


Citadel Capital Company
(Egyptian Joint Stock Company)

Consolidated financial statements
for the year ended December 31, 2013
&
Auditor's report

 **Hazem Hassan**
Public Accountants & Consultants

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Auditor's report

To the Board of Directors of Citadel Capital Company

Report on the financial statements

We have audited the accompanying consolidated financial statements of Citadel Capital Company (Egyptian Joint Stock Company) and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2013 and the consolidated statements of income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

These consolidated financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.



Hazem Hassan

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Citadel Capital Company and its subsidiaries as at December 31, 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

KPMG Hazem Hassan


Cairo May 15, 2014

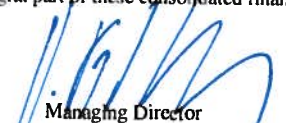
Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated balance sheet
as at December 31, 2013

	Note	31/12/2013 LE	31/12/2012 LE
Assets			
Fixed assets (net)	(6)	5 903 051 372	105 188 091
Projects under construction (net)	(7)	9 825 065 263	127 421 364
Intangible assets (net)	(8)	877 033 551	-
Goodwill	(9)	2 984 514 318	-
Biological assets	(10)	181 875 553	-
Trade and other receivables (net)	(18)	389 063 042	-
Investment property (net)	(11)	384 313 065	24 000 000
Investments in associates	(12)	1 814 296 640	1 166 764 237
Available-for-sale investments (net)	(13)	51 147 347	1 298 984 482
Payments for investments (net)	(14)	228 354 291	748 225 186
Loans to related parties	(15)	330 752 704	822 145 410
Other investments and derivatives	(16)	745 204 908	28 616 041
Total non-current assets		23 714 672 054	4 321 344 811
Inventories (net)	(17)	1 020 337 848	10 838 815
Biological assets	(10)	22 527 906	1 705 917
Work in process		35 827 837	-
Investments at fair value through profit or loss	(19)	215 839 024	3 891 605
Due from related parties (net)	(20)	399 206 061	1 011 266 216
Trade and other receivables (net)	(18)	898 683 479	-
Debtors and other debit balances (net)	(21)	969 589 300	58 131 787
Cash and cash equivalents	(22)	2 149 931 203	255 212 963
Assets classified as held for sale	(23.1)	613 033 072	-
Total current assets		6 324 975 730	1 341 047 303
Total assets		30 039 647 784	5 662 392 114
Equity			
Share capital	(24)	4 358 125 000	4 358 125 000
Reserves	(26)	374 191 790	207 464 895
Retained loss		(2 656 143 924)	(2 022 909 901)
Net loss for the year		(374 655 290)	(691 740 235)
Total equity		1 701 517 576	1 850 939 759
Shareholders' credit balances	(25)	2 323 160 875	-
Total equity attributable to equity holders of the Company		4 024 678 451	1 850 939 759
Non - controlling interests		8 699 063 528	438 252 202
Total equity		12 723 741 979	2 289 191 961
Liabilities			
Long term loans	(27)	6 783 015 637	1 923 023 521
Long term liabilities	(28)	147 584 443	10 787 486
Loans from related parties	(27)	524 651 877	-
Deferred tax liabilities (assets)	(29)	130 746 891	(693 087)
Total non-current liabilities		7 585 998 848	1 933 117 920
Banks overdraft	(30)	834 349 310	-
Short term loans	(27)	2 297 627 407	543 265 577
Due to related parties	(31)	274 069 364	379 252 724
Trade and other payables	(32)	3 263 683 743	159 302 114
Creditors and other credit balances	(33)	1 959 822 974	145 363 785
Provisions	(34)	477 164 016	212 898 033
Liabilities classified as held for sale	(23.2)	623 190 143	-
Total current liabilities		9 729 906 957	1 440 082 233
Total liabilities		17 315 905 805	3 373 200 153
Total equity and liabilities		30 039 647 784	5 662 392 114

The accompanying notes on pages 5 to 88 are integral part of these consolidated financial statements and are to be read therewith.

Auditor's report "attached"


Chairman
Ahmed Heikal


Managing Director
Hisham Hussein El Khazindar


Chief Financial Officer
Moataz Farouk

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated income statement
for the year ended December 31, 2013

	Note	For the year ended	
		31/12/2013	31/12/2012
		LE	LE
Advisory fee	(35.1)	102 451 433	63 097 728
Share of (loss) profit of equity accounted investees	(36)	(71 883 172)	(387 850 021)
Net results of other operations	(37)	2 064 875	(25 181 929)
Total operating profit / (loss)		32 633 136	(349 934 222)
Administrative and general expenses	(38)	(226 798 212)	(242 120 857)
Other expenses	(39)	(136 686 298)	(54 682 417)
Net operating loss		(330 851 374)	(646 737 496)
Finance costs (net)	(40)	(54 089 035)	(54 519 494)
Net loss before tax		(384 940 409)	(701 256 990)
Income tax		70 380	(1 101 049)
Net loss for the year		(384 870 029)	(702 358 039)
Attributable to:			
Equity holders of the Company		(374 655 290)	(691 740 235)
Non - controlling interests		(10 214 739)	(10 617 804)
		(384 870 029)	(702 358 039)
Earnings per share	(41)	(0.43)	(0.79)

The accompanying notes on pages 5 to 88 are integral part of these consolidated financial statements and are to be read therewith.

Cladel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of changes in equity
for the year ended December 31, 2013

Note	Share capital	Reserves				Retained loss	Net loss for the year	Shareholders' credit balances	Total	Non-controlling interests	Total equity
		Legal reserve	Fair value reserve -AFS	F.C. translation reserve	Company's share of changes in associates' equity						
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance as at December 31, 2011	4 358 125 000	89 578 478	(739 595)	170 806 715	(72 310 103)	(1 093 810 353)	(773 536 460)	-	2 678 113 682	379 713 881	3 057 827 563
Carrying 2011 loss forward	-	-	-	-	-	(773 536 460)	773 536 460	-	-	-	-
Exchange differences relating to foreign operations	(3.3)	-	-	23 418 122	-	-	-	-	23 418 122	(2 562 292)	20 855 830
Changes in the fair value of available -for- sale investments	(3.8.1)	-	101 393	-	-	-	-	-	101 393	-	101 393
Acquisition of subsidiaries	-	-	-	-	-	(91 341 737)	-	-	(91 341 737)	-	(91 341 737)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Company's share in changes of associates equity	(3.1.4)	-	-	-	(3 390 115)	(64 221 351)	-	-	(67 611 466)	71 718 417	(67 611 466)
Net loss for the year ended December 31, 2012	-	-	-	-	-	-	(691 740 235)	-	(691 740 235)	(10 617 804)	(702 358 039)
Balance as at December 31, 2012	4 358 125 000	89 578 478	(638 202)	194 224 837	(75 700 218)	(2 022 909 901)	(691 740 235)	-	1 850 939 759	438 252 202	2 289 191 961
Carrying 2012 loss forward	-	-	-	-	-	(691 740 235)	691 740 235	-	-	-	-
Shareholders' credit balances	(25)	-	-	-	-	-	-	2 323 160 875	2 323 160 875	-	2 323 160 875
Exchange differences relating to foreign operations	(3.3)	-	-	165 987 826	-	-	-	-	165 987 826	(289 916 196)	(123 928 370)
Changes in the fair value of available -for- sale investments	(3.8.1)	-	694 479	-	-	-	-	-	694 479	-	694 479
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Company's share in changes of associates equity	(3.1.4)	-	-	-	44 590	58 506 212	-	-	-	8 560 942 261	8 560 942 261
Net loss for the year ended December 31, 2013	-	-	-	-	-	-	-	-	58 550 802	-	58 550 802
Balance as at December 31, 2013	4 358 125 000	89 578 478	56 277	360 212 663	(75 655 628)	(2 656 143 924)	(374 655 290)	-	(374 655 290)	(10 214 739)	(384 870 029)
								2 323 160 875	4 024 678 451	8 699 063 528	12 723 741 979

The accompanying notes on pages 5 to 88 are integral part of these consolidated financial statements and are to be read therewith.

Citadel Capital Company
(Egyptian Joint Stock Company)
Consolidated statement of cash flows
for the year ended December 31, 2013

	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
Cash flows from operating activities		
Net loss before tax	(384 940 409)	(701 256 990)
Adjustments to reconcile net loss to net cash used in operating activities :		
Depreciation	18 205 328	14 295 798
Company's share of (loss) profit of equity accounted investees	94 919 283	433 778 202
Net change in the fair value of investments at fair value through profit or loss	(741 836)	3 000 274
Gain on sale of investments at fair value through profit or loss	(584 927)	-
Foreign currencies translation differences	358 895 534	225 118 854
Foreign currencies exchange differences	(9 563 878)	(15 295 765)
Interest income	-	(48 721 536)
Loss on sale of fixed assets	315 793	-
Interest expenses	21 377 240	19 582 607
Provisions formed	1 737 030	7 000 000
Impairment loss on fixed assets	-	2 206 792
Reversal of impairment loss on assets - (due from related parties)	(63 696 767)	-
Impairment loss on trade and other receivables - (due from related parties)	202 557 765	42 475 351
Impairment in available for sale investments	14 142 705	-
Inventories write off	2 743 580	-
Provisions reversed	(17 445 245)	-
Amounts used from provision	(2 837 229)	(2 936 979)
Operating profit (loss) before changes in working capital	235 083 967	(20 753 392)
Change in investments at fair value through profit or loss	2 805 726	-
Change in trade and other receivables	64 136 214	(451 005 058)
Change in inventories and biological assets	2 480 209	22 107 266
Change in trade and other payables	(335 009 662)	(36 600 596)
Net cash used in operating activities	(30 503 546)	(486 251 780)
Cash flows from investing activities		
Payments for purchase of fixed assets	(9 358 631)	(13 471 377)
Proceeds from sale of fixed assets	572 527	12 690 376
Payments for projects under construction	(23 187 904)	(37 966 663)
Payments for other investments	(114 187 324)	(279 504 790)
Payments for purchase of investments in associates	(3 300 000)	(111 925 104)
Proceeds from refund of available for sale investments	-	2 625 637
Dividends received	-	34 900 241
Net cash used in investing activities	(149 461 332)	(392 651 680)
Cash flows from financing activities		
Proceeds from loans	232 121 730	948 819 562
Payments for loans	(8 864 050)	-
Proceeds from bank overdraft	7 044 079	-
Non-controlling interests	(49 471 664)	-
Net cash provided from financing activities	180 830 095	948 819 562
Net changes in cash and cash equivalents during the year	865 217	69 916 102
Cash and cash equivalents at the beginning of the year - note (22)	264 776 841	181 536 487
Cash related to acquisition of subsidiaries - note (5)	1 884 289 145	3 760 374
Cash and cash equivalents at the end of the year	2 149 931 203	255 212 963

The accompanying notes on pages 5 to 88 are integral part of these consolidated financial statements and are to be read therewith.

1. Reporting entity

Citadel Capital Company - an Egyptian Joint Stock Company - was founded in accordance with the applicable Egyptian laws and in pursuance to law no.(159) of 1981 and its executive regulations. The Company has been registered in the commercial register at Giza under number 11121 on April 13, 2004.

The address of the Company's registered office is 3 El Yemen St., Dokki - Giza.

The Company's basic activity extends to the region of the middle East and north East Africa, especially Egypt, Algeria, Libya, Syria and Sudan . The purpose of the Company is represented as follows:

- Providing consultancy in financial and financing fields for different companies and preparing and presenting the feasibility studies in the economical, technological, engineering, marketing, financing, management, borrowing contracts arrangements fields and financing studies in addition to preparing and presenting studies and consultancy regarding projects' promotion and offering the necessary technical support in different fields except legal consultancy.
- Working as an agent in contracting and negotiation in different fields and steps especially negotiation in the management contracts, participation and technical support.
- Managing, executing and restructuring of projects.

The consolidated financial statements of the Company for the year ended December 31, 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards and applicable laws and regulations.

The financial statements were approved by the Board of Directors on May 15, 2014.

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except assets and liabilities which are measured at fair value as follows:

- Financial instruments at fair value through the profit or loss.

- Available-for-sale financial assets.
- Derivative financial instruments.

The methods used to measure the fair value are discussed in note (4).

2.3 Functional and presentation currency

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

2.4 Use of estimate and judgements

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note (12) measurements of the recoverable amounts of investments in associates.
- Note (34) provisions.
- Note (29) deferred tax.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. Certain comparative amounts are reclassified to conform with the current presentation of financial statements.

3.1 Basis of consolidation

3.1.1 Subsidiaries

- The consolidated financial statements include all subsidiaries that are controlled by the parent company and which the management intends to continue to control. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. EAS 24 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- Non - controlling interests shall be presented in the consolidated balance sheet within equity, separately from the parent shareholder's equity. Non - controlling interests in the profit or loss of the group shall also be separately disclosed.
- A parent loses control when it loses the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities.

3.1.2 Loss exceeding non-controlling

Losses that exceed the non - controlling in the equity of a subsidiary may create a debit balance on non - controlling only if the minority has a binding obligation to fund the losses and is able to contribute an additional investment to cover the losses .If this is not the case then the losses are attributable to the parent's interest. If the subsidiary subsequently reports profits, then these profits are allocated to parent until the share of losses absorbed previously by the parent has been recovered.

3.1.3 Acquisitions from non-controlling interest and entities under common control

Business combinations arising from transfers of interests from non - controlling interest or in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated when practical. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entity or attributable to the minorities are added to the same components within the Group equity except that any share capital of the acquired entities is recognised as notional capital contribution. Any cash paid for the acquisition recognised directly in equity.

3.1.4 Associates

Investments in associates are stated at equity method. Under the equity method the investment in associates is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the associates after the date of acquisition. Distributions received from associates reduce the carrying amount of the investment.

Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized, unless the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of the acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

3.2 Foreign currency transactions

The Company maintains its accounts in Egyptian pounds. Transactions denominated in foreign currencies are translated at foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. The foreign currency exchange differences arising on the translation at the reporting date are recognized in the income statement.

3.3 Foreign operations

As at the reporting date the assets and liabilities of these consolidated subsidiaries are translated to Egyptian Pound at the rates ruling as at the reporting date, and the shareholders' equity accounts are translated at historical rates, where as the income statement items are translated at the average exchange rates ruling during the period of the consolidated financial statements. Currency translation differences are recorded in the shareholders' equity section of the financial position as foreign currency translation reserve.

3.4 Recognition and disposals of the financial assets and liabilities

3.4.1 Recognition

The Group initially recognises deposits, receivables and debt instruments by fair value on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated as at fair value through profit or loss) are recognised when the Group becomes a party to the contractual provisions of the instrument.

3.4.2 Disposals

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

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

When an entity retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), the entity treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met:

- (a) The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- (b) The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- (c) The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

3.5 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

- Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in profit or loss.
- If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge

accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

- Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in profit or loss with an adjustment to the carrying amount of the hedged item .

3.6 Lending

Loans are stated at cost less any impairment losses in its value and the Company revaluates the loans at each financial position date, in case of impairment in the redeemable value of the loan less than its book value the loan is impaired by the value of impairment loss and recognized in income statement.

3.7 Cash and cash equivalents

For the purpose of preparing cash flow statement, cash and cash equivalents are represented in balances with original maturities of three months or less.

3.8 Investments

3.8.1 Available-for-sale financial investments

Available-for-sale investments are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale identifies, based on quoted price of the exchange market at the balance sheet date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by an accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other

valuation techniques – if the company cannot estimate the fair value, it can be stated at cost less impairment loss.

3.8.2 Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition.

Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

3.8.3 Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.10 Fixed assets depreciation

Fixed assets are stated at historical cost and presented in the balance sheet net of accumulated depreciation and impairment (note 3.18), and are depreciated using the straight line method and recognized in income statement over the estimated productive life for each type of asset. The following are the estimated productive lives, for each class of assets, for depreciation calculation purposes:

Assets depreciation	Estimated useful life
- Buildings & Constructions	5-50 years –contract period
- Lease hold improvements	3-10 years
- Machinery & Equipments & tools	4-14 years
- Furniture & Fixtures	4 -16 years
- Computers	2-4 years
- Transportation means	4 -5 years
- Barges	5-20 years
- Quarries	50 years

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3.11 Gains and losses from disposal of fixed assets

Gains and losses from disposal of fixed assets are determined by comparing net disposal proceeds of assets to its net book value, resulted gain and losses are recorded in the income statement.

3.12 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

3.13 Work in process

Work in process represents the cost of work not invoiced to the customer for contract work performed to date.

Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

3.14 Investment property

3.14.1 Recognition and initial measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured using the cost model on initial recognition and subsequently assessed for impairment with any change therein recognized in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-

constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

When the use of investment property changes such that it is reclassified to property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting, thus if the company applies fair value method. In case that the company applies cost model, the investment property is reclassified to property, plant and equipment by its carrying value without changing the cost of property.

3.14.2 Cost incurred after initial recognition

Replacement cost of one of the asset component is recognized in the investment property cost after excluding the cost of the replaced assets.

The replacements give rise to future economic benefits that can be reliably measured. Other expenditure that not qualify for recognition should be charged to profit or loss as incurred.

3.15 Assets held for sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use is classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

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

3.16 Discontinued operations

Discontinued operations represents a separate major line of business or geographical area of operations, part of a single co-ordinated plan to dispose of a separate major lines of business or geographical area of operations or is a subsidiary acquired exclusively with a view to re-sale. Classifications as a discontinued operations occurs at the earlier of disposal or when the operations meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and cash flows are represented as if the operation had been discontinued from the start of the comparative year.

3.17 Intangible assets

3.17.1 Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

3.17.2 Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

3.17.3 Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

3.17.4 Amortization

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for intangible assets range between 3:20 years.

3.18 Impairment

3.18.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the

reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

3.18.2 Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the

recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.19 Trade and other receivables

Non-interest bearing short-term trade and other receivables are stated at cost less impairment losses. An impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss relating to trade receivables is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

3.20 Biological assets

Biological assets and agricultural products are measured at fair value less estimated costs to sell, with any change therein recognised in profit or loss. the following is the measurement of the biological assets:

Corn, cotton and sunflowers	fair value less cost to sell
Fruit gardens	3- 50 years
Cattle	56 months

3.21 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on the normal operating capacity.

3.22 Trade and other payables

Short-term trade and other payables are stated at cost.

3.23 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and where appropriate, the risks specific to the liability. Provisions are reviewed at the reporting date and amended (when necessary) to represent the best current estimate.

3.24 Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, Interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the year of the borrowings on an effective interest rate basis.

3.25 Legal reserve

The company's Statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the company's issued capital and when the reserve falls below this limit, it shall be necessary to resume the deduction.

3.26 Dividends

Dividends are recognised as a liability in the period in which they are declared.

3.27 Income tax

- Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

- Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.28 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.29 Employees benefits

3.29.1 Pensions

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law employees and employers contribute to the system a fixed percentage of the employees' salaries basis. The Group's liability is confined to such contributions amount. Contributions are charged to the income statement using the accrual basis of accounting.

3.29.2 Other short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.30 Revenue

Revenues comprise the fair value of the consideration received or receivable for services in the ordinary course of the Company's activities. Revenue is shown net of sales tax, rebates, and discounts.

The Company recognises revenues when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

3.30.1 Gain (loss) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

3.30.2 Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

3.30.3 Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

3.30.4 Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, dividend income is reported in other income caption in the income statement.

3.30.5 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

3.30.6 Management fee

Management fee is recognized upon rendering the service.

3.30.7 Advisory fee

Advisory fee is calculated based on agreed percentage in accordance with contract term with companies upon rendering the service.

3.30.8 Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, and the amount of revenue can be measured reliably.

3.30.9 Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by survey of work performed.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

3.30.10 Cars conversion revenues

Revenue is recognized upon the completion of preparing cars to function using natural gas instead of Benzene upon issuing the invoice to the client.

3.30.11 Gas sales revenues

For actual gas sales, the company remits the funds it collects to EGPC net of its actual commission, which is calculated as a percentage of gas consumption.

3.30.12 Fuelling revenues

Revenues is recognized when supplying ships with fuel.

3.30.13 Natural gas revenues

Revenues is recognized when supplying cars with natural gas service is rendered.

3.31 Borrowing costs

Borrowing costs are recognized as expenses in the profit or loss when incurred, with the exception of borrowing cost directly attributable to the construction and acquisition of new assets which is capitalized as part of the relevant assets cost and depreciated over assets' estimated useful lives. This capitalization ceases once the assets become in operational condition and ready for use.

3.32 Financial lease

Financial lease are classified as operating leases. Payment made under operating leases are recognized (after any deductions) in the profit or loss on a straight-line basis over the term of the lease. Maintenance cost included in the lease cost under the financing lease is recognized in the profit or loss as an expense for the year of occurrence.

3.33 Employees' compulsory government social insurance share

The Company contributes to the government social insurance share for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The company's liability is confined to the

amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

3.34 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subjected to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment.

4. Determination of fair values

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

4.1 Intangible assets

Intangible assets are stated at historical cost and amortised over a period from 3 to 20 years.

Other intangible assets that have finite useful lives are measured at cost less accumulated impairment loss.

4.2 Investment in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

4.3 Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

4.4 Non-derivatives financial liabilities

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

4.5 Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

5. Acquisition of subsidiaries

The Company has acquired the following companies during 2013:

1. National Development and Trading Group.
2. Orient Investment Properties Ltd. Group.
3. Citadel Capital Transportation Opportunities Ltd. Group -BVI.
4. Ledmore Holdings Ltd.
5. Falcon for Agriculture Investments Ltd. Group -BVI.
6. Mena Home Furnishings Malls Ltd. Group - BVI.
7. KU Railways Holdings Limited Group.
8. Silverstone Capital Investment Ltd. Group.
9. United Foundries Group.

	National Development Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries	Total
Book value	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Cash and cash equivalents	188 721 260	1 081 126 990	2 784 723	5 100 331	45 067 742	2 442 741	41 637 168	513 942 325	3 465 865	1 884 289 145
Investments at fair value										
through profit or loss	53 289	--	--	461 642	3 727	--	--	212 961 014	--	213 479 672
Inventories	539 007 772	--	8 743 047	--	203 170 998	12 993 408	135 343 741	85 685 564	29 149 303	1 014 093 833
Contracts in progress	--	--	--	--	--	--	--	19 075 513	--	19 075 513
Trade and other	182 716 731	--	37 856 888	--	114 304 243	5 205 375	148 405 959	419 474 802	35 678 016	943 642 014

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Notes to the consolidated financial statements for the year ended December 31, 2013

	National Development Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries	Total
Book value	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
receivables										
Debtors and other debit										
balances	517 043 632	6 001 601	35 388 379	22 694	67 942 739	3 249 794	211 921 471	47 640 546	31 928 823	921 139 679
Due from related parties	29 084 721	--	--	195 160	138 044 616	2 038 882	864 127	128 626 321	1 110 281	299 964 108
Assets held for sale	108 027 311	--	--	--	--	--	--	--	304 933 264	412 960 575
Work In process	13 652 899	--	--	--	--	--	3 099 425	--	--	16 752 324
Biological assets	--	--	--	--	203 326 531	--	--	--	--	203 326 531
Fixed assets	3 376 892 939	280 518 589	580 443 771	423 583	936 592 607	4 415 853	28 846 686	459 747 504	79 624 961	5 747 506 493
Projects under										
constructions	1 524 095 197	7 746 877 650	54 192 357	105 895 794	64 894 302	188 729 983	--	27 182 786	--	9 711 868 069
Investments in										
subsidiaries and										
associates	558 748 107	--	3 268 789	--	--	29 023	--	--	--	562 045 919
Investment property	--	--	--	--	3 390 003	356 923 062	--	--	--	360 313 065
Available-for- sale										
investments	116 300	--	--	--	--	1 152	--	2 313 706	--	2 431 158
Payments for										
Investments	2 346 428	--	--	--	--	--	--	--	--	2 346 428
Restricted cash	--	561 043 660	--	--	11 089 440	--	--	--	--	572 133 100
Intangible assets	379 216 191	--	586 479	--	1 689 737	--	485 649 853	9 891 291	--	877 033 551

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

	National Development Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries	Total
Book value	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Other investments	8 893 602	342 858 555	--	--	209 963	--	--	--	--	351 962 120
Derivatives swap contracts	--	163 968 243	--	--	--	--	--	--	--	--
Banks- overdraft	(342 614 856)	--	--	--	(329 064 569)	(18 918)	--	--	--	163 968 243
Current portion of long term loans	(358 784 065)	--	(224 022 575)	--	(353 160 604)	(75 579 265)	(44 373 735)	(54 321 941)	(9 965 899)	(1 120 208 084)
Due to related parties	(283 337 795)	(8 347 730)	(154 454 676)	(5 002 997)	(309 087 190)	(159 830 879)	(2 535 578)	(6 877 616)	(59 078 135)	(988 552 596)
Trade and other payables	(398 619 496)	(2 148 384 126)	(20 847 094)	--	(242 384 337)	(28 628 936)	(167 468 315)	(203 690 027)	(14 290 955)	(3 224 313 286)
Creditors and other credit balances	(764 691 018)	(67 844 690)	(37 569 558)	(636 572)	(88 054 658)	(52 704 109)	(161 989 372)	(598 590 650)	(27 794 992)	(1 799 875 619)
Provisions	(208 920 375)	--	(6 966 913)	--	(49 312 684)	(3 145 000)	--	(10 158 786)	(2 620 927)	(281 124 685)
Liabilities held for sale	(416 981 070)	--	--	--	--	--	--	--	(206 209 073)	(623 190 143)
Loans from related parties	(1 053 696 138)	--	--	--	--	--	--	--	--	--
Long term loans	(2 113 350 554)	(1 629 496 538)	(132 112 914)	--	(135 552 156)	(108 556 972)	(775 702 143)	(95 394 186)	(1 116 652)	(4 991 282 115)
Long term liabilities	(3 593 754)	--	(3 267 838)	(17 339 160)	(5 804 616)	--	--	(106 791 589)	--	(136 796 957)

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

	National Development Co.	Orient Investment Properties	Citadel Capital Transportation Opportunities	Ledmore Holdings Ltd.	Falcon for Agriculture Investments Ltd.	Mena Home Furnishings Malls Ltd.	KU Railways Holdings Ltd.	Silverstone Capital Investments Ltd.	United Foundries	Total
Book value	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Deferred tax liabilities	(44 420 907)	(41 164 395)	--	--	(28 623 100)	(225 786)	34 727 562	(44 067 556)	(7 761 533)	(131 535 715)
Net book Value	1 439 606 351	6 287 157 809	144 022 865	89 120 475	248 682 734	147 339 408	(72 233 505)	725 087 906	(91 606 188)	8 917 177 855
Non – controlling Interests	(2 096 393 257)	(3 343 288 155)	(82 832 301)	(23 691 369)	--	(4 791 529)	--	(262 972 833)	--	(5 813 969 444)
Net book Value after non–controlling Interests	(656 786 906)	2 943 869 654	61 190 564	65 429 106	248 682 734	142 547 879	(72 233 505)	462 115 073	(91 606 188)	3 103 208 411
Acquisition of additional Interest	167 587 562	197 064 569	113 377 892	24 559 321	446 344 673	108 917 089	348 317 108	365 241 077	92 075 704	1 863 484 995
Investment before acquisition of additional share	(27 355 082)	885 376 524	103 165 131	64 217 588	368 650 274	72 875 333	224 106 209	277 393 188	(11 595 867)	1 956 833 298
Total consideration paid	140 232 480	1 082 441 093	216 543 023	88 776 909	814 994 947	181 792 422	572 423 317	642 634 265	80 479 837	3 820 318 293
Goodwill *	589 222 726	24 720 078	179 739 380	57 494 554	865 059 547	112 299 481	609 262 405	418 025 123	128 691 024	2 984 514 318

* Note (9).

- The acquired companies' financial statements have been consolidated based on the book value of the identifiable assets and liabilities, The Company has a grace period of 12 months (ending December 2014) to determine the fair value of the identifiable assets and liabilities according to the Egyptian Accounting Standards. The Company is in the process of determining this fair value exercise and adjust accordingly.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

6. Fixed assets (net)

	Land	Buildings	Lease hold improvements	Machinery , equipment and tools	Furniture & fixtures	Computer equipment	Transportation means and barges	Total
	LE	LE	LE	LE	LE	LE	LE	LE
Cost as at 1/1/2013	--	34 854 566	8 020 464	90 208 507	28 071 300	8 328 301	3 093 601	172 576 739
Adjustments on the beginning balance	--	7 539 421	37 969 465	1 699 703	--	130 007	829 712	48 168 308
Acquisition of subsidiaries **	880 493 960	1 662 237 466	27 387 551	4 319 834 204	234 449 003	19 218 435	483 007 647	7 626 628 266
Additions	--	--	6 969 786	2 247 701	75 058	66 086	--	9 358 631
Disposals	--	--	--	(1 064 808)	(7 064)	--	(285 290)	(1 357 162)
Foreign currency translation differences	--	633 497	3 973 378	9 145 181	606 416	70 811	393 350	14 822 633
Cost as at 31/12/2013	880 493 960	1 705 264 950	84 320 644	4 422 070 488	263 194 713	27 813 640	487 039 020	7 870 197 415
Accumulated depreciation and impairment as at 1/1/2013	--	10 128 361	137 668	24 579 578	23 199 431	7 882 162	1 461 448	67 388 648
Adjustments on the beginning balance	--	--	1 878 357	--	--	--	--	1 878 357
Acquisition of subsidiaries **	312 936	314 406 345	10 140 866	1 224 930 199	182 966 463	13 747 474	132 617 490	1 879 121 773
Depreciation for the year*	--	2 025 934	1 879 185	11 481 981	1 284 852	457 910	1 075 466	18 205 328
Disposals	--	--	--	(468 486)	(356)	--	--	(468 842)
Foreign currency translation differences	--	3 335	35 652	722 730	151 171	37 168	70 723	1 020 779
Accumulated depreciation as at 31/12/2013	312 936	326 563 975	14 071 728	1 261 246 002	207 601 561	22 124 714	135 225 127	1 967 146 043
Carrying amounts								
At 31/12/2013	880 181 024	1 378 700 975	70 248 916	3 160 824 486	55 593 152	5 688 926	351 813 893	5 903 051 372
At 31/12/2012	--	24 726 205	7 882 796	65 628 929	4 871 869	446 139	1 632 153	105 188 091

Citadel Capital Company**Notes to the consolidated financial statements for the year ended December 31, 2013**

* Depreciation for the year is included in administrative and general expenses under other expenses—note (38).

** Note (5).

- The land item with a balance of LE 24 million as at December 31, 2012 has been reclassified from fixed assets to investment property as the Company holds it for unspecified future purpose —note (11).
- Projects under construction item with a balance of LE 127 421 364 as at December 31, 2012 has been reclassified to a separate item —note (7).

7. Projects under construction

Projects under construction balance represented in the following:

	31/12/2013	31/12/2012
	LE	LE
Balance at the beginning of the year *	127 421 364	20 889 151
Acquisition of subsidiaries **	9 795 264 529	68 565 550
Additions during the year	23 187 904	37 966 663
Transferred to fixed assets	(48 168 308)	--
Foreign currency translation differences	10 756 234	--
Balance	9 908 461 723	127 421 364
Impairment **	(83 396 460)	--
Net	9 825 065 263	127 421 364

* Reclassified from fixed assets note (6).

** Note (5).

8. Intangible assets (net)

	Note	31/12/2013	31/12/2012
	no.	LE	LE
Software *	(8-1)	24 348 107	--
Concession *	(8-2)	473 545 952	--
Other intangible assets *	(8-3)	379 139 492	--
Net		877 033 551	--

* Note (5).

Citadel Capital Company**Notes to the consolidated financial statements for the year ended December 31, 2013****8-1 Software**

	31/12/2013	31/12/2012
	LE	LE
Cost at the end of the year	52 395 079	--
Accumulated amortization at the end of the year	(28 046 972)	--
Net	<u>24 348 107</u>	<u>--</u>

8-2 Concession

	31/12/2013	31/12/2012
	LE	LE
Cost at the end of the year	530 663 790	--
Accumulated amortization at the end of the year	(57 117 838)	--
Net	<u>473 545 952</u>	<u>--</u>

8-3 Intangible assets related to acquisition of investments

	31/12/2013	31/12/2012
	LE	LE
License fees for constructing cement plant – Minya	200 650 015	--
Waiving of the license to establish a black cement factory for ASEC Syria according to contractual agreement.	4 992 302	--
Compensation paid for project workers	1 120 875	--
Cost of quarries exploration rights	198 310 297	--
Total	<u>405 073 489</u>	<u>--</u>
Accumulated amortization	(25 933 997)	--
Net	<u>379 139 492</u>	<u>--</u>

9. Goodwill

	31/12/2013	31/12/2012
	LE	LE
National Development and Trading Group *	589 222 726	--
Orient Investment Properties Ltd. Group *	24 720 078	--
Citadel Capital Transportation Opportunities Ltd.-Group *	179 739 380	--
Ledmore Holdings Ltd. *	57 494 554	--

Citadel Capital Company**Notes to the consolidated financial statements for the year ended December 31, 2013**

	31/12/2013	31/12/2012
	LE	LE
Falcon for Agriculture Investments Ltd.-BVI Group *	865 059 547	--
Mena Home Furnishings Malls Ltd. - BVI Group *	112 299 481	--
KU Railways Holdings Limited Group *	609 262 405	--
Silverstone Capital Investment Ltd. Group *	418 025 123	--
United Foundries Group *	128 691 024	--
Balance	<u>2 984 514 318</u>	<u>--</u>
* Note (5).		

10. Biological assets

	31/12/2013	31/12/2012
	LE	LE
Non-current assets		
Fruitful fruit gardens and orchards *	6 468 004	--
Fruitless fruit gardens and orchards *	3 970 554	--
Pregnant heifer, dry and dairy cows *	104 890 501	--
Heifers *	66 546 494	--
	<u>181 875 553</u>	<u>--</u>
Current assets		
Plants (cotton , corn , sun flower)	1 076 928	1 705 917
Others *	21 450 978	--
	<u>22 527 906</u>	<u>1 705 917</u>
Balance	<u>204 403 459</u>	<u>1 705 917</u>
* Note (5).		

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

11. Investment property

	Land LE	Buildings LE	Others LE	Total LE
Cost as at 1/1/2013 *	24 000 000	--	--	24 000 000
Acquisition of subsidiary **	223 130 432	135 813 531	39 107 733	398 051 696
Cost as at 31/12/2013	247 130 432	135 813 531	39 107 733	422 051 696
Accumulated depreciation				
Acquisition of subsidiaries **	--	25 883 417	11 855 214	37 738 631
Accumulated depreciation as at 31/12/2013	--	25 883 417	11 855 214	37 738 631
Net cost as at 31/12/2013	247 130 432	109 930 114	27 252 519	384 313 065

* Reclassified from fixed assets note (6).

** Note (5).

12. Investments in associates

12.1 The Group investments in associates are represented in:

	Percentage		Carrying amount	
	2013	2012	31/12/2013	31/12/2012
	%	%	LE	LE
El Kateb for Marketing & Distribution Co.	48.88	48.88	2 280 629	434 785
Pharos Holding Co. *	53.00	53.00	89 572 029	91 140 296
Elsharq Book Stores Co.	40.00	40.00	14 474 418	15 313 441
ASEC Company for Mining (ASCOM)	39.22	39.22	101 391 608	118 062 774
Silverstone Capital Investments Ltd. ***	--	41.81	--	251 361 875
Dar El-Sherouk Ltd. *	58.51	58.51	139 202 752	140 384 623
Crondall Holdings Ltd. ****	--	47.67	--	131 740 449
National Development and Trading Company ***	--	49.81	--	--
United Foundries Company ***	--	29.95	--	--
Mena Home Furnishings Mall ***	--	32.13	--	87 841 662
Citadel Capital Transportation Opportunities Ltd. ***	--	34.16	--	142 551 181
Tawazon for Solid Waste Management (Tawazon)	25.48	25.48	20 044 615	24 852 493
Mena Glass Ltd.	42.49	21.03	632 078 427	133 852 139
Tanmeyah Company S.A.E **	51.00	51.00	5 722 364	7 663 147
Ledmore Holdings Ltd. ***	--	35.00	--	21 565 372
Grandview Investment Holding	34.88	--	247 624 370	--

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

	Percentage		Carrying amount	
	2013	2012	31/12/2013	31/12/2012
	%	%	LE	LE
Green Point for Import and Trade S.A.E. *	50.00	--	29 022	--
Ostool for Land Transportation S.A.E.	45.00	--	3 268 788	--
Misr Cement Qena	27.55	--	558 607 618	--
Balance			<u>1 814 296 640</u>	<u>1 166 764 237</u>

* The Company does not consolidate these companies as the control does not exist as the Company has no power to govern the financial and operational policies of these companies according to the shareholders' agreements.

** The Company does not consolidate this company as there is a call option contract that granted third party the option to purchase 4% of its shares granted by Financial Unlimited Company for Financial Consulting (one of subsidiaries 99.88%) that can be exercised any time with fair value at the exercise date which cause a reduction in voting power of the Company from 51% to 47%.

*** Note (5).

**** The company has been consolidated as at December 31, 2013 as a result of the increase in the capital share in this company in which increases the ownership percentage from 47% to 80%.

12-2 Summary of significant financial statements of associates

31/12/2013

El Kateb for Marketing &

Distribution Co.

Pharos Holding Co.

Elsharq Book Stores Co.

ASEC Company for Mining
(ASCOM)

Dar El-Sherouk Ltd.

Misr Cement Qena

Tawazon for Solid Waste

Management Company (Tawazon)

Mena Glass Ltd.

Tanmeyah Company S.A.E.

- Note no. (36).

	Current assets		Non-current assets		Total assets		Current liabilities		Non-current liabilities		Total liabilities		Revenues		Expenses	
	LE		LE		LE		LE		LE		LE		LE		LE	
	3 871 666		8 777 000		12 648 666		4 014 273		--		4 014 273		--		2 974 952	
	113 579 298		184 320 411		297 899 709		61 958 302		100 339 000		162 297 302		46 480 362		49 877 013	
	9 928 467		5 161 473		15 089 940		4 216 620		365 891		4 582 511		22 720 538		24 672 908	
	237 418 940		846 345 902		1 083 764 842		706 432 318		113 103 449		819 535 767		597 471 013		646 204 784	
	129 184 526		119 152 495		248 337 021		78 919 945		4 027 048		82 946 993		52 875 575		53 775 346	
	456 883 198		532 202 331		989 085 529		294 868 648		60 446 327		355 314 975		983 660 790		712 224 120	
	96 269 205		121 259 593		217 528 798		88 886 150		8 411 479		97 297 629		101 256 820		119 389 256	
	232 198 062		1 332 622 915		1 564 820 977		91 674 409		613 716 567		705 390 976		420 425 194		410 436 019	
	44 527 705		17 027 277		61 554 982		64 815 652		--		64 815 652		66 633 036		61 586 504	

13. Available-for-sale investments

	31/12/2013	31/12/2012
	LE	LE
Orient Investment Properties Ltd. **	--	802 452 210
Logria Holding Ltd. *	451 100 000	408 850 000
Golden Crescent Investment Ltd. *	439 770 450	398 581 575
Falcon Agriculture Investments Ltd.	--	293 960 861
EFG Capital Partners Fund II & III	23 705 289	23 705 289
Sphinx Turnaround	24 965 116	18 823 033
Modern Company for Isolating Materials	43 396	43 396
Arab Swiss Engineering Company (ASEC)	--	34 958
Medcom National Company	1 000	1 000
Underscore International Holdings	694	629
Valencia Regional Investment Ltd.	694	629
TAQA Arabia **	--	146 978 713
Arab Refinery Company **	--	122
MEFEK Co. *	872 388	--
ASEC Automation Co.- Free Zone	116 300	--
Med Grid	1 614 541	--
Ecligo Design Ltd.	1 152	--
Sharming Sharm	699 165	--
Total	942 890 185	2 093 432 415
Accumulated impairment *	(891 742 838)	(794 447 933)
Net	51 147 347	1 298 984 482

* Accumulated impairment in available-for-sale investments of the Company is represented in:

	Balance as at 1/1/2013	Formed during the year ***	Acquisition of subsidiaries	Foreign currency translation differences	Balance as at 31/12/2013
	LE	LE	LE	LE	LE
Logria Holding Ltd.	408 850 000	--	--	42 250 000	451 100 000
Golden Crescent Investment Ltd.	385 597 933	14 142 705	--	40 029 812	439 770 450
MEFEK Co.	--	--	872 388	--	872 388
Balance	794 447 933	14 142 705	872 388	82 279 812	891 742 838

** Note (5).

*** Note (39).

14. Payments for investments

	31/12/2013	31/12/2012
	LE	LE
Grandview Investment Holding	--	77 870 470
Fund Project	--	2 035 911
Pharos Holding Co.	18 621 911	18 621 911
Nile Valley Petroleum Ltd.	42 132 740	38 186 590
Citadel Capital Transportation Opportunities II	--	18 870
Mena Joint Investment Fund	64 811 100	58 740 902
Africa Joint Investment Fund	99 438 574	90 125 164
Falcon Agriculture Investments Ltd. **	--	40 161 650
Ambiance Rail Company (PTY) Limited	--	218 202 452
KU Railways Holdings Limited **	--	203 116 435
ASEC Emirates for Mining *	38 468 489	34 865 533
Citadel Capital Al Qalaa - Saudi Arabia	1 003 538	909 547
Valencia Regional Investment Ltd.	--	235 284
Medcom National Development and Trading	914 019	--
National Development and Trading Co. (IRAQ) Ltd. *	300 514	--
ASA International Co.	1 432 409	--
Total	267 123 294	783 090 719
Accumulated impairment *	(38 769 003)	(34 865 533)
Net	228 354 291	748 225 186

** Note (5).

15. Loans to related parties

	31/12/2013	31/12/2012
	LE	LE
National Development and Trading Company (note 5)	--	422 667 591
United Foundries Company (note 5)	--	127 377 193
Underscore International Holdings Ltd.	104 100 000	94 350 000
Valencia Regional Investment Ltd.	79 810 000	72 335 000
Safari Rail Company Ltd.	41 640 000	37 740 000
Bomi Holdings Ltd.	105 202 704	66 864 216
KU Railways Holding Ltd.	--	811 410
Balance	330 752 704	822 145 410

16. Other investments and derivatives

	Note	31/12/2013	31/12/2012
	no.	LE	LE
Restricted cash	16-1	572 133	28 616 041
Derivatives swap contracts	16-2	163 968	--
Others	16-3	9 103 565	--
Balance		<u>745 204 908</u>	<u>28 616 041</u>

16-1 Restricted cash as at December 31, 2013 includes an amount of LE 561 043 660 (equivalent to US.\$ 80 842 026) which represents the amount deposited at the bank under capital increase of Orient Investment Properties Ltd. - one of the subsidiaries- (note 5).against an amount of US.\$ 4 549 450 as at December 31, 2012 (equivalent to LE 28 616 041) represent a restricted cash at Citibank – London for Ambience ventures Ltd. (one of the subsidiaries - 75%) to guarantee the seriousness of payment of its due portion in KU Railways Holding Limited future capital increase. During the period ended March 31, 2013, the amount was transferred to payments for investments in KU Railways Holding Limited.

16-2 Egyptian Refining Company (one of the subsidiaries) has entered into five interest rate swap transactions with the following parties;

- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Standard Chartered Bank.

The main terms of the transactions are as follows;

Trade date : June 25, 2012.

Effective date : July 3, 2012.

Termination date : December 20, 2024.

Fixed portion rate paid by the company is 2.3475%.

Floating rate paid by bank is USD – LIBOR – BBA 6 months.

Payment date :Semi – annually on 20 the commencing December 20, 2012.

Maximum notional amount covered under these transactions are;

- US.\$ 789 445 078 by Standard Chartered Bank.
- US.\$ 450 970 501 by Societe General Corporate & Investment Banking.
- US.\$ 435 971 044 by HSBC Bank Middle East Limited.

- US.\$ 107 759 253 by KFW IPEX – Bank GMBH.
- US.\$ 189 466 819 by Mitsubishi UFJ Securities International PLC.

16-3 Other investments includes an amount of LE 7 904 058 (equivalent to US.\$ 1 million) represents a deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process.

17. Inventories (net)

	31/12/2013	31/12/2012
	LE	LE
Spare parts	487 438 707	1 296 690
Raw materials	218 959 278	--
Work in process	112 525 320	--
Finished goods	63 963 129	--
Goods in-transit	68 619 418	--
Packing materials	39 171 838	--
Oil and lubricants	39 484 860	--
Others	29 118 988	9 542 125
Total	1 059 281 538	10 838 815
Inventories write-down	(38 943 690)	--
Net	1 020 337 848	10 838 815

18. Trade and other receivables (net)

	31/12/2013	31/12/2012
	LE	LE
Non-current assets		
Accounts receivables	48 861 910	--
Egyptian General Petroleum Corp.*	342 858 555	--
Others	2 474 832	--
Total	394 195 297	--
Accumulated impairment	(5 132 255)	--
Net	389 063 042	--
Current assets		
Accounts receivables	966 003 137	--
Notes receivables	38 098 186	--
Total	1 004 101 323	--
Accumulated impairment	(105 417 844)	--
Net	898 683 479	--
Balance	1 287 746 521	--

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

- * The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital of Egyptian Refining Company – S.A.E.– Private Free Zone Company - one of the subsidiaries.

19. Investments at fair value through profit or loss

	31/12/2013	31/12/2012
	LE	LE
Modern Shorouk for Printing Co.	2 412 642	1 530 660
Al Arafa Investment and Consulting	--	996 336
Osoul Fund –Commercial International Bank	21 119 038	--
TAQA Arabia	--	1 364 609
HSBC Fund	192 303 617	--
QNB certificates	3 727	--
Balance	<u>215 839 024</u>	<u>3 891 605</u>

20. Due from related parties

	Nature of transaction		31/12/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Logria Holding Ltd. *	38 197 073	2 213 652	40 410 725	36 626 606
Mena Home Furnishings Mall **	--	--	--	106 515 556
Citadel Capital Transportation Opportunities Ltd.**	--	--	--	128 332 139
Falcon Agriculture Investments Ltd. **	--	--	--	212 634 638
Orient Investment Properties Ltd. **	--	--	--	70 026
Golden Crescent Investment Ltd.	26 477 835	--	26 477 835	23 997 923
ASEC Cement Company **	--	--	--	(6 455 253)
Sphinx Glass Ltd.	--	--	--	5 032 000
Mena Joint Investment Fund	1 349 691	--	1 349 691	1 256 402
Africa Joint Investment Fund	2 265 986	--	2 265 986	751 787
Citadel Capital Transportation Opportunities II Ltd.**	--	--	--	(2 986 289)
Africa JIF HOLD CO I	1 281 472	164 679	1 446 151	1 108 077
Africa JIF HOLD CO III	4 165 889	1 851 932	6 017 821	3 955 107
Mena JIF HOLD CO I	1 281 466	430 676	1 712 142	1 108 072
ASEC Company for Mining (ASCOM)	--	115 352 473	115 352 473	96 084 159
Golden Crescent Finco Ltd. *	--	200 988 216	200 988 216	179 634 462

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

	Nature of transaction		31/12/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Emerald Financial Services Ltd. *	--	189 425 614	189 425 614	226 367 030
Nile Valley Petroleum Ltd.	--	149 757 559	149 757 559	134 574 758
Tawazon for Solid Waste Management (Tawazon)	--	1 194 166	1 194 166	1 132 137
National Development and Trading Company **	--	--	--	15 176 505
United Foundries Company **	--	--	--	64 453 083
Citadel Capital East Africa	--	26 233	26 233	23 776
Citadel Capital – ALQALAA Saudi Arabia	--	689 038	689 038	457 040
ESACO for Manufacturing, Engineering and Construction * / **	--	--	--	54 135 206
Valencia Regional Investments Ltd.	--	318 178	318 178	55 000
El Kateb for Marketing & Distribution Co.	--	1 001 676	1 001 676	4 301 673
Ledmore Holdings Ltd. **	--	--	--	30 836 885
Nahda Egyptian Company for international Publication	--	11 152 855	11 152 855	4 250 000
Underscore International Holdings Ltd	--	59 753	59 753	55 000
ASEC for Manufacturing and Industrial Projects- ARESKO **	--	--	--	855 440
Ecligo	--	1 999 997	1 999 997	--
Egyptian Company for Food Preparation	--	1 000 000	1 000 000	--
ASEC Electrical Repairs Co. (REPELCO)	--	526 233	526 233	--
Egyptian Polypropylene Bags Co. (EPBC)	--	20 000	20 000	--
ASA International Co.	--	7 119 461	7 119 461	--
Haider	--	79 694	79 694	--
FL Smith	--	13 751 406	13 751 406	--
Nile Barges	--	81 892	81 892	--
Scimitar Production Egypt Ltd.	--	823 882	823 882	--
Others	--	51 827 753	51 827 753	--
Total			831 351 696	1 328 395 058
Accumulated impairment *			(432 145 635)	(317 128 842)
Net			399 206 061	1 011 266 216

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

** The Company has acquired subsidiaries during December 2013 and intragroup transactions between the Company and those subsidiaries have been fully eliminated (note 5 and 45).

* Impairment in due from related parties is represented in:

	Balance as at 1/1/2013	Formed during the year *	Reversal during the year *	Foreign currency translation differences	Acquisition of subsidiaries **	Balance as at 31/12/2013
	LE	LE	LE	LE	LE	LE
ESACO for Manufacturing, Engineering and Construction	54 135 206	--	--	--	(54 135 206)	--
Emerald Financial Services Ltd.	226 367 030	4 132 149	(63 696 767)	22 623 202	--	189 425 614
Logria Holding Ltd.	36 626 606	--	--	3 784 119	--	40 410 725
Golden Crescent Finco Ltd.	--	198 425 616	--	2 562 600	--	200 988 216
Others	--	--	--	--	1 321 080	1 321 080
Balance	<u>317 128 842</u>	<u>202 557 765</u>	<u>(63 696 767)</u>	<u>28 969 921</u>	<u>(52 814 126)</u>	<u>432 145 635</u>

* Note (39).

** Note (5).

21. Debtors and other debit balances

	31/12/2013 LE	31/12/2012 LE
Prepaid expenses	18 131 468	1 228 375
Deposits with others	48 692 818	787 370
Advances to suppliers	304 458 220	8 592 444
Letters of guarantee margin	4 293 005	629 000
Imprest	32 777 647	1 144 604
Accrued revenue	38 776 801	2 337 559
Prepaid interest*	16 369 829	22 847 538
Debit balances under settlement	46 925 550	6 919 000
Refundable deposits	5 261 505	--
Amounts due from sale of investments	27 814 000	--
Operation retention	123 607 359	--
Advances to contractors	31 494 420	--
Prepayments for purchase of fixed assets	27 582 970	--
Taxes deducted by others	198 898 864	--
Custom Authority	2 979 394	--
Letters of credit	16 918 967	--
Sundry debit balances	<u>83 699 730</u>	<u>13 645 897</u>
Total	1 028 682 547	58 131 787
Accumulated impairment	<u>(59 093 247)</u>	<u>--</u>
Balance	<u>969 589 300</u>	<u>58 131 787</u>

- * Prepaid interest item represents the interest on the loan obtained from Arab International Bank to the International Company for refinery consultancy (one of the subsidiaries – 100%) as the Company has settled the interest in advance according to the signed contract with the bank dated November 4, 2012 .

22. Cash and cash equivalents

	31/12/2013	31/12/2012
	LE	LE
Cash on hand	3 574 137	202 350
Banks - current accounts	2 013 558 116	254 947 713
Banks - time deposits	92 272 042	62 900
Cheques under collection	2 001 138	--
Bank certificates	2 100 000	--
Banks – L/Gs' margin	36 425 770	--
Total as presented in balance sheet	2 149 931 203	255 212 963
Effect of foreign exchange differences	--	9 563 878
Adjusted cash and cash equivalents	2 149 931 203	264 776 841

23. Disposal group held for sale

- National Development and trading Company management decided on December 24, 2012 to sell its share in ESACO for Manufacturing Engineering and Construction, a subsidiary 70%.
- The Board of Directors of United Foundries decided on December 10, 2012 to sell its share in Al Amreya Metal Company and Alexandria for Car Foundries without prejudice to any conditions with lending banks and reclassify the investments in those companies to non-current asstes held for sale.

23.1 Assets held for sale as at December 31, 2013 are represented in the following:

23.1.1 Assets classified as held for sale (investments in subsidiaries)

	Esaco	Amreya Metal Company	Alexandria for Car Foundries	Total
	31/12/2013	31/12/2013	31/12/2013	31/12/2013
	LE	LE	LE	LE
Property, plant and equipment (net)	58 297 798	37 799 449	69 265 946	165 363 193
Projects under construction	6 423 445	--	63 955 488	70 378 933
Inventories	4 433 397	5 664 076	18 816 172	28 913 645
Trade and other receivables (net)	16 933 382	4 185 923	992 070	22 111 375

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

	Esaco	Amreya Metal Company	Alexandria for Car Foundries	Total
	31/12/2013	31/12/2013	31/12/2013	31/12/2013
	LE	LE	LE	LE
Debtors and other debit balances	20 951 107	9 316 990	17 419 381	47 687 478
Due from related parties	651 417	--	--	651 417
Cash and cash equivalents	336 765	76 897	48 906	462 568
Goodwill	--	2 350 287	75 041 679	77 391 966
Balance	<u>108 027 311</u>	<u>59 393 622</u>	<u>245 539 642</u>	<u>412 960 575</u>

23.1.2 Assets held for sale with an amount of LE 200 072 497 as at December 31, 2013 which represents investments in associates (Sudanese Egyptian Bank) to one of the subsidiaries Crondall Holdings Ltd. (subsidiary 80%). Citadel Capital Company-- parent company-- decided to sell its share in the bank. The company announced on April 27, 2014 for the sale of the entire stake to Islamic solidarity Bank of Sudan.

23.2 Liabilities classified as held for sale as at December 31, 2013 are represented in the following:

	Esaco	Amreya Metal Company	Alexandria for Car Foundries	Total
	31/12/2013	31/12/2013	31/12/2013	31/12/2013
	LE	LE	LE	LE
Provisions	12 446 000	8 466 778	2 404 974	23 317 752
Bank's overdraft	357 685	--	89 676 313	90 033 998
Current portion of long term loans	23 784 656	2 540 640	2 378 870	28 704 166
Trade and other payables	32 777 637	22 252 921	21 343 650	76 374 208
Creditors and other credit balances *	75 162 780	13 076 993	43 234 964	131 474 737
Borrowings	259 074 532	--	--	259 074 532
Other non-current liabilities	6 296 638	--	--	6 296 638
Deferred tax liabilities	7 081 142	832 970	--	7 914 112
Balance	<u>416 981 070</u>	<u>47 170 302</u>	<u>159 038 771</u>	<u>623 190 143</u>

* Social insurance related to Amreya Metal Company with balance LE 8.6 million on December 31, 2013 includes accrued claims till October 31, 2012 with an amount of LE 5.1 million. The Company received a warning from Social insurance

Authority as at December 16, 2012 regarding the amount and asking for an immediate payment of LE 1 797 100 within 15 days.

23.3 Net cash flows resulting from discontinued operations

	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
Cash flow from discontinued operations		
Net cash used in operating activities	(27 116 624)	(104 433 880)
Net cash provided from investing activities	2 897 842	21 221 620
Net cash provided from financing activities	21 034 016	153 342 930
Net cash from discontinued operation	<u>(3 184 766)</u>	<u>70 130 670</u>

24. Share capital

- The Company's authorized capital is LE 6 Billion and the issued and paid-in capital is LE 4 358 125 000 represents 871 625 000 shares distributed to 653 718 750 ordinary shares and 217 906 250 preferred shares with par value LE 5 per share.
- The preferred share has the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extraordinary general assembly meeting held on May 12, 2008 and also paragraph no.(3) of article no.(18) of the Company's article of associations. And those shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company.

The shareholders' structure is represented as follows:

Shareholder's name	Percentage %	No. of shares	Value in LE
Citadel Capital Partners Ltd.	26.11	227 598 220	1 137 991 100
Soliman Abd Elmohsen Abd Allah Abanami	15.16	132 100 000	660 500 000
Emirates International Investments Company	7.49	65 318 565	326 592 825
Others	51.24	446 608 215	2 233 041 075
	<u>100</u>	<u>871 625 000</u>	<u>4 358 125 000</u>

- The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from LE 6 billion to LE 9 billion and the increase of the issued capital from LE 4 358 125 000 to LE 8 billion , with an increase of LE 3 641 875 000 by issuing 728 375 000 new shares at par value of LE 5 per share, consisting of 182 093 750 preferred shares and 546 281 250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its related companies, financing the Company's share contribution in the capital increases of some of its related companies and entering into new investments and settlement of some of Company's liabilities note (50).
- Existing shareholders were invited - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis to their shareholdings before the increase and the shareholders in each class of shares shall have the right to subscribe to the same class of shares they currently hold on a pro-rata basis before the increase, provided that all shareholders of the same class have the same rights according to the article (19) of the Statute of the Company and provided that the shareholders shall pay the full amount of their contributions in the capital increase without issuance costs within the subscription period. The subscription in the Company's capital increase is taking place.
- The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company (Shareholders' credit balances note 25) against the subscription price of the shares.

25. Shareholders' credit balances

Shareholders' credit balances represent the amounts payable to the shareholders resulting from:

- The Company has purchased ownership share percentages in some of its investee companies from those shareholders through its subsidiary Citadel Capital for International Investments Ltd. (subsidiary 100%).
- Bonus and incentives to employees (shareholders).

Shareholders' credit balances as at December 31, 2013 are represented in the following:-

Shareholders' name	31/12/2013 LE
Citadel Capital Partners Ltd.	547 233 410
Emirates International Investment Company LLC	596 548 465
DH Investors Limited	343 000 000
Mansour and Maghraby for Investment and Development S.A.E	155 135 015
Grouper Holdings Ltd	130 000 000
Mamdouh Mohamed Fathy Abbas	69 300 000
Kareem Sedky Sedky EL Serafy	58 771 265
Magdy Mohamed Mustafa Saleh	42 734 519
Ledville Holdings Limited	39 487 820
Tamer Abd EL Hamed Abou Bakr	32 325 196
Khaled Abd EL Hamed Abou Bakr	25 935 453
Karnation Limited	18 248 303
Ahmed Mokhtar Mohamed El Rashidi	26 698 000
Partex Trading Corp.	24 750 000
Mohamed Mokhtar Mohamed EL Rashidi	23 387 000
Adena Commercial Corp.	18 937 500
Power investment Europe	10 400 000
MZ Investments S.A.E.	9 996 393
Garth investing Limited	9 090 000
Hassan Mohamed Hassan Darwish	8 106 120
Abdel Khalek Mohamed Mohamed Ayad	7 847 476
Ahmed Moheb Mahmoud El Mehelmy	7 575 000
Hossam Hussien Nagy Aly	6 999 995
Ahmed Ibrahim Wagih El Shamy	5 531 280
Others	105 122 665
Balance	<u>2 323 160 875</u>

26. Reserves

26.1 Legal reserve

As per the Company's statutes, 5% of net profit for the year is set aside to form a legal reserve. Transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued share capital. However, if the reserve balance falls below 50% of the Company's issued share capital transfers to the legal reserve are required to be resumed. The legal reserve is non-distributable but can be used to offset losses or to increase the issued share capital.

26.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

27. Loans

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Royal Food Company	Misr Bank	LE :2.75% plus Corridor	2016	71 826 108	22 732 596	49 093 512	- Pledge over El Rashidi El Mizan assets. - Pledge over El Rashidi El Mizan shares. - Open a cash reserve account with the Misr Bank with the value of the first installment of the loan and its interest and to remain restricted until the end of the loan.
Dina for Agriculture Investments	- Ahly United Bank - United Bank - Egyptian Real Estate.	LE: Average 3.625% plus Corridor	2014- 2018	123 589 070	47 290 204	76 298 866	- Pledge over all the company's assets and real estate first rank Pledge on 7 172 feddan of company's land.
Nile for Food Products "Enjoy"	Commercial International Bank	LE: Average 3.025% plus Corridor US.\$: 1.5% 3 months Libor	January 2016	199 617 054	199 617 054	--	- Commercial and real estate mortgage over the company's assets and revenues in the favour of the banks.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
El Rashidi for Integrated Solutions	Islamic Development Bank	4% annually	2016	84 980 526	79 820 746	5 159 780	- Commercial and real estate mortgage over the company's assets and revenues in the favour of the banks.
Arab Company for Services and Trade	--	--	--	8 700 000	3 700 000	5 000 000	--
National Development and Trading Company	National Societe General Bank	12.5%	September 2016	126 000 000	--	126 000 000	Partially pledging shares of ASEC Cement Company
National Development and Trading Company	Arab Investment Bank	12%	December 2017	80 000 000	8 000 000	72 000 000	Partially pledge of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
National Development and Trading Company	Industrial Development and Workers Bank of Egypt	11.5%	December 2017	90 000 000	36 000 000	54 000 000	Mortgage of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank.
Arab Swiss Engineering Co.	Ahli United Bank	1.3% Plus corridor	November 2018	131 609 396	25 449 167	106 160 229	Assignment of South Valley Cement Co. management contract.
Arab Swiss Engineering Co.	Al Baraka Bank Egypt	10.5%	April 2013	69 178 279	69 178 279	--	Assignment of Sinai White for Technology management

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
ASEC for Manufacturing and Industries Project Co. (ARESCO)	National Bank of Egypt	11%	June 2013	17 653 041	17 653 041	--	contract. Commercial mortgage of ASEC for Manufacturing and Industrial Projects financed assets.
ASEC Cement Company	Arab African International Bank	11.25%	May 2016	363 751 099	--	363 751 099	Pledging 8 232 055 shares of Qena Cement Co.
ASEC Cement Company	Arab African International Bank	11.5%	September 2019	1 126 426 817	126 469 599	999 957 218	Commercial and real estate mortgage of assets for the favor of the bank.
ASEC Cement Company	Algerian Bank	13%	2014	325 608 137	16 668 750	308 939 387	ASEC Holding Cement Co.
ASEC Cement Company	Sudanese Egyptian bank	11%	2015	101 812 685	53 989 241	47 823 444	Murabha contracts.
ASEC Cement Company	Commercial International Bank	11%	2015	9 331 329	5 376 000	3 955 329	Management contract.
ASEC Cement Company	Arco Group	4%	2016	30 763 845	--	30 763 845	Management contract.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Taqi Arabia Company	Bank/company Commercial International Bank	LE :3% plus Corridor	2014	11 985 317	11 985 317	--	<ul style="list-style-type: none"> - Guarantee joint from Nile Valley and the Company is committed with the following: - Declare dividends for the subsidiary companies yearly and transfer them to the Group's bank account to cover the granted loan instalments. - No dividends shall be declared for any financial year except after the financial repayments with maintaining the financial ratios and obligations in the contract. - Cover any deficiency in the debt service ratio or financial obligations by injecting cash in the form of capital increase. - Mortgage on 99.99% from shares invested in Nile valley.
Global Energy	HSBC Arab Bank	LE: 3.625% plus average Corridor US\$: 1.3% Libor	2014-2016 2014-2018	100 751 533	33 871 385	66 880 148	<ul style="list-style-type: none"> - The amount of capital injected parallel to the premiums payable in the event that the net

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
							profit + depreciation + cash inadequate to pay the premiums due.
							- No change in the company shall take place without written consent from the bank
							- The company undertakes not to pledge, mortgage, or impose any liens / seniority over any assets in Sham El Sheikh project.
							- The company executed a commercial pledge contract with Arab Bank. The pledge include all the Group's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Taqa Marketing	HSBC Cairo Bank	LE: 3% plus corridor	2014- 2020	36 979 276	8 465 238	28 514 038	<ul style="list-style-type: none"> - The company made a proxy to the bank that is empowering to impose a commercial pledge on existing tangible and intangible assets which was financed by the loan. - Maintain the direct or indirect controlling interest during the contract period and till the actual repayment. - Cover any deficiency in the debt service ratio or increase in the investment costs or operating expenses by injecting cash in the form of capital increase.
Egyptian Refining Company – S.A.E.– Free Zone	Japan Bank for International Cooperation (JBIC)	US.\$:LIBOR for such interest period Plus 4.10% per annum	2017-2029	52 966 080	--	52 966 080	<ul style="list-style-type: none"> - Egyptian Refining Company shall deliver to each lender original, signed, undated and blank promissory notes.

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.– Free Zone	Bank/company Group of Commercial Banks (NEXI – Covered Lenders)	US\$.LIBOR for period Plus 1.75% per annum	2017-2029	35 310 720	--	35 310 720	- Egyptian Refining Company has signed a general irrevocable power of attorney dated August 10, 2010 to the benefits of Commercial International Bank “CIB” at his capacity as the Egyptian Security Agent of the term loan facility.
Egyptian Refining Company – S.A.E.– Free Zone	Export – Import Bank of Korea (KEXIM)	US\$.LIBOR for such interest period plus 3.6% per annum up to the project completion. 4% per annum from the project completion to the end of the 5th year. 4.6% per annum for any time thereafter.	2017-2029	156 150 000	--	156 150 000	

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.– Free Zone	Bank/company Financial Institutions	US\$.LIBOR for such interest period plus	2017-2029	--	--	--	
	(KEXIM Initial	1.95 % per annum					
	Guaranteed facility lenders)	plus Mandatory cost*					
Egyptian Refining Company – S.A.E.– Free Zone	European Investment Bank	LIBOR for such interest period	2017-2029	2 106 276 814	--	2 106 276 814	
	(EIB)	Plus or minus the spread of the related tranche as determined by the bank (1.5% for the current period)					
		Plus Mandatory cost *					

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.– Free Zone	Bank/company						
	African Development Bank (AFDB)	Fixed interest rate: 3.30 % per annum Plus Base rate calculated by the bank as set in the agreement Or Variable interest rate: LIBOR for such interest period Plus 3.30 % per annum	2017- 2029	445 370 079	--	445 370 079	
Egyptian Refining Company – S.A.E.– Free Zone	African Development Bank (AFDB)	Fixed interest rate: -5% per annum -Plus base rate Or Variable interest rate: LIBOR for such interest period plus 5 % per annum	2017- 2029	173 500 000	--	173 500 000	- Egyptian Refining Company shall deliver to AFDB an original, signed, undated and blank promissory notes. - Egyptian Refining Company shall not make any distribution or other payment to the shareholders (or their affiliates) in respect of equity funding or shareholders loans until all amounts due and payable under the loan have been paid in full.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Egyptian Refining Company – S.A.E.– Free Zone	MITSUE & Co., Ltd.	- US\$ 6 months LIBOR - Plus 3 % per annum	2020	69 400 000	--	69 400 000	
Less: Deferred borrowing cost *				(1 409 477 155)		(1 409 477 155)	
United Foundries Company	Export Development Bank of Egypt and Piraeus Bank	Euro: 2% plus 3months Libor LE : 8.5% LE: 3.25% annually over lending price announced by Central Bank		11 082 551	9 965 899	1 116 652	- Irrevocable power of attorney to the bank to finalize mortgage covering 150% of the loan value. - Open account at the bank and make monthly deposits to face liability due to the bank. - An insurance policy at the Misr Insurance Company on all physical assets financed by bank loan with value not less than 110 % of the loan balance . - Company undertakes no obligation to pay any dividends or distributions to shareholders for any fiscal year unless the payments were due from the Principal and earnings , commissions and fees payable without prejudice to the

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
Bonian for Trade and Development	Syndicated bank loan from a group of banks: Commercial International Bank, Egypt Real Estate Bank, Arab Investment Bank and Audi Bank	LE :2.75%	2012-	184 136 237	75 579 265	108 556 972	financial ratios required under the loan contract Piraeus Bank. - The company committed and undertakes a final irrevocable pledge not to increase the leverage of the company for a ratio of 1 : 1.5 for the duration of this contract. - The company committed and undertakes a final pledge is irrevocable not borrowing from any other bank without obtaining the prior written consent of the Bank.
		Over deposit price of central bank	2017				- First rank mortgage for all property and real estate on the project land. - Commercial mortgage on all physical assets, moral, and waive all rights in relation to insurance against all risks on all assets except land project.
Citadel Capital S.A.E	Citi Bank (syndication loan manager)	US\$: First tranche: variable interest rate (4.25 % +Libor rate).	2012- 2022	2 082 000 000	921 477 765	1 160 522 235	- First degree lien contract of the shares owned by the Company in National Development and

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
	Bank/company						
	Arab African International Bank,	Second tranche: 3.9% plus Libor					Trading Company.
	Arab International Bank, Banque du caire, Misr Bank S.A.E, and Piraeus Bank	Third Tranche: 3.9% plus Libor					- First degree lien contract of the shares owned by the Company in International Company for Mining Consulting.
							- First degree lien contract of the shares owned by the Company in United Foundries Company.
							- First degree lien contract of the shares of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone).
							- First degree lien contract of Citadel Capital Ltd. (One of the subsidiaries of Citadel Capital Holding for Financial Investments-Free Zone) investments on the following companies:
							- Orient Investments Properties Ltd.
							- Logria Holding Ltd.
							- Golden Crescent Investments Ltd.
							- Falcon Agriculture Investments

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
International for refinery Consultation	Arab International Bank	US \$.5.2% Annually	2016	185 774 278	--	185 774 278	Ltd. - Silverstone Capital Investment Ltd. - Mena Glass Ltd. - Mena Home Furnishings Mall. - Valencia Trading Holding Ltd. - Andalusia Trading Investments Ltd. - Citadel Capital Transportation Opportunities Ltd. - Lotus Alliance Limited. - Citadel Capital Financing Corp. - Grandview Investment Holding - Africa Railways Holding - Citadel Capital for Promotion Company Letter of guarantee from Standard chartered Bank of korea Limited with the mount due to Arab International Bank.

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
National Company for Refining Consultation	Arab International Bank	U\$.\$: 15 608 926 Interest to be paid upon maturity	2015	412 612 537	--	412 612 537	The loan is guaranteed by pledging the Company's (50 million) share in Orient Investments Properties Ltd. in favour of the bank.
Sabina for Integrated Solutions	Khartoum Bank – Sudan	US.\$: Murabha	--	50 991 067	18 166 595	32 824 472	Possessory pledge for machinery and equipment
National Company for Multimodal Transport S.A.E.	Arab African International Bank and Bank of Alexandria (syndicated loan) Misr Bank	LE: corridor Average accrued every 6 months	2012-2016	356 135 490	224 022 575	132 112 915	<ul style="list-style-type: none"> - Open the Revenue Account with the Loan Agent (Misr Bank). - Conclude a first degree pledge the Revenue Account. - Conclude first degree mortgage over all present and future tangible and intangible assets. - An undertaking to provide the Security Agent with the operational insurance policies over the New Barges within 15 days from the expiry date of the construction insurance policy. - Assign the Borrower's rights under the insurance policies covering operating Barges, for the full replacement value against all

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
							insurable risks for which it would be prudent to insure for ("Adequate Insurance") to be endorsed in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.
							Assign all borrower's compensation rights under the insurance policies covering the Borrower's
							New Barges during construction year, in favor of the Security Agent (Arab African International Bank) for itself and on behalf of the Banks.
							Assign the proceeds (one year or more) from long term transportation service contracts signed with the borrower's customers in favor of the Security Agent (Arab African International Bank).
							Assign the borrower's rights of

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender Bank/company	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
KU Railways Holding Limited	International Finance Corporation	US.\$ Effective interest rate for year 2013 14%	2017-2021	166 172 686	--	166 172 686	any damages arising under the Material Project Contracts and related banks' guarantees under such contracts in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the banks.
KU Railways Holding Limited	International Finance Corporation	US.\$ fixed interest rate: basic lending rate plus 6.25% or variable rate: Libor for six months plus 6.25%	2017-2026	94 962 435	--	94 962 435	
KU Railways Holding Limited	Africa Development Bank	US.\$ Libor plus 6.25%	2017-2021	172 492 215	--	172 492 215	
KU Railways Holding Limited	FMO	US.\$ Libor plus 6.25%	2017-2026	129 408 313	--	129 408 313	
KU Railways Holding Limited	International Finance Corporation	US.\$ Libor plus (5.5% or 6.25%)	2017-2021	87 166 067	--	87 166 067	
KU Railways Holding Limited	Equity Bank	US.\$ Interest rate for treasury bills of Kenya 91 days plus 4% or 14% which is bigger	2017-2021	81 217 216	44 373 728	36 843 488	

Citadel Capital Company

Notes to the consolidated financial statements for the year ended December 31, 2013

Borrowing company	Lender	Interest rate	Maturity Date	Outstanding balance	Current	Non -current	Guarantees
KU Railways Holding Limited	Bank/company KFW	US.\$ Libor plus (5.5% or 6.25%)	2017-2026	136 060 470	--	136 060 470	
KU Railways Holding Limited	Less: prepaid fee *			(47 403 531)	--	(47 403 531)	
Trimstone Assets Holdings Ltd.	Arab International Bank	US.\$ 5% plus six months libor	2013-2014	237 774 963	237 774 963	--	- Includes a first degree pledge over all shares owned by the borrower of "TAQA Arabia" covering 115% of the value of the existing liability in favour of (Arab International Bank). - Includes a first degree pledge over shares of "Citadel Capital for financial consultancy" S.A.E (the ultimate parent company) covering 35% of the value of the existing liability in favour of (Arab International Bank).
Due to related parties :				9 080 643 044	2 297 627 407	6 783 015 637	
National Development and Trading Company	Financial Holdings International	11.5% per annum		--	--	483 984 492	
United Foundries	Financial Holdings International	11.5% per annum		--	--	40 667 385	
				--	--	524 651 877	
				9 080 643 044	2 297 627 407	7 307 667 514	

28. Long term liabilities

	31/12/2013	31/12/2012
	LE	LE
Creditors-purchase of investments *	10 787 486	10 787 486
Port –Said ports authority	13 509 550	--
End of service benefits	9 634 226	--
Deposits from others (28.1)	106 791 589	--
Social Insurance authority	3 593 754	--
Others	3 267 838	--
Balance	<u>147 584 443</u>	<u>10 787 486</u>

* This balance represents the amount due from Tanweer for Marketing and Distribution Company (Tanweer) (subsidiary – 99.88%) for purchasing investment in Dar El-Sherouk Ltd.-BVI- for interest of the shareholders of the mentioned company.

28.1 Deposits from others

	31/12/2013	31/12/2012
	LE	LE
Meter deposits	6 996 479	--
Gas consumption deposits	91 925 488	--
Power consumption deposits	4 299 900	--
Others	3 569 722	--
Balance	<u>106 791 589</u>	<u>--</u>

29. Deferred tax (liabilities) assets

	31/12/2013		31/12/2012	
	Asset	Liability	Asset	Liability
	LE	LE	LE	LE
Fixed assets depreciation	--	85 022 782	693 087	--
Hedge reserve-swap contract	--	40 992 061	--	--
Provisions	8 341 317	--	--	--
Deferred tax liabilities related to Berber for electricity Ltd. Co.	--	14 639 683	--	--
Deferred tax liabilities related to Zahana Co.	--	44 889 655	--	--
Deferred tax liabilities related to Ready Mix	--	2 743 029	--	--
Tax losses	227 099 330	--	--	--
Deferred tax liabilities related to KU Railways Holdings Ltd.	--	26 378 711	--	--
Others	--	151 521 617	--	--
Total deferred tax assets and liabilities	<u>235 440 647</u>	<u>366 187 538</u>	<u>693 087</u>	<u>--</u>
Net deferred tax (liabilities) asset		<u>(130 746 891)</u>	<u>693 087</u>	

The Parent Company has carried-forward tax losses from previous years which were not recognized because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

30. Banks overdraft

	31/12/2013	31/12/2012
	LE	LE
Wafra Agriculture S.A.E	7 044 079	--
Mena Home Furnishings Mall	18 918	--
Silverstone Capital Investments Ltd.	81 561 115	--
United Foundries Company	63 385 419	--
Falcon Agriculture Investments Ltd.	329 064 569	--
KU Railways Holdings Ltd.	10 660 354	--
National Development and Trading Company	342 614 856	--
Balance	<u>834 349 310</u>	<u>--</u>

31. Due to related parties

	Nature of transaction		31/12/2013	31/12/2012
	Advisory fee	Finance		
	LE	LE	LE	LE
Citadel Capital Partners Ltd.*	--	110 770 360	110 770 360	255 980 135
Mena Glass Ltd.	(10 507 159)	36 940 628	26 433 469	26 383 543
Crondall Holdings Ltd. **	--	--	--	4 468 434
National Company for Agricultural Investment (Gozour) **	--	--	--	87 502 706
Silverstone Capital Investments Ltd. **	--	--	--	50 211 152
Pharos Holding Co.	--	3 220 861	3 220 861	3 783 202
ASCOM for Carbonate and Chemicals Manufacturing Co.	--	16 450 410	16 450 410	--
Erco Group	--	43 421 617	43 421 617	--
ASEC Automation Europe Co.	--	161 007	161 007	--
ASEC Automation Co.-Free Zone	--	3 798	3 798	--
National Sudanese Pension Fund	--	30 957 127	30 957 127	--
Medcom	--	1 054 753	1 054 753	--
Misr Cement Qena Co.	--	6 140 951	6 140 951	--
Grandview Investment Holding	--	9 191 558	9 191 558	(49 076 448)
Egus Co.	--	47 935	47 935	--
Genco Group	--	177 116	177 116	--
City Gas	--	571 093	571 093	--
Others	--	25 467 309	25 467 309	--
Balance			<u>274 069 364</u>	<u>379 252 724</u>

* The main shareholder of the Company – 26.11%.

****** The Company during December 2013 has acquired subsidiaries and the intra group transactions have been fully eliminated (note 5, 45).

32. Trade and other payables

	31/12/2013	31/12/2012
	LE	LE
Suppliers	3 088 588 621	12 323 401
Notes payables	175 095 122	146 978 713
Balance	<u>3 263 683 743</u>	<u>159 302 114</u>

33. Creditors and other credit balances

	31/12/2013	31/12/2012
	LE	LE
Tax Authority	403 602 013	23 327 700
Accrued expenses	557 812 421	71 128 110
Accrued interest	146 666 345	39 294 929
National Authority for Social Insurance	21 011 584	446 789
Advances from customers	119 970 642	--
Egyptian Natural Gas Holding Company (EGAS)	457 862 357	--
Refundable deposits	1 068 177	--
Unearned revenues	13 463 938	--
Subcontractors	7 066 001	--
Creditors – purchase of fixed assets	18 263 533	--
Deposits from others	56 542 534	--
Dividend payable – previous years	38 323 581	2 926 499
Sundry credit balances	118 169 848	8 239 758
Balance	<u>1 959 822 974</u>	<u>145 363 785</u>

34. Provision

	Expected claims provision LE	Employee benefit provision LE	Other Provisions LE	Total LE
Balance at the beginning of the year	212 898 033	--	--	212 898 033
Provisions formed during the year	1 737 030	--	--	1 737 030
Acquisition of subsidiaries *	219 776 940	39 150 391	22 197 354	281 124 685
Foreign currency translation differences	1 686 742	--	--	1 686 742
Provisions used during the year	(2 837 229)	--	--	(2 837 229)
Provisions reversed	(17 445 245)	--	--	(17 445 245)
Balance	<u>415 816 271</u>	<u>39 150 391</u>	<u>22 197 354</u>	<u>477 164 016</u>

* Note (5).

- Expected claims provision related to expected claims were made by some external parties in connection with the Company's operations. The information usually required by Accounting Standards is not disclosed because the management believes that it would seriously prejudice the outcome of the negotiation with that external party. The management are reviewing the provision every year and the amount provided is adjusted based on latest development, discussions and agreements with the external party.

35. Related party transactions

35.1 Advisory fee

Advisory fee item presented in the income statement is represented in the advisory services provided to related parties according to signed contracts as follows:

Company's name	For the year ended	
	31/12/2013 LE	31/12/2012 LE
Mena Glass Ltd.	4 134 178	3 619 472
Mena Home Furnishings Mall	4 110 610	3 596 963
Citadel Capital Transportation Opportunities Ltd.	937 399	869 725
Falcon Agriculture Investments Ltd.	17 341 004	15 212 542
Golden Crescent Investment Ltd.*	--	1 747 858
Orient Investment Properties Ltd.	--	3 709 746
Sphinx Glass Ltd.	--	4 324 199

Company's name	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
ASEC Cement Company	12 032 655	10 533 977
Silverstone Capital Investment Ltd.	3 879 290	3 402 831
Citadel Capital Transportation Opportunities II Ltd.	5 613 782	5 085 970
Africa Joint Investment Fund	3 223 932	3 849 946
Mena Joint Investment Fund	1 853 629	2 540 150
Africa JIF HOLD CO I	489 709	697 034
Africa JIF HOLD CO III	1 388 393	2 444 014
Mena JIF HOLD CO I	489 709	697 028
Ledmore Holdings Ltd.	875 144	766 273
Sphinx Glass	4 939 125	--
Crondall Holding Ltd.	6 369 726	--
Scimitar Production Egypt Ltd.	34 773 148	--
Total	102 451 433	63 097 728

- * The Company did not recognize advisory fees with an amount LE 43 327 784 and LE 8 022 800 for the year ended December 31, 2013 (against LE 38 323 790 and LE 5 337 657 for the year ended December 31, 2012) related to Logria Holding Ltd. and Golden Crescent Investments Ltd. in accordance with the signed contracts due to inadequate assurance concerning the revenue recognition and collection conditions.

35.2 Interest income

Interest income included in financing cost note no.(40) includes an amount of LE 67 009 582 represents accrued interest income according to signed contracts from other related parties as follows:

Company's name	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
National Company for Trading and Development	26 821 686	21 040 351
United Foundries Company	8 438 010	12 515 253
Golden Crescent Finco Ltd.	--	18 464 149
Mena Home Furnishings Mall	5 999 484	5 321 674
Citadel Capital Transportation Opportunities Ltd.	4 248 053	4 787 579
Grandview Investment Holding	2 912 675	4 148 584
Orient Investments Properties Ltd.	--	21 377 302

Company's name	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
Falcon Agriculture Investments Ltd.	15 229 408	14 760 231
ASEC Company for Mining (ASCOM)	3 996 817	4 053 160
Asec Cement Company	(430 852)	--
Pharos Holdings Ltd.	(205 699)	--
Total	<u>67 009 582</u>	<u>106 468 283</u>

36. Share of (loss) profit of equity accounted investees:

	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
El Kateb for Marketing & Distribution Co.	(1 454 156)	(911 884)
Pharos Holding Co.	(1 800 225)	(2 198 389)
Elsharq Book Stores Co.	(780 948)	(481 941)
ASEC Company for Mining (ASCOM)	(19 114 360)	(25 746 108)
Silverstone Capital Investments Ltd.	26 027 419	40 461 450
Dar El-Sherouk Ltd.	(526 456)	(7 769 284)
Crondall Holdings Ltd.	11 223 204	28 872 759
National Development & Trading Company	--	(321 251 181)
United Foundries Company	--	(44 139 916)
Mena Glass Ltd.	(7 485 501)	(7 175 438)
Tanmeyah Company S.A.E	2 570 386	1 153 455
Mena Home Furnishings Mall	(19 299 419)	(18 780 590)
Citadel Capital Transportation Opportunities Ltd.	(52 733 386)	(24 293 643)
Tawazon for Solid Waste Management (Tawazon)	(4 619 256)	(1 896 483)
Ledmore Holdings Ltd.	(3 890 474)	(3 692 828)
Total	<u>(71 883 172)</u>	<u>(387 850 021)</u>

37. Net results of other operation

Other operation are represented in the net results of Wafra Agricultural Company and its subsidiaries.

	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
Sales	11 723 175	7 824 985
Cost of sales	<u>(9 658 300)</u>	<u>(33 006 914)</u>
Net profit (loss) for the year	<u>2 064 875</u>	<u>(25 181 929)</u>

38. Administrative and general expenses

	For the year ended	
	31/12/2013	31/12/2012
	LE	LE
Wages , salaries and similar items	78 737 471	117 797 573
Consultancy *	67 276 837	42 228 770
Advertising and public relations	5 955 723	6 768 508
Travel , accommodation and transportations	8 153 824	7 117 928
Management fee **	1 165 600	--
Other	65 508 757	68 208 078
Total	226 798 212	242 120 857

* Consultancy expenses include an amount of US.\$ 3 295 428 (equivalent to LE 22 578 674) for the year ended December 31, 2013 against US.\$ 3 079 715 (equivalent to LE 18 690 482 for the year ended December 31, 2012) represents the advisory fees due according to the signed contract with Financial Holding International Co. (one of the group shareholders).

** The Company's extraordinary general assembly meeting held on May 12, 2008 approved the management contract with Citadel Capital Partners Ltd. (the principal shareholder 26.11 %) which states that the mentioned company provides management duties for fees based on 10% of the net annual profit available for distribution .This agreement shall remain in effect as long as Citadel Capital Partners owns 15% or more Preferred shares.

39. Other expenses

	Note	For the year ended	
	no.	31/12/2013	31/12/2012
		LE	LE
Gain on sale of investments at fair value through profit and loss		(584 927)	--
Impairment loss on fixed assets	(6)	--	2 206 792
Impairment on available –for– sale investments	(13)	14 142 705	--
Impairment loss on due from related parties	(20)	202 557 765	42 475 351
Provisions formed	(34)	1 737 030	7 000 000
Net change in the fair value of investments at fair value through profit and loss		(741 836)	3 000 274
Provisions no longer needed	(34)	(17 445 245)	--
Other income		(2 571 552)	--
Inventory write-down		2 743 580	--

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

	Note no.	For the year ended 31/12/2013 LE	31/12/2012 LE
Loss on sale of fixed assets		315 793	--
Reversal of Impairment on due from related parties	(20)	(63 696 767)	--
Other expenses		229 752	--
Total		<u>136 686 298</u>	<u>54 682 417</u>

40. Finance costs (net)

	For the year ended 31/12/2013 LE	31/12/2012 LE
Interest income - note no. (35.2)	87 654 682	109 226 436
Interest expenses - note no.(27)	(151 307 595)	(179 041 695)
Foreign currency translation differences	9 563 878	15 295 765
Net	<u>(54 089 035)</u>	<u>(54 519 494)</u>

41. Earnings per share

	For the year ended 31/12/2013 LE	31/12/2012 LE
Net loss for the year	(384 870 029)	(702 358 039)
Net loss for equity holders of the parent Company	(374 655 290)	(691 740 235)
Weighted average number of shares	871 625 000	871 625 000
Earnings per share	<u>(0.43)</u>	<u>(0.79)</u>

42. Finance (expenses) income recognised in equity

	For the year ended 31/12/2013 LE	31/12/2012 LE
Foreign currency translation differences of foreign operations	(123 928 370)	20 855 830
Net change in the fair value of available-for-sale investment	694 479	101 393
Total finance (expenses) income recognised in equity (after tax)	<u>(123 233 891)</u>	<u>20 957 223</u>
Attributable to:		
Equity holders of the Company	166 682 305	23 519 515
Non - controlling interest	<u>(289 916 196)</u>	<u>(2 562 292)</u>
	<u>(123 233 891)</u>	<u>20 957 223</u>

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

43. Business segments

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Assets and liabilities include items directly attributable to a segment.

The table below are based on the type of business activities and services that are distinguishable component.

For the year ended December 31, 2013

	Agriculture food industries (*)	Energy (**)	Transportation and logistics (***)	Cement (****)	Metallurgy (*****)	Specialty real estate (*****)	Financial service (*****)	Eliminations	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE
Current assets	610 537 846	2 474 110 016	667 001 233	1 578 307 615	406 265 552	25 930 200	4 571 087 649	(4 008 264 381)	6 324 975 730
Non-current assets	1 692 542 268	10 182 047 899	2 926 704 342	6 013 960 154	79 624 961	574 712 519	18 101 512 510	(15 856 432 599)	23 714 672 054
Total assets	2 303 080 114	12 656 157 915	3 593 705 575	7 592 267 769	485 890 513	600 642 719	22 672 600 159	(19 864 696 980)	30 039 647 784
Current liabilities	1 858 367 094	3 185 416 250	877 414 554	2 773 948 675	383 345 400	319 907 107	4 764 784 945	(4 433 277 068)	9 729 906 957
Non-current liabilities	202 804 344	1 934 253 424	876 355 333	3 215 061 353	207 860 142	108 782 758	1 768 907 712	(728 026 218)	7 585 998 848
Owners' equity	241 908 676	7 536 488 241	1 839 935 688	1 603 257 741	(105 315 029)	171 952 854	16 138 907 502	(14 703 393 694)	12 723 741 979
Total liabilities and equity	2 303 080 114	12 656 157 915	3 593 705 575	7 592 267 769	485 890 513	600 642 719	22 672 600 159	(19 864 696 980)	30 039 647 784

- (*) Agriculture food industries
- Wafra Agriculture S.A.E.
 - Falcon for Agriculture Investments Group
- (**) Energy sector
- Silverstone Capital Investments Ltd. Group
 - Orient Investment Properties Ltd. Group
 - Ledmore Holdings Ltd.
- (***) Transportation and logistics
- Africa Railways Holding
 - Africa Railways Limited
 - Citadel Capital Transportation Opportunities Ltd. Group
 - KU Railways Holding Limited
 - Ambience Ventures Ltd.
- (****) Cement sector
- National Development and Trading Group
- (*****) Metallurgy
- United Foundries Group
- (*****) Specialist real estate sector
- Mena Home Furnishings Malls Ltd Group.
- (*****) Financial Services sector
- Citadel Capital S.A.E.
 - Citadel Capital Ltd.
 - Sequoia Williwow Investments Ltd.
 - Arab Company for Financial investments
 - Lotus Alliance Limited
 - Citadel Capital Holding for Financial Investments–Free Zone
 - Citadel Capital for International Investments Ltd
 - International for Mining Consultation
 - International for refinery Consultation
 - Tanweer for Marketing and Distribution Company (Tanweer)
 - Financial Unlimited for Financial Consulting
 - Citadel Company for Investment Promotion

- National Company for Touristic and Property Investment
- United for Petroleum Refining Consultation
- Specialized for Refining Consulting
- Specialized for Real Estate Company
- National Company for Refining Consultation
- Citadel Capital Algeria
- Valencia Trading Holding Ltd.
- Andalusia Trading Investments
- Lotus Alliance Limited
- Citadel Capital Financing Corp.
- Brennan Solutions Ltd.
- Mena Enterprises Ltd.
- Alcott Bedford Investments Ltd.
- Eco-Logic Ltd.
- Alder Burke Investments Ltd.
- Black Anchor Holdings Ltd.
- Cobalt Mendoza
- Africa Railways Investments Ltd.
- Darley Dale Investments Ltd.
- Citadel Capital Joint Investment Fund Management Limited
- Mena Joint Investment Fund
- Trimestone Assets Holding Limited – BVI
- Cardinal Vine Investments Ltd.
- Global Service Realty Ltd.
- Crondall Holdings Ltd.

44. Tax status

Corporate tax

The Company submitted its tax returns on regular basis for the years from 2005 to 2013 according to tax law No. 91/2005. The Company's books have not been inspected yet.

Salaries tax

The Company deducts the salaries tax according to tax law no. 91 / 2005 and the Company's books inspected for the period from launch till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010/2012 have not been inspected yet.

Stamp tax

The Company was inspected till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2012 has been inspected and the dispute has transferred to Internal Committee in the Authority.

Withholding tax

The Company applies the withholding tax provisions on its transactions according to tax law No. 91/2005 and no tax inspection for withholding tax has been taken place yet.

45. Group entities

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Citadel Capital Holding for Financial Investments-Free Zone	Arab Republic of Egypt-Free Zone	99.99	--
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	--
International for Mining Consultation	Arab Republic of Egypt	99.99	--
International for Refinery Consultation	Arab Republic of Egypt	--	99.99
Arab Company for Financial Investments	Arab Republic of Egypt	--	94.00
Tanweer for Marketing and Distribution Company (Tanweer)	Arab Republic of Egypt	--	99.88
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	--	99.88
Citadel Company for Investment Promotion	Arab Republic of Egypt	--	99.90
National Company for Touristic and Property Investment	Arab Republic of Egypt	--	99.88
United for Petroleum Refining Consultation	Arab Republic of Egypt	--	99.99
Specialized for Refining Consulting	Arab Republic of Egypt	--	99.99
Specialized for Real Estate Company	Arab Republic of Egypt	--	99.99
National Company for Refining Consultation	Arab Republic of Egypt	--	99.99
Citadel Capital Algeria	Republic of Algeria	--	99.99
Citadel Capital Ltd.	British Virgin Island	--	100.00

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Valencia Trading Holding Ltd.	British Virgin Island	--	100.00
Andalusia Trading Investments	British Virgin Island	--	100.00
Lotus Alliance Limited	British Virgin Island	--	85.70
Citadel Capital Financing Corp.	British Virgin Island	--	100.00
Ambience Ventures Ltd.	British Virgin Island	--	100.00
Africa Railways Limited *	British Virgin Island	--	40.22
Sequoia Williwow Investments Ltd.	British Virgin Island	--	100.00
Brennan Solutions Ltd.	British Virgin Island	--	100.00
Mena Enterprises Ltd.	British Virgin Island	--	100.00
Alcott Bedford Investments Ltd.	British Virgin Island	--	100.00
Eco-Logic Ltd.	British Virgin Island	--	100.00
Alder Burke Investments Ltd.	British Virgin Island	--	100.00
Black Anchor Holdings Ltd.	British Virgin Island	--	100.00
Cobalt Mendoza	British Virgin Island	--	100.00
Africa Railways Investments Ltd.	British Virgin Island	--	100.00
Darley Dale Investments Ltd.	British Virgin Island	--	100.00
Africa Railways Holding	Republic of Mauritius	--	51.02
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	--	100.00
Mena Joint Investment Fund	Luxembourg	--	100.00
Wafra Agriculture S.A.E	Arab Republic of Egypt	--	99.99
Valencia Assets Holding Ltd.	British Virgin Island	--	100.00
Sabina for Integrated Solutions	Sudan	--	96.00
Concord Agriculture	South Sudan	--	96.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	--	100.00
Cardinal Vine Investments Ltd.	British Virgin Island	--	100.00
Global Services Realty	British Virgin Island	--	100.00
Silverstone Capital Investments Ltd.	British Virgin Island	--	56.37
Taqa Arabia Company	Arab Republic of Egypt	--	80.77
Gas and Energy Company (GENCO Group) - SAE	Arab Republic of Egypt	--	99.99
Taqa for Electricity ,Water and Cooling- SAE	Arab Republic of Egypt	--	98.74
Taqa for Marketing Petroleum Products- SAE	Arab Republic of Egypt	--	99.99

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Gas and Energy Group Limited	British Virgin Island	--	99.99
Genco for Mechanical and Electricity Work	Qatar	--	99.99
Qatar Gas Group Limited *	Qatar	--	45.00
Arab Company for Gas Services *	Libya	--	49.00
Arabian Libyan Company for Energy National Development and trading Company	Libya	--	65.00
Arab Swiss Engineering Co.	Arab Republic of Egypt	47.65	12.84
ASEC for Manufacturing and Industries Project Co.	Arab Republic of Egypt	--	99.97
ASEC Cement Co.	Arab Republic of Egypt	--	99.80
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	--	61.05
ASEC Automation Co.	Arab Republic of Egypt	--	63.01
ESACO for Manufacturing Engineering and Construction	Arab Republic of Egypt	--	53.64
Grandiose Services Ltd.	British Virgin Island	--	70.00
ASEC Integrated – Sudan	Sudan	--	100
Al Takamoul for Cement Ltd. Co.	Sudan	--	99.90
ASEC Algeria Cement Co.	Algeria	--	51
ASEC Syria Cement Co.	Syria	--	60.89
Zahana Cement Company *	Algeria	--	99.99
Dejalfa Offshore	British Virgin Island	--	35.00
ASEC Trading Company	Arab Republic of Egypt	--	54.53
ASEC Ready Mix	Arab Republic of Egypt	--	99.88
ASEC Minya Cement Company *	Arab Republic of Egypt	--	54.12
Berber for Electricity – limited	Sudan	--	45.12
United Foundries Company	Arab Republic of Egypt	--	51.00
Alexandria for Car Foundries	Arab Republic of Egypt	29.29	23.34
Amreya for Metal	Arab Republic of Egypt	--	99.98
Ledmore Holdings Ltd.	British Virgin Island	--	99.96
National Company for Marine Petroleum Services "PETROMAR"	Arab Republic of Egypt-FZ	--	63.75
Mashreq Petroleum Company	Arab Republic of Egypt	--	77.87
			91.00

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
El Dawlia for Bunkering Services	Arab Republic of Egypt	--	70.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	--	56.29
Bonian for Trade and Development	Arab Republic of Egypt	--	99.99
Bright Living	Arab Republic of Egypt	--	56.17
Investment Company for Modern Furniture	Arab Republic of Egypt	--	99.88
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	--	60.15
Nile Logistics S.A.E.	Arab Republic of Egypt	--	99.99
Citadel Capital Transportation Opportunities II Ltd- Malta	Republic of Mauritius	--	68.87
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	--	99.88
National Company for River Transportation - Nile Cargo S.A.E.	Arab Republic of Egypt	--	99.99
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	--	99.88
National Company for Maritime Clearance S.A.E.	Arab Republic of Egypt	--	99.98
EL -Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	--	99.98
NMT for Trading S.A.E	Arab Republic of Egypt	--	99.99
National Company for Marina Ports Management	Arab Republic of Egypt	--	99.90
NRTC Integrated Solutions Co Ltd.	Sudan	--	99.00
Nile barges for River transport Co Ltd.	Sudan	--	99.00
Regional River Investment Ltd	British Virgin Island	--	100.00
Falcon for Agriculture Investments *	British Virgin Island	--	42.09
National Company for Investments and Agriculture	Arab Republic of Egypt	--	99.99
National Company for Food products	Arab Republic of Egypt	--	99.99
Dina Company for Agriculture and Investments	Arab Republic of Egypt	--	99.99
Dina for Auto Services	Arab Republic of Egypt	--	99.00
Arab Company for Services and Trade	Arab Republic of Egypt	--	99.67
National Company for Agriculture	Arab Republic of Egypt	--	99.88

Company's name	Country of incorporation	Ownership interest	
		Direct %	Indirect %
Products			
El-Eguizy International for Economic Development	Arab Republic of Egypt	--	99.95
National Company for Integrated Food	Arab Republic of Egypt	--	99.99
Misr October Company for Food Products	Arab Republic of Egypt	--	99.99
Royal Food Company	Arab Republic of Egypt	--	99.99
Up-Date Company for Food Products	Arab Republic of Egypt	--	85.00
El Rashidi El Mizan	Arab Republic of Egypt	--	99.99
Nile for Food Products "Enjoy"	Arab Republic of Egypt	--	99.99
Investments Company for Dairy Products	Arab Republic of Egypt	--	99.99
El Rashidi Company for Integrated Solutions	Sudan	--	99.99
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	--	95.88
Dina for Agriculture Development	Arab Republic of Egypt	--	100.00
National Company for Dairy Exchange	Arab Republic of Egypt	--	100.00
Mena Development Limited	British Virgin Island	--	100.00
Every's Holdings Limited	British Virgin Island	--	100.00
Orient Investment Properties Ltd.*	British Virgin Island	--	35.93
Arab Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
Egyptian Refining Company – S.A.E.– Free Zone *	Arab Republic of Egypt	--	48.25
National Refining Company – S.A.E.	Arab Republic of Egypt	--	63.32
KU Railways Holding Limited-KURH	Kenya	--	51.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	--	100.00
East African Rail And Handling Logistics Limited	Kenya	--	100.00
RVR Investments (Pty) Ltd	Republic of Mauritius	--	100.00
Crondall Holdings Ltd.	British Virgin Island	--	80.00
Capella Management Investments Inc. Company	British Virgin Island	--	100.00
Lotus Management Investment Ltd. Company	British Virgin Island	--	100.00
Cordoba Investment Services Inc. Company	British Virgin Island	--	100.00

- * The Group has the right to appoint the majority of the board of directors members which enables the Group to control the financial and operational policies. Consequently, these Companies have been consolidated.

46. Employees Stock Option Plan

The Company's extraordinary meeting held on February 20, 2008 approved to add a new article to the Company Article of Association to adopt a plan or more to motivate employees, managers and executive board of directors – Employees stock option plan (ESOP) in accordance with decision no. 282 for 2005 which modified executive regulation for the law no. 159 / 1981.

On June 22, 2008 the Capital Market Authority approved the ESOP plan and the Company does not start to apply it yet.

47. Contingent liabilities

The Company guarantees some related parties against loans and facilities obtained by those parties from banks.

48. Financial instruments and management of related risks

The Group's financial instruments are represented in the financial assets and liabilities. Financial assets include cash and cash equivalents, other investments, and trade and other receivables while financial liabilities include; loans and borrowing and trade and other payables. Note (no.3) include significant accounting policies for the recognition and measurement of the important financial instruments and related revenues and expenses by the Company to minimize the consequences of such risks.

48.1 Credit risk

Credit risk is the risk that one party will fail to discharge his obligation and cause the other party to incur financial loss. The financial assets representing amounts due from customers. Strict credit control is maintained and further appropriate level of impairment loss is made. The credit risk on financial instrument by ensuring that investments are made only after careful credit evaluation for these assets.

48.2 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

48.3 Financial instruments' fair values

According to the valuation bases used to evaluate the assets and liabilities of the Company which have been stated in the accompanying notes to the financial position, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date.

48.4 Market risk

A- Foreign currencies risk

- 'The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As disclosed in note no. (3,2) the Company has used the prevailing exchange rates to revalue monetary assets and liabilities at the financial position date.

B- Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the market dictates, the Company sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk.

C- Price risk

The Company is exposed to market price risk on equity instrument and according to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

48.5 Market risk

The Company's objectives when managing capital are to safeguard the management's ability to continue as a going concern in order to provide returns to the benefits to the Company's shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management may adjust the amount of distribution paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

49. Significant Events

The Company's Extraordinary General Assembly meeting held on October 20, 2013 and approved the following decisions:

- To increase the Company's authorized capital from LE 6 billion to LE 9 billion and to increase the issued capital from LE 4 358 125 000 to LE 8 billion, with an increase of LE 3 641 875 000 by issuing 728 375 000 new shares at par value of LE 5 per share without issuance costs, consisting of 182 093 750 preferred shares and 546 281 250 ordinary shares, for the purpose of financing the acquisition of additional shares in its related companies, financing the Company's share in the capital increase of some of its related companies and entering into new investments.
- To invite existing shareholders - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis in the issued capital before the increase provided that the shareholders in each class of shares shall have the right to subscribe for the same class of shares they currently hold on a pro-rata basis before the increase, and provided that all shareholders of the same class shall have the same rights according to the article (19) of the Statute of the Company and to pay the full amount of their contributions in the capital increase without issuance costs within the subscription period.
- Amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no.27 of the Capital Market Law and article no.122 of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.
- Approval to change the Company's name to reflect its transformation into an investment holding company in the light of the aforementioned resolutions.
- The Extraordinary General Assembly of the Company was informed of the previous decisions of the Ordinary General Assembly held on June 2, 2013, which approved the valuation of the fair values determined by the independent financial advisor as well as the related party contracts.
- As the Ordinary General Assembly approved on June 2, 2013 the conclusion of agreement to increase the Company's shares in some of its investees for the following sectors:
 - Energy
 - Transportation and logistical support
 - Agriculture and food industries
 - Cement
 - Other sectors

- The General Assembly also agreed to grant management of the Company the authority to determine the appropriate timing to enter into those agreements or to reject it and to allow the members of the board of directors to enter into related party agreement with respect to the sale of any shares they hold in these companies. The Assembly further resolved to vest the Company's management with the rights to enter into similar agreements with the same shareholders or other shareholders in these companies as long as these agreements are with the same basic terms and conditions previously referred to. The required procedures are being carried out in this respect.

50. Subsequent Events

50-1 Investments

Subsequent to December 31, 2013, the Company has purchased financial investments from shareholders of the Company through the Company and its 100% owned subsidiary, Citadel Capital for International Investments Ltd. for the purpose of increasing the Company's ownership share percentages in some investee companies. The value of the investments purchased during the subsequent period to the balance sheet date is LE 1 344 562 412 against LE 2 167 786 600 during year 2013.

50-2 Shareholders' credit balances

Subsequent to the balance sheet date the value of the credit balances owed to the shareholders in consideration for the purchase of the above-mentioned investments and for employees' (shareholders) incentives have been credited with an amount of LE 1 350 499 917 and LE 20 437 500 respectively with a total amount of LE 1 370 937 417 against LE 2 323 160 875 for the year ended December 31, 2013 (note 25) with a gross amount of LE 3 694 098 292.

The amounts that were credited for shareholders subsequent to the balance sheet date are as follows:

	31/12/2013
	LE
Citadel Capital Partners Ltd.	383 232 640
United Group	6 665 740
Grouped Holdings Ltd.	221 374 490
Fenix One and Co Ltd.	100 000 000
Benu One Ltd.	550 000 000
Power Investments Europe	62 397 010
Mamdouh Mohamed Fathy Abbas	16 015 535
Others	10 814 502
	<u>1 350 499 917</u>
Incentives to employees (shareholders)	20 437 500
Total	<u>1 370 937 417</u>

51. Capital Commitments

The capital commitments as at December 31, 2013 represented in the following:

Citadel Capital Company
Notes to the consolidated financial statements for the year ended December 31, 2013

Contractor	51.1 Asec Algeria Cement Company (Asec Cement)				
	Contract amount	Not completed part	Contract currency	Not completed part	
				31/12/2013 LE	31/12/2012 LE
FLSmidth Denmark Company	57 000 000	57 000 000	Euro	547 023 300	476 565 600
SARL MHDA	12 500 000	34 603	US dollar	240 612	218 995
ASEC for Mining Company (Ascom)	763 160	30 220	Euro	290 018	252 663
Energys Company	23 699 815	3 683 591	US dollar	25 613 580	23 312 711
Energys Company	9 015 848	3 755 669	US dollar	26 115 044	23 768 878
TCB Company	2 909 211	1 292 646	EGP	1 292 646	1 292 646
CTC Company	39 500 000	14 188 400	DZD	1 261 349	1 149 260
Cetim Company	122 850 000	89 337 500	DZD	7 942 104	7 236 338
				<u>609 778 653</u>	<u>533 797 091</u>

51.2 ASEC Minya Cement Company (formally Arab National Cement Company)

Contractor	Contract amount	Not completed part	Contract currency	Not completed part	
				31/12/2013 LE	31/12/2012 LE
ASEC for Mining Company (Ascom)	2 898 950	--	EGP	--	481 291
Nile valley gas company	20 348 048	--	EGP	--	6 384 415
Union Trading and Electric Engineering office paving a road	581 296	--	EGP	--	342 364
Matcom engineering construction & & trading company	17 450 750	--	EGP	--	13 148 777
Matcom engineering construction & & trading company	2 040 000	309 075	EGP	309 075	689 390
Veolia water system	2 050 150	253 016	EGP	253 016	8 631 857
Elject	9 335 000	522 731	EGP	522 731	3 363 187
	28 401 505	25 558 555	EGP	25 558 555	--
				<u>26 643 377</u>	<u>33 041 281</u>

51.3 ASEC for Manufacturing and Industries project Co. (ARESCO)

	Contract amount 31/12/2013 LE	Contract amount 31/12/2012 LE
Work shop (1)	675 000	675 000
Work shop (7)	3 285 000	3 285 000
Work shop (9)	370 000	370 000
North wall of the factory	--	582 472
Self-extinguishing system in the factory	100 350	100 350
Legal consultancy fees	2 400 000	--
Total	6 830 350	5 012 822

52. Contingent liabilities

The contingent liabilities as at December 31, 2013 are represented in the following:

	31/12/2013 LE	31/12/2012 LE
52.1 ASEC Automation Co. (ASA)		
Letters of guarantee	37 336 864	46 978 677
52.2 Arab Swiss Engineering Co. (ASEC)		
Letters of guarantee	58 730 286	72 079 884
52.3 ASEC Environmental Protection Co. (ASENPRO)		
Letters of guarantee	1 122 570	2 212 349

52.4 ASEC for Manufacturing and Industries project Co. (ARESCO)

	31/12/2013			31/12/2012		
	EURO	US.\$	LE	EURO	US.\$	LE
Letters of guarantee	8 002 533	926 645	62 471 634	13 646 922	1 398 784	94 244 216

52.5 United Foundries Company

	31/12/2013			31/12/2012		
	LE	EURO	US.\$	LE	EURO	US.\$
Letters of guarantee (outstanding)	333 264	146 100	--	809 211	174 239	--
Letters of guarantee (cover)	27 329	19 900	--	81 126	23 846	--
Letters of credit (outstanding)	3 136 901	--	--	--	--	--
Letters of credit (cover)	35 613	--	--	--	--	--
- United Foundries Company guaranteed Amreya Metal Company up to LE 2 million in the favor of Egypt factors Company.						

53. Potential tax liabilities

On 22 April 2010, the Egyptian Tax Authority issued an executive seizure letter form (23) for the Arab Swiss Engineering Company "ASEC", a subsidiary company, against an outstanding corporate taxes balance of LE 72 491 234 for the years 1978 to 2004. Accordingly Arab Swiss Engineering Company "ASEC" signed an agreement with tax Authority whereby it makes payments with an amount of LE 26 million till December 31, 2013 and accordingly the due balance till December 31, 2013 amounted to LE 9 million based on form (9 A) seizure of Tax Authority.

54. Comparative figures

Certain reclassification has been made to the comparative figures in order to conform to current year presentation.

48.3 Financial instruments' fair values

According to the valuation bases used to evaluate the assets and liabilities of the Company which have been stated in the accompanying notes to the financial position, the financial instruments' fair value does not substantially deviate from their book values at the balance sheet date.

48.4 Market risk

A- Foreign currencies risk

- 'The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As disclosed in note no. (3,2) the Company has used the prevailing exchange rates to revalue monetary assets and liabilities at the financial position date.

B- Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. As the market dictates, the Company sometimes borrows at variable rates leaving certain exposure to changes in interest rate risk.

C- Price risk

The Company is exposed to market price risk on equity instrument and according to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the company's investments and their development.

48.5 Market risk

The Company's objectives when managing capital are to safeguard the management's ability to continue as a going concern in order to provide returns to the benefits to the Company's shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management may adjust the amount of distribution paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

49. Significant Events

The Company's Extraordinary General Assembly meeting held on October 20, 2013 and approved the following decisions:

- To increase the Company's authorized capital from LE 6 billion to LE 9 billion and to increase the issued capital from LE 4 358 125 000 to LE 8 billion, with an increase of LE 3 641 875 000 by issuing 728 375 000 new shares at par value of LE 5 per share without issuance costs, consisting of 182 093 750 preferred shares and 546 281 250 ordinary shares, for the purpose of financing the acquisition of additional shares in its related companies, financing the Company's share in the capital increase of some of its related companies and entering into new investments.
- To invite existing shareholders - in accordance with the terms of the subscription rights - to subscribe in the capital increase on a pro-rata basis in the issued capital before the increase provided that the shareholders in each class of shares shall have the right to subscribe for the same class of shares they currently hold on a pro-rata basis before the increase, and provided that all shareholders of the same class shall have the same rights according to the article (19) of the Statute of the Company and to pay the full amount of their contributions in the capital increase without issuance costs within the subscription period.
- Amending the statute of the Company in accordance with the Capital Market Law and its executive regulations on the basis that the Company is involved in establishing other companies and participating in the capital increases of other companies pursuant to the provision of article no.27 of the Capital Market Law and article no.122 of its executive regulations, provided that required legal procedures for amending the statute of the company will take place after completing the required legal procedures for the aforementioned capital increase.
- Approval to change the Company's name to reflect its transformation into an investment holding company in the light of the aforementioned resolutions.
- The Extraordinary General Assembly of the Company was informed of the previous decisions of the Ordinary General Assembly held on June 2, 2013, which approved the valuation of the fair values determined by the independent financial advisor as well as the related party contracts.
- As the Ordinary General Assembly approved on June 2, 2013 the conclusion of agreement to increase the Company's shares in some of its investees for the following sectors:
 - Energy
 - Transportation and logistical support
 - Agriculture and food industries
 - Cement
 - Other sectors

- The General Assembly also agreed to grant management of the Company the authority to determine the appropriate timing to enter into those agreements or to reject it and to allow the members of the board of directors to enter into related party agreement with respect to the sale of any shares they hold in these companies. The Assembly further resolved to vest the Company's management with the rights to enter into similar agreements with the same shareholders or other shareholders in these companies as long as these agreements are with the same basic terms and conditions previously referred to. The required procedures are being carried out in this respect.

50. Subsequent Events

50-1 Investments

Subsequent to December 31, 2013, the Company has purchased financial investments from shareholders of the Company through the Company and its 100% owned subsidiary, Citadel Capital for International Investments Ltd. for the purpose of increasing the Company's ownership share percentages in some investee companies. The value of the investments purchased during the subsequent period to the balance sheet date is LE 1 344 562 412 against LE 2 167 786 600 during year 2013.

50-2 Shareholders' credit balances

Subsequent to the balance sheet date the value of the credit balances owed to the shareholders in consideration for the purchase of the above-mentioned investments and for employees' (shareholders) incentives have been credited with an amount of LE 1 350 499 917 and LE 20 437 500 respectively with a total amount of LE 1 370 937 417 against LE 2 323 160 875 for the year ended December 31, 2013 (note 25) with a gross amount of LE 3 694 098 292.

The amounts that were credited for shareholders subsequent to the balance sheet date are as follows:

	31/12/2013
	LE
Citadel Capital Partners Ltd.	383 232 640
United Group	6 665 740
Grouped Holdings Ltd.	221 374 490
Fenix One and Co Ltd.	100 000 000
Benu One Ltd.	550 000 000
Power Investments Europe	62 397 010
Mamdouh Mohamed Fathy Abbas	16 015 535
Others	10 814 502
	<u>1 350 499 917</u>
Incentives to employees (shareholders)	20 437 500
Total	<u><u>1 370 937 417</u></u>

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