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GULFA MINERAL WATER AND PROCESSING INDUSTRIES CO, PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
WITH REVIEW REPORT
(UNAUDITED)

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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO, PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
WITH REVIEW REPORT
(UNAUDITED)

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REVIEW REPORT

The Shareholders
Gulfa Mineral Water
And Processing Industries Co. PLC
Ajman – United Arab Emirates

Review Report on the Interim Condensed Financial Information

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Gulfa Mineral Water and Processing Industries Co. PLC as of September 30, 2014, the related interim condensed statements of comprehensive income, cash flows and changes in shareholders' equity for the nine months period then ended. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has came to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Furthermore, based on our review, the interim condensed financial information is in agreement with the books of the Company. Also, to the best of our knowledge and belief, no violations of the Commercial Companies' Law of 1984, as amended, nor of the Company's Articles of Association have occurred during the nine months ended September 30, 2014 that might have had a material effect on the business of the Company or on its financial position.

Hikmat Mukhaimer FCCA
Registration No. 355
Rödl Middle East
Certified Public Accountants

October 16, 2014
Dubai – U.A.E.

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GULFA MINERAL WATER
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Exhibit-A

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	Notes	September 30, 2014 (unaudited)	December 31, 2013 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	3	**21,048,672**	16,205,101
Trade receivables	4	**15,825,585**	11,406,393
Inventories	5	**7,138,644**	6,928,654
Other receivables	6	**2,622,152**	1,733,744
Due from related parties	7	**5,522,194**	7,242,672
Total current assets		**52,157,247**	43,516,564
Non - Current assets			
Property, plant and equipment	8	**15,563,408**	18,679,495
Refundable deposits		**762,832**	762,832
Total non - current assets		**16,326,240**	19,442,327
Total assets		**68,483,487**	62,958,891
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		**4,446,466**	3,853,456
Other payables and provisions	9	**6,350,862**	6,580,510
Dividends payable		**170,437**	175,472
Due to related parties	7	**69,543**	1,317,148
Total current liabilities		**11,037,308**	11,926,586
Non - current liabilities			
Provision for indemnity		**7,057,490**	6,257,413
Total non – current liabilities		**7,057,490**	6,257,413
Shareholders' equity			
Paid up capital	10	**25,000,000**	25,000,000
Statutory reserve	11	**5,006,191**	5,006,191
Voluntary reserve	12	**767,937**	767,937
Retained earnings		**19,614,561**	14,000,764
Total shareholders' equity		**50,388,689**	44,774,892
Total liabilities and shareholders' equity		**68,483,487**	62,958,891

Those interim financial statements were approved by the board of directors on October 16, 2014 and signed on its behalf by:

Mr. Adel Fahmy
General Manager

Mr. Ramy Ibrahim
Finance Manager

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

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Exhibit-B

GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO, PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	Notes	Three month ended		Nine month ended	
		September 30, 2014 (unaudited)	September 30, 2013 (unaudited)	**September 30, 2014 (unaudited)**	September 30, 2013 (unaudited)
Sales		**15,116,610**	15,210,312	**48,423,118**	38,787,722
Sales discounts		**(800,286)**	(615,687)	**(1,903,251)**	(1,412,820)
Net sales		**14,316,324**	14,594,625	**46,519,867**	37,374,902
Cost of sales		**(9,925,364)**	(10,841,210)	**(31,158,961)**	(26,528,989)
Gross profit		**4,390,960**	3,753,415	**15,360,906**	10,845,913
Other income		**259,965**	207,259	**730,670**	941,761
Total revenues		**4,650,925**	3,960,674	**16,091,576**	11,787,674
Expenses and other charges					
Selling and marketing expenses		**1,508,345**	1,222,999	**4,401,565**	2,597,334
General and administrative expenses		**1,194,950**	1,367,432	**4,125,054**	3,659,292
Concession fee provision for Ajman Government	13	**500,000**	500,000	**1,500,000**	1,500,000
Bad debts provision		**250,000**	-	**451,160**	-
Total expenses and other charges		**(3,453,295)**	(3,090,431)	**(10,477,779)**	(7,756,626)
Net profit for the period		**1,197,630**	870,243	**5,613,797**	4,031,048
Earning per share	14	**0.048**	0.035	**0.22**	0.16

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

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Exhibit-C

GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO, PLC
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INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	paid up capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2013	25,000,000	4,536,132	767,937	9,770,229	40,074,298
Net profit for the period	-	-	-	4,031,048	4,031,048
Balance at September 30, 2013	25,000,000	4,536,132	767,937	13,801,277	44,105,346
Balance at January 1, 2014	25,000,000	5,006,191	767,937	14,000,764	44,774,892
Net profit for the period	-	-	-	5,613,797	5,613,797
Balance at September 30, 2014	**25,000,000**	**5,006,191**	**767,937**	**19,614,561**	**50,388,689**

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

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Exhibit-D

GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO, PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	September 30, 2014 (unaudited)	September 30, 2013 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	**5,613,797**	4,031,048
Adjustment:		
Depreciation	**3,461,590**	2,988,942
Profit from insurance compensation	**-**	(49,300)
Profit on sale of fixed assets	**-**	(1,030)
Loss on sale of fixed assets	**61,277**	-
Provision for indemnity	**800,077**	1,096,964
Net changes in working capital items	**(5,154,228)**	(3,637,217)
Net cash from operating activities	**4,782,513**	4,429,407
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(576,781)**	(3,693,711)
Proceeds from sale of fixed assets	**-**	1,030
Proceeds from insurance compensation	**-**	49,300
Proceeds from disposal of assets	**170,001**	-
Net cash (used in) investing activities	**(406,780)**	(3,643,381)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of bank borrowing	**-**	(1,000,000)
Dividends payable	**(5,035)**	427
Related parties	**472,873**	(5,223,217)
Net cash from (used in) financing activities	**467,838**	(6,222,790)
Net increase (decrease) in cash and cash equivalents	**4,843,571**	(5,436,764)
Cash and cash equivalents at the beginning of the period	**16,205,101**	11,809,218
Cash and cash equivalents at the end of period	**21,048,672**	6,372,454

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

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GULFA MINERAL WATER
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AJMAN – UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham unless otherwise stated"

1 COMPANY'S INFORMATION AND ACTIVITIES

Gulfa Mineral Water and Processing Industries Co, – PLC – the company was established in Ajman by an Emiri decree number 13 issued by H,H the Ruler of Ajman on March 28, 1977, The company started operations on May 24, 1977, The company has fulfilled all the requirements of the commercial federal law number 8 of 1984 and its subsequent amendments as per the decision of the Annual General Meeting ("AGM") in its extra ordinary meeting held on February 20, 1993.

The company owns and manages "Gulfa Mineral Water Plant" in Masfout – Ajman, It's main activities extends to production and bottling of mineral water, juices, soft drinks, food stuff Preforms and Screw Caps, in addition to marketing the products of such plants.

2 BASIS OF PRESENTATION

The interim condensed financial information has been prepared in compliance with the International Accounting Standard No, 34 which related to the interim financial information, The interim condensed financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards, In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included, The operating results for the interim period ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014, For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended December 31, 2013.

3 CASH AND CASH EQUIVALENTS

	September 30, 2014 (unaudited)	December 31, 2013 (audited)
Cash on hand	**115,000**	-
Cash at bank – current	**16,016,184**	15,278,035
Cash at bank – call deposits	**4,917,488**	927,066
	21,048,672	16,205,101

The call deposits earn annual interest rate of 0.05% (0.05% in 2013).

4 TRADE RECEIVABLES

	September 30, 2014 (unaudited)	December 31, 2013 (audited)
Trade receivables	**16,425,585**	11,656,393
Allowance for doubtful debts	**(600,000)**	(250,000)
	15,825,585	11,406,393

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham unless otherwise stated"

5 INVENTORIES

	September 30, 2014 (unaudited)	December 31, 2013 (audited)
Raw materials	**4,317,275**	4,131,973
Spare parts	**2,279,232**	2,181,725
Finished products	**675,512**	843,159
Total inventories	**7,272,019**	7,156,857
Allowance for slow moving inventories	**(133,375)**	(228,203)
	7,138,644	6,928,654

6 OTHER RECEIVABLES

	September 30, 2014 (unaudited)	December 31, 2013 (audited)
Cheques under collection	**1,297,681**	1,206,134
Prepaid expenses and others	**1,088,440**	205,588
Advances to suppliers	**236,031**	322,022
	2,622,152	1,733,744

7 RELATED PARTIES

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members, The parent company approves the terms and conditions of related parties transactions, The amount due from / to related parties does not attract interest although there are no defined repayment arrangements.
The transactions between affiliates represent financial transaction.

The balances with related parties at period end are as follows:

	Due from	Due to
Gulf Food Industries (California Garden)	**5,445,353**	-
Kuwait Food Company – (Americana), Sharjah Branch	**76,841**	-
Kuwait Food Company – (Americana), Head Office, Kuwait	-	**69,543**
	5,522,194	**69,543**

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
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"All amounts are in U.A.E. Dirham unless otherwise stated"

8 PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery and equipments	Furniture and fixture	Motor vehicles	Total
Cost:						
Balance at December 31, 2013	243,000	20,688,423	52,161,266	3,529,611	2,519,368	79,141,668
Additions for the period	-	-	483,951	92,830	-	576,781
Disposal for the period	-	(791,477)	(3,667,575)	(51,059)	-	(4,510,111)
Balance at September 30, 2014	**243,000**	**19,896,946**	**48,977,642**	**3,571,382**	**2,519,368**	**75,208,338**
Depreciation:						
Balance at December 31, 2013	-	13,579,089	41,488,268	3,247,080	2,147,736	60,462,173
Depreciation for the period	-	387,822	2,895,818	95,275	82,675	3,461,590
Disposal for the period	-	(738,449)	(3,490,637)	(49,747)	-	(4,278,833)
Balance at September 30, 2014	**-**	**13,228,462**	**40,893,449**	**3,292,608**	**2,230,411**	**59,644,930**
Net book values:						
Balance at September 30, 2014	**243,000**	**6,668,484**	**8,084,193**	**278,774**	**288,957**	**15,563,408**
Balance at December 31, 2013	243,000	7,109,334	10,672,998	282,531	371,632	18,679,495

9 OTHER PAYABLES AND PROVISIONS

	September 30, 2014 (unaudited)	December 31, 2013 (audited)
Post dated cheques	**1,019,487**	2,769,986
Accrued expenses	**4,774,481**	3,402,089
Others	**556,894**	408,435
	6,350,862	6,580,510

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)
"All amounts are in U.A.E. Dirham unless otherwise stated"

10 PAID UP CAPITAL

In its extra ordinary meeting on December 6, 2006, the general assembly of the company has agreed to increase the authorized capital of the company from AED 13,357,820 (AED thirteen million three hundred fifty seven thousand eight hundred and twenty only) to a AED 40,000,000 (AED forty million only) with the objective of increasing the paid up capital to AED 25,000,000 (AED twenty five million only) as a first stage of public offering, while the balance is to be called in future dates to be determined by the board of Director.

11 STATUTORY RESERVE

As required by the company law of United Arab Emirates, 10% of the profit for the year is to be transferred to statutory reserve.
The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital, The reserve is not available for distribution.

12 VOLUNTARY RESERVE

In compliance with the company's articles of association, the board of directors determines a percentage of net profit to be transferred to voluntary reserve.

13 CONCESSION FEES PROVISION FOR AJMAN GOVERNMENT

In accordance with a letter dated February 18, 2013, received from the Ruler's Court of Ajman, the Ajman Government agreed to receive a sum of AED 2,000,000 (AED Two million only) as an annual concession fee from the company for a period of three years effective January 1, 2013 to December 31, 2015.

14 EARNING PER SHARE

	September 30, 2014	September 30, 2013
Profit for the period	**5,613,797**	4,031,048
Weighted average number of ordinary shares for the purpose of basic earnings per share	**25,000,000**	25,000,000
Earning per share	**0.22**	0.16

15 CONTINGENT LIABILITIES

	September 30, 2014	September 30, 2013
Letters of guarantee	**330,000**	330,000
Letters of credit	**326,263**	391,531
	656,263	721,531

16 GENERAL ASSEMBLY OF SHAREHOLDERS

The ordinary general assembly of shareholders has been held on March 25, 2014 and approved the financial statements for the year ended December 31, 2013.

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(UNAUDITED)
"All amounts are in U.A.E. Dirham unless otherwise stated"

17 FINANCIAL INSTRUMENTS

The Company in the normal course of business uses various types of financial instruments. Information on financial risks and fair value of these financial instruments are set out below.

a) Credit risk
Financial assets, which potentially subject the company to credit risk, consist principally of cash at banks and accounts receivable. The company cash is placed with high credit rating financial institutions and receivables are presented net of allowance for doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers and their dispersion across different industries.

b) Interest rate risk
The effective interest rates and the periods in which interest bearing financial assets and liabilities are reprised or mature are indicated in the respective notes.

c) Currency risk
The company ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the U.A.E. Dhs.

18 APROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Management on October 16, 2014.