying amounts of financial assets as at 31 December 2017 and 1 January 2018

The following table reconciles the carrying amounts of financial assets as of 31 December 2017 to the carrying amounts determined by applying IFRS 9 on 1 January 2018:

	Carrying value as at 31 December 2017 BD	Reclassification of financial assets BD	Allowance for impairment based on ECL BD	Carrying value as at 1 January 2018 BD
Financial assets				
Non-trading investments (available-for-sale investments)	9,852,400	(9,852,400)	-	-
Non-trading investments (FVOCI)	-	9,852,400	-	9,852,400
Trade and other receivables	8,298,885	-	(67,305)	8,231,580
Cash, bank balances and short-term deposits	2,779,561	-	-	2,779,561
	<u>20,930,846</u>	<u>-</u>	<u>(67,305)</u>	<u>20,863,541</u>

ii) Impact on total reserves and non-controlling interests

	Total reserves BD	Non- controlling interests BD
As at 1 January 2018 as previously reported	14,397,180	2,708,756
Recognition of allowance for impairment under IFRS 9	(67,305)	-
Net impact on adoption of IFRS 15	(6,529)	(3,549)
	<u>(73,834)</u>	<u>(3,549)</u>
Restated opening balance as at 1 January 2018	<u>14,323,346</u>	<u>2,705,207</u>

iii) Reconciliation of allowance recorded as at 31 December 2017 and 1 January 2018

The following table reconciles the previously recorded allowance for impairment of trade receivables as at 31 December 2017 to the revised allowance as of 1 January 2018 on transition to IFRS 9:

	As at 31 December 2017 BD	Transition adjustment BD	As at 1 January 2018 BD
Allowance / ECL relating to:			
Trade and other receivables	589,431	67,305	656,736

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation did not have any impact on the Group's interim condensed consolidated financial statements.

Several other new standards and interpretations and amendments to standards and interpretations applied for the first time in 2018. However, they did not impact the interim condensed consolidated financial statements of the Group.

3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the interim condensed consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single statement of financial position model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

Other amendments resulting from new standards and interpretations and amendments to standards and interpretations will not have any impact on the accounting policies, consolidated financial position or consolidated financial performance of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2018 (Reviewed)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table presents the disaggregation of the Group's revenue from contracts with customers for the three-month periods ended 31 March 2018 and 31 March 2017:

	<i>Imported foodstuff</i>		<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Total</i>			
	<i>Wholesale</i>		<i>Retail</i>									
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>		
	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>		
	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>	<i>(Restated)</i>		
Type of revenue												
Sale of goods	4,702,562	4,480,926	684,969	672,919	3,856,068	3,523,885	620,947	918,990	-	-	9,864,546	9,596,720
Rendering of services	-	-	-	-	-	-	-	-	180,397	135,843	180,397	135,843
Total revenue from contracts with customers	4,702,562	4,480,926	684,969	672,919	3,856,068	3,523,885	620,947	918,990	180,397	135,843	10,044,943	9,732,563
Geographic markets												
Bahrain	4,702,562	4,480,926	684,969	672,919	3,132,949	2,844,954	620,947	918,990	180,397	135,843	9,321,824	9,053,632
Kuwait	-	-	-	-	723,119	678,931	-	-	-	-	723,119	678,931
Total revenue from contracts with customers	4,702,562	4,480,926	684,969	672,919	3,856,068	3,523,885	620,947	918,990	180,397	135,843	10,044,943	9,732,563
Timing of revenue recognition												
Goods transferred at a point in time	4,702,562	4,480,926	684,969	672,919	3,856,068	3,523,885	620,947	918,990	-	-	9,864,546	9,596,720
Services transferred over time	-	-	-	-	-	-	-	-	180,397	135,843	180,397	135,843
Total revenue from contracts with customers	4,702,562	4,480,926	684,969	672,919	3,856,068	3,523,885	620,947	918,990	180,397	135,843	10,044,943	9,732,563

Trafco Group B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2018 (Reviewed)

5 SEASONALITY OF RESULTS

Net investment income for the three-month period ended 31 March 2018 amounting to BD 492,781 (2017: BD 572,223) are of seasonal nature.

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of Trafco by the weighted average number of ordinary shares outstanding during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares, as follows:

	<i>Three-month period ended 31 March (Reviewed)</i>	
	2018	<i>2017 (Restated)</i>
Profit for the period attributable to shareholders of TRAFCO – BD	866,526	776,219
Weighted average number of shares, net of treasury shares	77,034,935	77,034,935
Basic and diluted earnings per share (fils)	11	10

Basic and diluted earnings per share are the same as the Company has not issued any instruments that would have a dilutive effect.

7 INVESTMENT IN AN ASSOCIATE

The Group owns a 36.26% [31 December 2017 (Audited): 36.26%] interest in Bahrain Livestock Company B.S.C. (c), a company registered in the Kingdom of Bahrain and engaged in trading of livestock and other related activities in the Kingdom of Bahrain.

The movements in the carrying values of the investment in the associate are as follows:

	31 March 2018 (Reviewed) BD	<i>31 December 2017 (Audited) BD</i>
At beginning of the period / year	1,802,625	1,980,860
Share of results for the period / year	(59,817)	(168,315)
Share of other comprehensive income of the associate	5,599	(9,920)
At end of the period / year	1,748,407	1,802,625

The share of results of the associate is recorded based on the approved management accounts for the three-month period ended 31 March 2018.

The associate has no significant contingencies or capital commitments as at 31 March 2018 and as at 31 December 2017.

8 NON-TRADING INVESTMENTS

	31 March 2018 (Reviewed) BD	31 December 2017 (Audited) BD
<i>Fair value through other comprehensive income</i>		
- Quoted equity investments	6,325,678	6,044,230
- Unquoted equity investments	3,622,363	3,808,170
	9,948,041	9,852,400

The movements in the fair values of non-trading investments, are as follows:

	31 March 2018 (Reviewed) BD	31 December 2017 (Audited) BD
At beginning of the period / year	9,852,400	9,484,699
Purchase of investments during the period/year	184,156	193,677
Changes in fair values during the period/year - net	(88,515)	1,096,749
Disposals of investments during the period/year	-	(767,143)
Return of capital	-	(15,000)
Impairment in value	-	(140,582)
At end of the period / year	9,948,041	9,852,400

Quoted equity investments

The fair values of the quoted equity investments are determined by reference to published price quotations in an active market.

Unquoted equity investments

The fair values of unquoted equity investments have been estimated using fair value provided by the investment managers or other appropriate valuation techniques.

9 FINANCIAL INSTRUMENTS

Set out below is an overview of the financial instruments held by the Group as at 31 March 2018 and 31 December 2017:

	Amortised cost BD	Fair value through other comprehensive income BD	Total BD
Financial assets			
At 31 March 2018 (Reviewed)			
Non-trading investments	-	9,948,041	9,948,041
Trade and other receivables	9,449,152	-	9,449,152
Bank balances and cash	1,589,812	-	1,589,812
	11,038,964	9,948,041	20,987,005

9 FINANCIAL INSTRUMENTS (continued)

<i>Financial assets</i>	<i>Loans and receivables BD</i>	<i>Available- for-sale investments BD</i>	<i>Total BD</i>
<i>At 31 December 2017 (Audited)</i>			
Non-trading investments	-	9,852,400	9,852,400
Trade and other receivables	8,298,885	-	8,298,885
Bank balances and cash	2,779,561	-	2,779,561
	11,078,446	9,852,400	20,930,846
		31 March 2018 (Reviewed) BD	31 December 2017 (Audited) BD
Financial liabilities at amortised cost			
Trade and other payables		6,470,145	5,931,976
Import loans		3,157,333	2,946,277
Bank overdrafts		995,048	364,869
Term loans		687,502	895,841
Loans from non-controlling interests		248,500	497,000
		11,558,528	10,635,963

10 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments

The fair value of financial instruments are estimated based on the following methods and assumptions:

- a) Bank balances and cash, bank overdrafts, a portion of trade and other receivables and a portion of trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments;
- b) Term loans, loans from non-controlling interests, import loans are evaluated by the Group based on parameters such as interest rates. As at 31 March 2018 and as at 31 December 2017, the carrying amounts are not materially different from their fair values; and
- c) Fair value of quoted equity investments is derived from quoted market prices in active markets and in the case of unquoted equity investments, using fair value provided by the investment managers or other appropriate valuation techniques including the use of net assets value and other appropriate valuation methodologies.

The fair values of financial assets and liabilities are not materially different from their carrying values as at 31 March 2018 and as at 31 December 2017.

Fair value of non-financial assets and liabilities

The Group does not have any non-financial assets or liabilities which have been remeasured at fair value as at 31 March 2018 and as at 31 December 2017.

10 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

Movements in the fair values of financial assets classified as level 3 category were as follows:

	31 March 2018 (Reviewed) BD	<i>31 December 2017 (Audited) BD</i>
At beginning of the period / year	3,808,170	2,606,027
Changes in fair value	(185,807)	1,202,143
At end of the period / year	3,622,363	3,808,170

11 SHARE CAPITAL

	31 March 2018 (Reviewed) BD	<i>31 December 2017 (Audited) BD</i>
Authorised: 100,000,000 [31 December 2017 (Audited): 100,000,000] shares of BD 0.100 each	10,000,000	10,000,000
Issued, subscribed and fully paid-up: 80,675,052 [31 December 2017 (Audited): 80,675,052] shares of BD 0.100 each	8,067,505	8,067,505

a) Distribution of share capital is as follows:

Categories	31 March 2018 (Reviewed)			31 December 2017 (Audited)		
	Number of shares	Number of shareholders	% of total share capital	Number of shares	Number of shareholders	% of total share capital
Less than 1%	40,284,309	2,986	50	40,284,309	2,989	50
1% up to less than 5%	31,957,097	14	40	31,957,097	14	40
10% up to less than 20%	8,433,646	1	10	8,433,646	1	10
	80,675,052	3,001	100	80,675,052	3,004	100

b) The name and nationality of the major shareholder, holding more than 5% of the issued share capital of the Company and the number of shares held by him at 31 March 2018 and 31 December 2017 are as follows:

Name	Nationality	Number of shares	% of shareholding
Abdulhameed Zainal Mohamed Zainal	Bahraini	8,433,646	10

12 TREASURY SHARES

Treasury shares represent 3,640,117 [31 December 2017 (Audited): 3,640,117] shares, representing 4.51% [31 December 2017 (Audited): 4.51%] of the issued, subscribed and fully paid-up share capital of the Company.

13 SHARE PREMIUM

The share premium arose on the issue of shares in 2000 and rights shares issued in 2008 and is not available for distribution, but can be utilised as stipulated in the Bahrain Commercial Companies Law.

14 DIVIDENDS

At the annual general meeting of the shareholders held on 26 March 2018, a final cash dividend of 16 fils per share, excluding treasury shares, totaling BD 1,232,559 for the year ended 31 December 2017 was declared and paid (31 March 2017: At the annual general meeting of the shareholders held on 26 March 2017, a final cash dividend of 17 fils per share, excluding treasury shares, totaling BD 1,309,594 for the year ended 31 December 2016 was declared and paid). Dividends payable are included within 'Trade and other payables' in the interim consolidated statement of financial position as at 31 March 2018 and as at 31 December 2017.

15 COMMITMENTS AND CONTINGENCIES

Future capital expenditure for the Group amounted to BD 1,089,866 [31 December 2017 (Audited): BD 211,995].

Tender, advance payment and performance guarantees issued by banks on behalf of the Group, in the normal course of business, outstanding as at 31 March 2018 amounted to BD 859,936 [31 December 2017 (Audited): BD 821,636].

16 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

Imported foodstuff - Wholesale	Import and distribution of foodstuff.
Imported foodstuff - Retail	Import and distribution of foodstuff through supermarkets.
Investments	Investment in quoted and unquoted securities (including investments in an associate).
Dairy products and beverages	Production, processing and distribution of dairy products, juices, ice-cream, bottling of water and other items.
Fruits and vegetables	Import and distribution of fruits, vegetables and other food items.
Storage and logistics	Providing of storage and logistics services.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained later in a table, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

Segment assets include all operating assets used by a segment and consist primarily of property, plant and equipment, inventories, trade and other receivables and bank balances and cash. Whilst the majority of the assets can be directly attributed to individual business segments, the carrying amounts of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

16 SEGMENT REPORTING (continued)

Segment liabilities include all operating liabilities and consist primarily of term loans, import loans, trade and other payables and bank overdrafts. Whilst the majority of the liabilities can be directly attributed to individual business segments, the carrying amounts of certain liabilities used jointly by two or more segments is allocated to the segments on a reasonable basis.

Inter-segment revenues, transactions, assets and liabilities are eliminated upon consolidation and reflected in the adjustment and eliminations column.

Revenue from operations for the three-month period ended 31 March 2018 in the State of Kuwait amounted to BD 723,119 (2017: BD 678,931) and loss for the three-month period ended 31 March 2018 amounted to BD 29,973 (2017: BD 71,772). The remaining revenue and profit for the period is generated from the primary geographical segment in the Kingdom of Bahrain.

At 31 March 2018, total assets in the State of Kuwait amounted to BD 1,073,427 [31 December 2017 (Audited): BD 1,128,610] and total liabilities amounted to BD 990,285 [31 December 2017 (Audited): BD 1,045,468]. All remaining assets and liabilities arise from the primary geographical segment in the Kingdom of Bahrain.

16 SEGMENT REPORTING (continued)

Three-month period ended 31 March 2018 (Reviewed)

The following table presents the details of segmental operating results for the three-month periods ended 31 March 2018 and 31 March 2017:

	<i>Imported foodstuff</i>				<i>Investments</i>	<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Adjustments and eliminations</i>		<i>Total</i>			
	<i>Wholesale</i>		<i>Retail</i>			<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>													
Revenue - third parties	4,673,275	4,443,673	684,969	672,919	-	-	3,856,068	3,523,885	620,947	918,990	209,684	173,096	-	-	10,044,943	9,732,563	
Revenue - inter segments	389,936	365,152	-	-	-	-	12,245	11,156	33,777	39,878	32,889	48,822	(468,847)	(465,008)	-	-	
Total revenue	5,063,211	4,808,825	684,969	672,919	-	-	3,868,313	3,535,041	654,724	958,868	242,573	221,918	(468,847)	(465,008)	10,044,943	9,732,563	
Costs of revenue (excluding depreciation)	(4,337,738)	(4,069,216)	(600,796)	(595,078)	-	-	(2,734,907)	(2,550,813)	(532,049)	(799,793)	(50,394)	(45,747)	435,958	416,186	(7,819,926)	(7,644,461)	
Gross profit	725,473	739,609	84,173	77,841	-	-	1,133,406	984,228	122,675	159,075	192,179	176,171	(32,889)	(48,822)	2,225,017	2,088,102	
Other operating income	29,461	35,884	12,365	11,544	-	-	43,742	23,999	4,618	538	5,622	5,096	(43,098)	(50,070)	52,710	26,991	
Expenses (excluding depreciation)	(570,602)	(644,972)	(79,881)	(73,707)	-	-	(684,678)	(565,877)	(61,995)	(140,927)	(49,181)	(60,860)	43,639	59,572	(1,402,698)	(1,426,771)	
Depreciation	(27,040)	(26,880)	(6,430)	(4,280)	-	-	(128,954)	(136,603)	(11,234)	(17,527)	(71,183)	(66,976)	(4,130)	(4,130)	(248,971)	(256,396)	
Profit from operations	157,292	103,641	10,227	11,398	-	-	363,516	305,747	54,064	1,159	77,437	53,431	(36,478)	(43,450)	626,058	431,926	
Investment income - net (including share of results from an associates)	-	-	-	-	717,285	735,577	-	-	-	-	-	-	(284,321)	(182,631)	432,964	552,946	
Finance costs	(25,566)	(21,288)	(1,416)	(1,337)	-	-	(11,912)	(21,219)	(12,132)	(13,593)	(24,849)	(29,049)	32,348	39,320	(43,527)	(47,166)	
Foreign exchange gains	-	-	-	-	-	-	12,243	(1,564)	-	-	-	-	-	-	12,243	(1,564)	
Impairment of non-trading investments	-	-	-	-	-	(27,624)	-	-	-	-	-	-	-	-	-	(27,624)	
Profit (loss) for the period	131,726	82,353	8,811	10,061	717,285	707,953	363,847	282,964	41,932	(12,434)	52,588	24,382	(288,451)	(186,761)	1,027,738	908,518	
Capital expenditure	18,915	458,554	1,177	1,650	-	-	129,655	241,896	7,500	10,361	26,307	19,021	-	-	183,554	731,482	

The following table presents segment assets and liabilities as at 31 March 2018 and 31 December 2017:

	<i>Imported foodstuff</i>				<i>Investments</i>	<i>Dairy products and beverages</i>		<i>Fruits and vegetables</i>		<i>Storage and logistics</i>		<i>Adjustments and eliminations</i>		<i>Total</i>			
	<i>Wholesale</i>		<i>Retail</i>			<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>	<i>31 December</i>													
Assets	15,220,378	14,393,565	948,569	986,977	16,854,680	16,724,183	10,383,033	11,125,630	1,719,106	1,730,223	3,826,841	3,877,381	(8,794,213)	(9,015,175)	40,158,394	39,822,784	
Liabilities	7,937,936	6,456,186	625,901	673,122	-	-	4,247,728	4,971,335	1,225,842	1,238,282	2,610,762	2,714,018	(3,635,494)	(3,946,016)	13,012,675	12,106,927	

17 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, companies having common directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of income for the three-month periods ended 31 March 2018 and 31 March 2017 are as follows:

	Three-month period ended 31 March 2018 (Reviewed)			
	Sales BD	Purchase of goods and services BD	Other income BD	Expenses BD
Associated companies	-	105,554	3,540	-
Common directors	113,189	272,603	319,937	86,369
	113,189	378,157	323,477	86,369
	Three-month period ended 31 March 2017 (Reviewed)			
	Sales BD	Purchase of goods and services BD	Other income BD	Expenses BD
Associated companies	-	9,921	11,850	-
Common directors	124,681	223,837	264,916	117,495
	124,681	233,758	276,766	117,495

Balances of the related parties included in the interim consolidated statement of financial position as at 31 March 2018 and as at 31 December 2017 are as follows:

	At 31 March 2018 (Reviewed)		At 31 December 2017 (Audited)	
	Due from related parties BD	Due to related parties BD	Due from related parties BD	Due to related parties BD
Associated companies	986	4,849	2,626	44,604
Common directors	103,404	282,817	-	378,799
	104,390	287,666	2,626	423,403

Terms and conditions of transactions with related parties

Purchases from and sales to related parties are made at normal market prices. Outstanding balances at the period-end and year-end arose in the normal course of business are unsecured, interest free and settlement occurs in cash.

The Group has an allowance for impairment of BD 10,761 [31 December 2017 (Audited): BD 10,761] relating to amounts owed by a related party as of 31 March 2018. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

17 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three-month period ended was as follows:

	<i>Three-month period ended</i>	
	<i>31 March (Reviewed)</i>	
	2018	2017
	BD	BD
Short-term benefits	94,222	98,044
Employees' end of service benefits	1,954	2,193
	96,176	100,237

The details of total ownership interest held by the directors as at 31 March 2018 and 31 December 2017 are as follows:

	Name	Relationship	<i>Shares held at</i>	
			31 March	31 December
			2018	2017
			(Reviewed)	(Audited)
(i)	Mr Ebrahim Mohamed Ali Zainal	Chairman	1,888,137	1,888,137
(ii)	Mr Yusuf Saleh Abdulla Alsaleh	Vice Chairman	542,227	542,227
(iii)	Mr Khalid A.Rahman Khalil Almoayed	Director and Executive Committee member	457,089	591,545
(iv)	Dr Esam Abdulla Yousif Fakhro	Director and Executive Committee member	1,583,161	1,583,161
(v)	Mr Ebrahim Salahuddin Ahmed Ebrahim	Director	311,115	311,115
(vi)	Mr Sami Mohamed Yusuf Jalal	Director	203,901	203,901
(vii)	Mr Jehad Yusuf Abdulla Amin	Director	450,000	450,000
(viii)	Mr A. Redha Mohamed Redha Aldailami	Director	270,184	270,184
(ix)	Mr Ali Yusuf A.Rahman A. Rahim	Director	149,660	149,660
(x)	Mr Fuad Ebrahim Khalil Kanoo	Director	174,757	174,757

	Name	Relationship	<i>% of shareholding at</i>	
			31 March	31 December
			2018	2017
			(Reviewed)	(Audited)
(i)	Mr Ebrahim Mohamed Ali Zainal	Chairman	2.34	2.34
(ii)	Mr Yusuf Saleh Abdulla Alsaleh	Vice Chairman	0.67	0.67
(iii)	Mr Khalid A.Rahman Khalil Almoayed	Director and Executive Committee member	0.57	0.73
(iv)	Dr Esam Abdulla Yousif Fakhro	Director and Executive Committee member	1.96	1.96
(v)	Mr Ebrahim Salahuddin Ahmed Ebrahim	Director	0.39	0.39
(vi)	Mr Sami Mohamed Yusuf Jalal	Director	0.25	0.25
(vii)	Mr Jehad Yusuf Abdulla Amin	Director	0.56	0.56
(viii)	Mr A. Redha Mohamed Redha Aldailami	Director	0.33	0.33
(ix)	Mr Ali Yusuf A.Rahman A. Rahim	Director	0.19	0.19
(x)	Mr Fuad Ebrahim Khalil Kanoo	Director	0.22	0.22