

**General Trading and Food Processing
Company B.S.C.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2011 (UNAUDITED)

Ernst & Young

REPORT ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF GENERAL TRADING AND FOOD PROCESSING COMPANY B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of General Trading and Food Processing Company B.S.C. ('the Company') and its subsidiaries ('the Group') as at 31 March 2011, comprising of the interim consolidated statement of financial position as at 31 March 2011 and the related interim consolidated statements of income, 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 Financial Reporting Standard IAS 34 "Interim Financial Reporting" ('IAS 34'). 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. Consequently, it 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.



11 May 2011

Manama, Kingdom of Bahrain

General Trading and Food Processing Company B.S.C.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2011 (Unaudited)

		Unaudited 31 March 2011 BD	Audited 31 December 2010 BD
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment		10,362,825	10,521,872
Intangible assets		15,244	16,799
Investments in associates		1,798,691	1,648,579
Available-for-sale investments		8,460,798	9,120,717
		<u>20,637,558</u>	<u>21,307,967</u>
Current assets			
Inventories		9,775,568	8,024,150
Trade and other receivables		9,892,520	8,553,764
Bank balances and cash		1,305,036	576,049
		<u>20,973,124</u>	<u>17,153,963</u>
TOTAL ASSETS		<u><u>41,610,682</u></u>	<u><u>38,461,930</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	8,067,505	8,067,505
Treasury shares	7	(560,224)	(560,224)
Reserves		11,981,083	12,907,107
Equity attributable to equity holders of the parent		<u>19,488,364</u>	<u>20,414,388</u>
Non-controlling interests		1,410,744	1,397,304
Total equity		<u>20,899,108</u>	<u>21,811,692</u>
Non-current liabilities			
Term loans		722,465	946,583
Loans from non-controlling interests		627,000	627,000
Employees' end of service benefits		967,440	965,361
		<u>2,316,905</u>	<u>2,538,944</u>
Current liabilities			
Trade and other payables		8,730,045	5,672,986
Bank overdrafts		4,129,486	3,433,980
Term loans		1,111,474	1,173,185
Import loans		4,423,664	3,831,143
		<u>18,394,669</u>	<u>14,111,294</u>
Total liabilities		<u>20,711,574</u>	<u>16,650,238</u>
TOTAL EQUITY AND LIABILITIES		<u><u>41,610,682</u></u>	<u><u>38,461,930</u></u>

Ebrahim Mohamed Ali Zainal
Chairman

Yousuf Saleh Al Saleh
Vice Chairman

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

General Trading and Food Processing Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 March 2011 (Unaudited)

	Note	Three-month period ended 31 March	
		2011 BD	2010 BD
Sales		9,716,709	9,030,317
Cost of sales		(7,843,397)	(7,271,043)
GROSS PROFIT		1,873,312	1,759,274
Storage income		75,301	-
Other operating income		74,074	37,784
Selling and distribution expenses		(385,614)	(359,175)
General and administrative expenses		(246,359)	(266,793)
Personnel costs		(804,594)	(784,358)
Depreciation and amortisation		(110,851)	(107,298)
Direct operating costs - warehouse		(74,743)	-
PROFIT FROM OPERATIONS		400,526	279,434
Investment income (net)		485,475	549,098
Finance costs		(111,098)	(115,782)
Share of results of associates		151,440	1,549
Exchange gains (losses) - net		11,195	(7,119)
PROFIT OF THE GROUP FOR THE PERIOD		937,538	707,180
of which attributable to non-controlling interests		(16,967)	(85,556)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO TRAFCO EQUITY SHAREHOLDERS		920,571	621,624
BASIC AND DILUTED EARNINGS PER SHARE (fils)	9	12	8

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

General Trading and Food Processing Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2011 (Unaudited)

	Three-month period ended	
	31 March	
	2011	2010
	BD	BD
PROFIT OF THE GROUP FOR THE PERIOD	937,538	707,180
Other comprehensive (loss) income		
<i>Cumulative changes in fair value:</i>		
Realised loss (gain) included in the interim consolidated statement of income upon disposal of available-for-sale investments (net)	1,475	(64,234)
Changes in fair value of available-for-sale investments	(592,529)	424,933
Changes in fair value of associates' available-for-sale investments	(1,328)	16,422
Foreign currency translation adjustment (net)	(7,197)	(28,701)
Other comprehensive (loss) income for the period	(599,579)	348,420
TOTAL COMPREHENSIVE INCOME OF THE GROUP FOR THE PERIOD	337,959	1,055,600
of which attributable to non-controlling interests	(13,440)	(71,493)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
ATTRIBUTABLE TO TRAFECO EQUITY SHAREHOLDERS	324,519	984,107

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

General Trading and Food Processing Company B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2011 (Unaudited)

	Three-month period ended 31 March	
	2011 BD	2010 BD
OPERATING ACTIVITIES		
Profit of the Group for the period	937,538	707,180
Adjustments for:		
Depreciation and amortisation	264,066	203,239
Provision for employees' end of service benefits	37,802	30,329
Finance costs	111,098	115,782
Gain on disposal of property, plant and equipment	(100)	-
Investment income (net)	(485,475)	(549,098)
Share of results of associates	(151,440)	(1,549)
	713,489	505,883
Working capital changes:		
Inventories	(1,751,418)	(444,274)
Trade and other receivables	(925,410)	454,675
Trade and other payables	1,814,165	759,180
Cash (used in) generated from operations	(149,174)	1,275,464
Finance costs paid	(108,209)	(126,613)
Directors' remuneration paid	-	(90,000)
Employees' end of service benefits paid	(35,723)	(25,891)
Foreign currency translation adjustment (net)	(7,197)	(28,701)
Net cash (used in) from operating activities	(300,303)	1,004,259
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(108,621)	(549,066)
Purchase of available-for-sale investments	-	(138,884)
Proceeds from disposal of available-for-sale investments	68,192	187,571
Proceeds from disposal of property, plant and equipment	5,257	-
Dividends received	72,802	269,516
Net cash from (used in) investing activities	37,630	(230,863)
FINANCING ACTIVITIES		
Dividends paid	(10,538)	(506,557)
Repayment of term loans	(285,829)	(429,935)
Movement in import loans (net)	592,521	(174,962)
Net cash from (used in) financing activities	296,154	(1,111,454)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,481	(338,058)
Cash and cash equivalents at 1 January	(2,857,931)	(3,905,467)
CASH AND CASH EQUIVALENTS AT 31 MARCH	(2,824,450)	(4,243,525)

Non-cash items:

- Unclaimed dividends pertaining to prior years amounting to BD 1,240,005 (31 March 2010 (Unaudited): BD 743,986) have been excluded from the movement of trade and other payables above.
- Dividend receivable amounting to BD 413,346 (31 March 2010 (Unaudited): BD 218,300) has been excluded from the movement of trade and other receivables above.
- For the period ended 31 March 2010, liabilities towards acquisition of property, plant and equipment to the extent of BD 42,842 were not settled as at 31 March 2010.

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

General Trading and Food Processing Company B.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2011 (Unaudited)

	Attributable to equity holders of the parent											Non-controlling interests BD	Total equity BD
	Reserves												
	Share capital BD	Treasury shares BD	Share premium BD	Statutory reserve BD	General reserve BD	Cumulative changes in fair value BD	Retained earnings - distributable BD	Retained earnings not-distributable BD	Proposed appropriations BD	Total reserves BD	Total shareholders' equity BD		
Balance at 1 January 2011	8,067,505	(560,224)	3,386,502	2,459,538	1,000,000	3,835,333	833,663	91,528	1,300,543	12,907,107	20,414,388	21,811,692	
Profit for the period	-	-	-	-	-	-	920,571	-	-	920,571	920,571	937,538	
Other comprehensive loss	-	-	-	-	-	(596,052)	-	-	-	(596,052)	(596,052)	(599,579)	
Total comprehensive (loss) income for the period	-	-	-	-	-	(596,052)	920,571	-	-	324,519	324,519	337,959	
Dividends paid	-	-	-	-	-	-	-	-	(1,250,543)	(1,250,543)	(1,250,543)	(1,250,543)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	
Balance at 31 March 2011	8,067,505	(560,224)	3,386,502	2,459,538	1,050,000	3,239,281	1,754,234	91,528	-	11,981,083	19,488,364	20,899,108	
Balance at 1 January 2010	8,067,505	(560,224)	3,386,502	2,313,487	950,000	3,561,522	874,843	52,703	1,300,543	12,439,600	19,946,881	21,050,122	
Profit for the period	-	-	-	-	-	-	621,624	-	-	621,624	621,624	707,180	
Other comprehensive income (loss)	-	-	-	-	-	362,483	-	-	-	362,483	362,483	348,420	
Total comprehensive income for the period	-	-	-	-	-	362,483	621,624	-	-	984,107	984,107	1,055,600	
Dividends paid	-	-	-	-	-	-	-	-	(1,250,543)	(1,250,543)	(1,250,543)	(1,250,543)	
Transfer to general reserve	-	-	-	-	50,000	-	-	-	(50,000)	-	-	-	
Balance at 31 March 2010	8,067,505	(560,224)	3,386,502	2,313,487	1,000,000	3,924,005	1,496,467	52,703	-	12,173,164	19,680,445	20,855,179	

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.