Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)

Separate Interim Financial Statements

For The Financial Period Ended September 30, 2015

Limited Review Report

kpmg Hazem Hassan
Public Accountants & Consultants

Contents	**Page**

KPMG

Hazem Hassan
Public Accountants & Consultants

Pyramids Heights Office Park
Km 22 Cairo/Alex Road
P.O. Box 48 Al Ahram
Giza - Cairo - Egypt

Telephone : (202) 35 36 22 00 - 35 36 22 11
Telefax : (202) 35 36 23 01 - 35 36 23 05
E-mail : egypt@kpmg.com.eg
Postal Code : 12556 Al Ahram

Translation of financial statements
Originally issued in Arabic

Report on Limited Review of Separate Interim Financial Statements

To The Board of Directors of Sixth of October for Development and Investment Company "SODIC"

Introduction

We have performed a limited review for the accompanying separate interim financial statements of Sixth of October for Development and Investment Company "SODIC" which comprise the separate interim balance sheet as of September 30, 2015 and the related separate interim statements of income, changes in equity and cash flows for the Nine-months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Separate Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate financial position of the Company as at September 30, 2015, and of its separate financial performance and cash flows for the Nine-months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
4

Cairo, November 14, 2015

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate Interim Balance Sheet
As at September 30, 2015

	Note No.	30/9/2015 L.E	31/12/2014 L.E
Long - term assets			
Fixed assets (net)	(6)	56 610 749	15 791 262
Investments in subsidiaries	(7)	1 410 842 466	1 310 844 466
Investments - available for sale (net)	(8)	4 276 152	4 276 152
Investment properties (net)	(9)	83 696 199	78 076 695
Investment property - advances	(10)	147 849 222	145 000 482
Trade and notes receivable (net)	(11)	1 378 725 182	1 606 815 468
Total long - term assets		**3 081 999 970**	**3 160 804 525**
Current assets			
Inventory - Materials		–	204 205
Completed units ready for sale	(12)	10 713 275	15 486 539
Works in process	(13)	1 270 885 244	1 274 222 117
Trade & notes receivable (net)	(14)	1 049 948 519	1 075 358 927
Due from related parties (net)	(15)	702 490 920	888 887 464
Debtors & other debit balances (net)	(16)	212 823 303	189 318 215
Treasury stock investments		456 151 017	–
Cash at banks & on hand	(17)	809 142 834	1 199 609 801
Total current assets		**4 512 155 112**	**4 643 087 268**
Current liabilities			
Provision for completion	(18)	45 691 608	65 256 733
Provisions	(19)	5 882 812	8 054 124
Bank - Overdraft		–	643 013
Bank - Credit facilities	(20)	–	101 170 177
Loans - Short term	(32)	117 836 218	78 117 009
Advances from customers	(21)	2 523 590 654	2 832 854 177
Contractors, suppliers & notes payable	(22)	144 469 543	94 931 686
Due to related parties	(23)	150 214 490	212 650 292
Creditors & other credit balances	(24)	704 453 159	602 426 539
Total current liabilities		**3 692 138 484**	**3 996 103 750**
Working Capital		**820 016 628**	**646 983 518**
Total investments		**3 902 016 598**	**3 807 788 043**
These investments are financed as follows:-			
Shareholders' equity			
Issued & fully paid in capital	(25)	1 355 638 292	1 355 638 292
Legal reserve	(26)	184 428 817	181 352 693
Special reserve - share premium	(27)	1 357 933 479	1 338 296 569
Retained earnings		340 764 273	282 317 925
Profit from sale of treasury shares	(28)	3 692 867	3 692 867
Treasury shares	(29)	(10 150 000)	–
Shares kept for bonus & incentive plan	(30)	–	(8 000 000)
Set aside amount for bonus & incentive plan	(31)	2 000 000	20 004 359
Net profit for the Period / year		162 040 765	61 522 472
Total shareholders' equity		**3 396 348 493**	**3 234 825 177**
Long-term liabilities			
Loans - long term	(32)	504 634 496	545 214 175
Notes payable	(33)	–	24 306 118
Deferred tax liabilities	(34)	1 033 609	3 442 573
Total long-term liabilities		**505 668 105**	**572 962 866**
Total shareholders' equity & long - term liabilities		**3 902 016 598**	**3 807 788 043**

* The accompanying notes from (1) to (50) are an integral part of these separate interim financial statements and to be read therewith.

Financial & Administration Executive Director	Chief Financial Officer	Managing Director	Chairman
Hany Henry	Omar Elhamawy	Magued Sherif	Hani Sarie El Din

* Limited review report attached.

Translation of financial statements originally issued in Arabic

Sixth of October for Development and Investment Company "SODIC"

(An Egyptian Joint Stock Company)

Separate Interim Income Statement

For The Financial Period Ended September 30, 2015

	Note No.	From 1/1/2015 Till 30/9/2015 L.E	Three Months Ended 30/9/2015 L.E	From 1/1/2014 Till 30/9/2014 L.E	Three Months Ended 30/9/2014 L.E
Sales (net)	(35)	672 306 657	234 811 641	541 214 669	176 641 146
Cost of sales	(36)	(373 529 672)	(133 934 584)	(338 968 558)	(112 231 020)
Gross profit		**298 776 985**	**100 877 057**	**202 246 111**	**64 410 126**
Other operating revenues	(37)	67 765 096	16 794 128	61 235 239	18 515 184
Selling and marketing expenses	(38)	(63 930 868)	(17 690 729)	(63 806 879)	(19 759 449)
General and administrative expenses	(39)	(85 500 205)	(27 535 254)	(86 514 038)	(30 856 356)
Other operating expenses	(40)	(21 910 686)	(6 032 395)	(29 772 284)	(6 532 894)
Operating profit		**195 200 322**	**66 412 807**	**83 388 149**	**25 776 611**
Finance income	(41)	80 950 282	28 683 690	12 159 981	5 057 226
Finance cost	(42)	(69 300 228)	(22 924 091)	(49 821 900)	(16 628 599)
Net finance income / (cost)		**11 650 054**	**5 759 599**	**(37 661 919)**	**(11 571 373)**
Net profit for the period - before income tax		**206 850 376**	**72 172 406**	**45 726 230**	**14 205 238**
Income tax	(43)	(44 809 611)	(5 692 453)	(697 015)	7 482
Net profit for the period		**162 040 765**	**66 479 953**	**45 029 215**	**14 212 720**
Earnings per share (L.E / Share)	(44)	**0.48**	**0.20**	**0.50**	**0.16**

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Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)

Separate Interim Statement of Changes in Equity
For The Financial Period Ended September 30, 2015

	Issued & paid in capital	Legal reserve	Special reserve- share premium	Profit from sale of treasury shares	Shares set aside amount for bonus & incentive plan	other equity	Treasury shares	Set aside amount for bonus & incentive plan	Retained earnings	Net profit for the period	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Balance as at January 1, 2014	**362 705 392**	**181 352 693**	**1 316 921 569**	**3 692 867**	**(80 000 000)**	–		**25 323 711**	**802 786 772**	**(520 468 847)**	**2 092 314 157**
Transfer to retained earnings	–	–	–	–	–	–	–	–	(520 468 847)	520 468 847	–
Applied rewarding and incentive program	–	–	–	–	72 000 000	21 375 000	–	–	–	–	93 375 000
Amortized from aside rewarding and incentive program	–	–	–	–	–	–	–	(21 773 054)	–	–	(21 773 054)
Net profit for the period	–	–	–	–	–	–	–	–	–	45 029 215	45 029 215
Balance as at september 30, 2014	**362 705 392**	**181 352 693**	**1 316 921 569**	**3 692 867**	**(8 000 000)**	**21 375 000**	––	**3 550 657**	**282 317 925**	**45 029 215**	**2 208 945 318**
Balance as at January 1, 2015	**1 355 638 292**	**181 352 693**	**1 338 296 569**	**3 692 867**	**(8 000 000)**	–	–	**20 004 359**	**282 317 925**	**61 522 472**	**3 234 825 177**
Transferred to legal reserve	–	3 076 124	–	–	–	–	–	–	(3 076 124)	–	–
Ttansfer to special reserve - shares premium			17 486 910	–	–	–	–	(17 486 910)			
Transfer to income statement	–	–	–	–	–	–	–	(517 449)			(517 449)
Transfer to treasury shares	–	–	2 150 000	–	**8 000 000**	–	(10 150 000)		–	–	––
Transfer to retained earnings	–	–	–	–	–	–	–		61 522 472	(61 522 472)	
Net profit for the period	–	–	–	–	–	–	–	–	–	162 040 765	162 040 765
* **Balance as at september, 30, 2015**	**1 355 638 292**	**184 428 817**	**1 357 933 479**	**3 692 867**	–	––	**(10 150 000)**	**2 000 000**	**340 764 273**	**162 040 765**	**3 396 348 493**

The accompanying notes from (1) to (50) are an integral part of these separate interim financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Separate Interim Statement of Cash Flows
For The Financial Period Ended September 30, 2015

	Note No.	Nine Months Ended 30/9/2015 L.E	Nine Months Ended 30/9/2014 L.E
Cash flows from operating activities			
Net profit for the period - before income tax		206 850 376	45 726 230
Adjustments for :			
Depreciation of fixed assets and leased units		12 212 780	7 180 773
Capital gain		(6 126 398)	(2 710)
credit interest transfered from aside rewarding and incentive program		(517 449)	-
Impairment losses due from related parties		12 995 708	1 777 145
Provision for completion - formed	(18)	34 759 039	20 738 159
Provisions formed	(19)	67 985	67 985
Operating profit before changes in working capital items		**260 242 041**	**75 487 582**
Changes in working capital items			
Change in completed units ready for sale		4 977 469	15 626 834
Change in real estate investements		(7 188 625)	
Change in works in process		3 336 872	(67 157 771)
Change in trade & notes receivables		253 500 694	(258 482 628)
Change in due from related parties		173 400 835	93 945 224
Change in debtors & other debit balances		(23 505 088)	52 959 434
Provision for completion	(18)	(54 324 164)	(44 942 109)
Provisions - used		(2 239 297)	(1 401 735)
Change in advances from customers		(309 263 522)	326 931 677
Change in contractors, suppliers & notes payable		25 231 737	(29 410 488)
Change in due to related parties		(62 435 802)	12 228 750
Change in creditors & other credit balances		61 564 991	(94 298 336)
Net cash flow provided from operating activities		**323 298 141**	**81 486 434**
Cash flows from investing activities			
Payments for purchase of fixed assets & projects under construction		(52 106 658)	(2 604 085)
Payment for acquisition of investment in subsidiaries.	(7)	(99 998 000)	(389 999 970)
Payments for acquisition of investment properties	(10)	(2 848 740)	(11 327 678)
Payments for acquisition of treasury bills		(456 151 017)	-
Proceeds from sale of fixed assets		12 967	32 027
Net cash flow provided from investing activities		**(611 091 448)**	**(403 899 706)**
Cash flows from financing activities			
Credit Banks & facilities	(20)	(101 170 177)	47 910 424
Net change in short-term and long-term Loans		(860 470)	311 921 699
proceeds of rewarding and incentive program for employees and managers		-	71 601 946
Net cash flow used in financing activities		**(102 030 647)**	**431 434 069**
Net change in cash & cash equivalents during the period		(389 823 954)	109 020 797
Cash & cash equivalents at the beginning of the period		1198 966 788	285 965 532
Cash & cash equivalents at the end of the period		**809 142 834**	**394 986 329**
Deduct:			
Restricted cash (Facilities gurantee)		**205 000 000**	**150 000 000**
Cash available at the end of the period	(17)	**604 142 834**	**244 986 329**

* The accompanying notes from (1) to (50) are an integral part of these separate interim financial statements and to be read therewith.

Sixth of October for Development and Investment Company "SODIC"
(An Egyptian Joint Stock Company)
Notes to the separate Interim financial statements
For the financial period ended September 30, 2015

1- Background and activities

1-1 Sixth of October for Development and Investment Company "SODIC" – An Egyptian Joint Stock Co. – was incorporated in accordance with the provisions of Law No. 159 of 1981 and its Executive Regulations and considering the provisions of Law No. 95 of 1992 and its Executive Regulations and by virtue of the decree of the Minister of Economy and International Cooperation No. 322 of 1996 issued on May 12, 1996. The Company was registered in Giza Governorate Commercial Registry under No. 625 on May 25, 1996.

1-2 The Company's purpose is represented in the following:

- Land acquisition and the subsequent sale/lease to clients after connecting the relevant infrastructure.
- Operating in the field of construction, integrated construction and supplementary works.
- Planning, dividing and preparing lands for building and construction according to modern building techniques.
- Building, selling and leasing all various types of real estate.
- Developing and reclaiming land in the new urban communities.
- Operating in the field of tourism development and tourism related establishments including, building, managing, selling or utilizing hotels, motels and tourist villages in accordance with applicable Egyptian laws and regulations.
- Building, managing, selling and leasing –residential, service, commercial, industrial and tourism projects.
- Importing and operating as trade agents within the allowable limits of the Company's purpose (not with the purpose of trading)
- Financial leasing in accordance with Law No. 95 of 1995.
- Working in all fields of information technology and systems, hardware and software (computer software and services).
- Operating in fields of communication systems, internet, space stations and transmission except for the field of satellites.
- Investing in the various activities related to petroleum, gas and petrochemicals.
- Operating in the field of coordinating and planting gardens, roads and squares and also providing security, steward - ship, maintenance and cleaning services.
- Operating in the field of ownership and management of sporting, entertainment, medical, educational buildings and also ownership, management and operating of restaurants.
- In addition, the Company may have interest or participate in any manner with companies or others that share similar activities or which may assist it to achieve its purposes in Egypt or abroad.

  Also the Company is entitled to merge into or acquire the aforementioned companies or make them subsidiaries in accordance with the provisions of law and its executive regulations.

1-3 The Company's duration is 50 years starting from the date of registration in the Commercial Register.

1-4 The Company is officially listed on the Egyptian Stock Exchange.

1-5 The registered office of the Parent Company is located at Km. 38 Cairo / Alexandria Desert Road, Sheikh Zayed City. Dr. Hany Sarie El Din is the Chairman for the Parent company and Mr. Magued Sherif is a Board Member and the Managing Director

2- Basis of preparation of the financial statements

2-1 Statement of compliance

- These separate financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The financial statements have been authorized by Company's board of directors as November 12, 2015

2-2 Basis of measurement

The separate financial statements have been prepared on historical cost basis except for the following:

- Financial assets and liabilities recognized at fair values through profits and losses.
- Held for trading investments measured at fair values.
- Available-for-sale investments measured at fair values.
- Liabilities for cash settled share - based payments transactions measured at fair values.

2-3 Functional currency and presentation currency

The separate financial statements are presented in Egyptian Pounds which is the Company's functional currency.

2-4 Use of estimates and judgments

The preparation of the separate financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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. The estimates and underlying assumptions are reviewed on a going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The following are the most significant items for which estimates and judgments are used:

- Provisions for claims
- Fixed assets useful life
- Deferred tax
- Accruals
- Provision for completion
- Valuation of investment in subsidiaries
- Valuation of investment properties
- Impairment of debtors and other debit balances
- Impairment of fixed assets

2-5 Consolidated financial statement

The Company has subsidiaries and according to the Egyptian Accounting Standards No. (17) "consolidated and separate financial statements" and Article 188 of the executive regulations for Companies' law No. 159 of 1981 , the Company is preparing consolidated financial statements for the Group which should be used as a reference to understand the financial position, financial performance and cash flows for the group as a whole.

3- Significant accounting policies

The accounting policies set out below have been applied consistently to all Period / years presented in these financial statements:-

3-1 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Egyptian Pounds at the foreign exchange rate in effect at that date. Foreign exchange differences arising from translation are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction.

3-2 Fixed assets and depreciation

a) Recognition and measurement

- Fixed assets that are used in production, providing goods and services or for administrative purposes are stated at historical cost less accumulated depreciation and impairment losses (note No. 3-12). Cost includes expenditures that are directly attributable to the acquisition of the asset and necessary to have the asset ready for use in the purpose for which the asset was acquired.
- Where parts of an item of fixed assets have different useful lives, they are accounted for as separate items of property, plant and equipment.
- The assets under construction for production or rent or administrative purposes are registered at their cost less impairment losses, where the cost includes professional fees and all other direct expenditures that are directly attributable to the acquisition of the asset. Thus, calculation of depreciation begins when the asset is substantially completed and ready for its intended use.
- The cost of self-constructed assets includes the cost of materials, direct labor and any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

b) Subsequent costs

The Company recognizes the cost of replacing part of an item in the carrying amount of such an item of fixed assets, after disposal of the cost of this replacing part, when that cost is incurred and if it is probable that future economic benefits will flow to the Company as a result of replacing this part of such an item and the cost can be measured reliably. All other costs are recognized in the income statement as an expense as incurred.

c) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each component of Property, plant and equipment. The estimated useful lives are as follows: (Land is not depreciated)

Asset	Years
Buildings of the Company's premises	5 – 10
Vehicles	5
Furniture and office equipment	10
Office equipment and communications	5
Generators, machinery and equipment	5
Leasehold improvements	5 or lease term whichever is lower

3-3 Operating Lease

Payments made under Operating Lease (net of any incentives obtained from the lessor) are charged to the income statement based on accrual basis.

3-4 Sell and lease back

If a company makes a finance lease and that finance ownership has transferred to the lessee from the company by a contract conditioning to a financial lease contract, any profits or loss resulted from the difference between sale price and net carrying amount of the asset should be deferred and amortized over the lease term.
When the asset is re-purchased again, any profits or loss that have not been amortized on the date of purchasing are charged to profit or loss statement.

3-5 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. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

3-6 Investment properties

a) Initial recognition and measurement

This item includes lands held and not allocated for a specific purpose and/or lands held for sale on long term as well as the lands and buildings leased to others (by virtue of operating leases). Real estate investments are valued at cost less the accumulated depreciation and **"impairment"** (3-12). The fair value of these investments are disclosed at the balance sheet date unless if there are cases where the fair value of these investments are difficult to be determined in a reliable manner. In this case such fact shall be disclosed.

b) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each type of investment properties. The estimated useful lives are as follows:

Asset	Years
Leased out units	50
Constructions of golf course	20
Irrigation networks	15
Golf course tools and equipment	15

3-7 7Investments

a) Investments in subsidiaries

Subsidiary companies are the entities in which the "Company" investor has the ability to control its financial and operating policies of the entity this ability exists by possessing half of the voting power or more in the related subsidiary.
Investments in subsidiaries are stated – when acquired – at its acquisition cost. If a decline in the recoverable amount exists for any investment below the carrying amount "**Impairment**" (note No. 3-12), the carrying amount of the investment will be adjusted by the amount of such impairment and will be charged to the income statement for each investment.

b) Available -for- sale investments

Financial instruments held by the Company and classified as available-for-sale investment are initially stated at cost and subsequently measured at fair value (unless this cannot be reliably measured). Changes in fair value are reported as a separate component in equity. When these investments are derecognized, the cumulative gain or loss previously recognized

in equity is recognized in income statement except impairment losses. Investments in unlisted securities or where the fair value of investment cannot be determined in a reliable manner such investments are stated at cost less impairment losses (note No. 3-12).
Financial instruments classified as available-for-sale investments are recognized/ derecognized by the Company on the date it commits to purchase / sell the investments.

c) Held for trading investments

Held for trading investments are classified as current assets and are stated at fair value. Any gain or loss resulting from the change in fair value or sale of such investment is recognized in the income statement.
Treasury bills are recognized by the net value less amortization and **impairment** losses (note No. 3-12).

3-8 Units ready for sale

Units ready for sale are stated at the consolidated balance sheet date at lower of cost or net releasable value. The cost of the units includes land, utilities, construction, construction related professional fees, labor cost and other direct and indirect expenses. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3-9 Work in process

All costs relating to uncompleted works are recorded in work in process account until the completion of works. Work in process is stated in the balance sheet at cost or net realizable value whichever is lower. Costs include directly attributable cost needed to bring the units to the selling status or its determined purpose.

3-10 Trade and notes receivables, debtors and other debit balances

Trade and notes receivables are non- interest bearing and are stated at their nominal value and reduced by **impairment** losses note (3-12). Impairment is recognized when there is objective evidence that the Company is not able to collect the due amounts according to the original terms of the contracts. Impairment is the difference between the book value and the recoverable amount which represents the expected cash in flow for the Company.
Long term trade and notes receivables are initially recognized at fair value and subsequently re-measured at amortized cost using the effective interest rate method.

3-11 Cash and cash equivalents

For the purpose of preparing statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits and Checks under collection which have maturity date less than three months from the purchase date. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

3-12 Impairment of assets

a) Financial assets

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 amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current 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 recognized in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized for financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, investment property, units ready for sale 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, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the income statement.

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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized 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 amortization, if no impairment loss had been recognized.

3-13 Provisions

Provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow 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 balance sheet date, and revised - when necessary - to reflect the current best estimate.

a- Provision for completion

A provision for completion of work is formed at the estimated value of the completion of the projects (relating to the units delivered to customers and the completed units according to the contractual terms and conditions and the completed units for which contracts were not concluded) this is based on technical studies and measurement to estimate the cost, which are prepared by the Company's technical departments .The necessary provision is reviewed at the end of each reporting period until finalization of all the project works.

3-14 Borrowing costs

Borrowing costs are recognized as an expense on the income statement when incurred using the effective interest rate.

3-15 Interest –bearing borrowings

Interest – bearing borrowings are recognized initially at fair value, net of attributable transaction costs incurred. Borrowings are subsequently stated at amortized cost, any differences between cost and redemption value are recognized in the income statement over the period of the borrowing using the effective interest rate.

3-16 Suppliers, contractors and other credit balances

Suppliers, contractors and other credit balances are stated at cost.

3-17 Share capital

Common shares are classified in the owners' equity.

a) Issuance of ordinary shares

Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity net of income tax, if any.

b) Treasury shares

In case of repurchase of the Company's own shares, the amounts paid for repurchase includes all the direct costs attributable to the repurchase and such amount is classified as treasury shares deducted from the shareholders equity.

c) Dividends

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

d) Finance of the incentive and bonus plan

- Equity shares issued for the purpose of the incentive and bonus plan of the Company's employees and managers which are financed by the Company are presented as shares kept for incentive and bonus plan and are included in equity. The resulting outcome from sale of these shares is recognized in equity. On February 1, 2015 extraordinary general assembly approved the end of current incentive and bonus plan for employees and managers and B.O.D members and Implementation of new bonus and incentive plan as it's disclosed at note 50.

e) Reserves

As per the Companies' law and the Company's articles of incorporation, 5% of the net profit of the year is set aside to form the legal reserve.

Transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued capital. However, if the reserve balance falls below 50% of the Company's issued capital then transfers to the legal reserve are required to be resumed by setting aside at least 5% of the net profit for the year.

The transferred amount can be recorded at the period in which the general assembly authorized such transfer.

3-18 Share – based payments transactions

a) Equity settled share – based payments

The difference between the grant date fair value of shares and the amount incurred by the beneficiaries is recognized in the income statement as an expense over the year that the beneficiaries become unconditionally entitled to those shares. The expected number of beneficiaries from the plan and the extent of their benefit are reviewed at the financial statements date. Necessary changes are made for the expense to reflect the best estimate and the corresponding amount is included in equity under "set aside amount for the bonus and incentive plan" caption.

b) Cash settled share - based payments

The raise in shares value rights are granted to some of the Company's directors as part of their salaries and compensation packages that entitles them to future cash payments based on the increase in the share price of the Company over a pre-determined level for a certain year of time. The amount or the value of the purchased services and incurred liabilities is measured at the fair value of the said liability and until the settlement of such liability, the Company re-measures the fair value of the liability at each financial position date and at settlement date and takes into account any changes in the recognized fair value of the liability in the income statement.

3-19 Notes payable

Notes payable are stated at amortized cost using the effective interest rate method.

3-20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits associated with the transaction will flow to the company and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of the consideration due or associated costs.

a) Sales revenue

Revenue from sale of residential units, offices, commercial, service units and villas for which contracts were concluded is recorded when all the ownership risks and rewards are transferred to customers upon the actual delivery of these villas and units whether the said villas and units have been completed or semi – completed. Revenue from sale of lands is recorded upon the delivery of the sold land to customers and the transfer of all the ownership rewards and risks to buyer. Net revenue from sales are recorded after deducting discounts and sales returns. Net sales are represented in the selling value of units and lands delivered to customers after excluding the future interests that have not been realized till the balance sheet date and after deducting the value of sales returns (represented in the saleable value of the sales returns less unrealized interests that have been previously excluded from the saleable value), and also, after excluding the value of any given discounts to the customers. The discounts are recognized as other operating expenses.

b) Rental income

Rental income resulting from investment properties (less any discounts) is recognized in the income statement on a straight-line basis over the terms of the lease.

c) Construction contracts revenue:

It includes revenue from construction contracts initial value of each contract as well as contract change orders, incentives or subsequent claims subject to the availability of predicted values.
When the outcome of a contract can be estimated reliably revenue is recognized according to parentage of completion method, and the percentage of completion is determined through actual performance of the contract. In case of inability to determine the exact result of the contract, revenue will be recognized up to cost incurred and expected to be recovered. Expected losses provision is formed during the financial period those losses are estimated.
Cost-plus revenues are recognized when the final outcome can be estimated and includes the following criteria:
It's possible for the entity to achieve economic benefits resulting from that contract.
All the costs relating to the contract whether recoverable or non- recoverable can be identified and measured.

d) Interest income

Interest income is recognized, using the accrual basis of accounting, considering the period of time and effective interest rate.

e) Dividends

Dividends income is recognized in the income statement on the date the Company's right to receive payments is established.

3-21 Cost of sold lands

The cost of the sold lands is computed based on the value of the net area of land in addition to its respective share in road areas as determined by the Company's technical management, plus its share of all open area cost, service areas and cost of installation and utilities.

3-22 Expenses

a) Lease payments

Payments under leases are recognized in the income statement (less any discounts), on a straight-line basis over the terms of the lease, using the accrual basis of accounting.

b) Employees' pension

1. Pension obligations

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law No. 79 of 1975 as amended. 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.

The company also contributes to insurance program for its employees with one of the insurance companies. Accordingly the insured employees receive end of service benefits when leaving the Company that will be paid by the insurance company. The contribution of the Company is confined to the monthly installments. Contributions are charged to income statement using the accrual basis.

2. Employees' profit sharing

As per the Companies Law, employees are entitled to receive not less than 10% of the distributed profits, after deducting a percentage to support the legal reserve, according to the rules proposed the Company's board of directors and after the approval of General Assembly Meeting which should not exceed the total employees' annual salaries.

Employees' share in profit is recognized as dividends of profit and shown in the statement of changes in equity and as a liability in the financial year at which the declaration has been authorized by the shareholders.

3-23 Income tax

Income tax on the profit or loss for the period/year 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 net taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet 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 assets/liabilities provided is determined using tax rates enacted at the balance sheet date.

Deferred tax assets are 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 in the future years.

3-24 Earnings / (losses) per share

Earnings / (losses) per share 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/year in which financial statements are prepared.

4- Determination of fair values

The Company'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. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Investments in equity instruments

The fair value of held for trading investments and available -for- sale investment is determined by reference to market value declared to these shares in stock market at the financial statements date.

4-2 Trade, note receivables and other debtors

The fair value of trade, notes receivable and other debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the financial statements date.

4-3 Investment property

The fair value is based on market values, being the estimated amount for which property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably , prudently and in free well.

4-4 Share – based payment transactions

The fair value is determined by reference to market value declared at the balance sheet date without deducting the cost related to transactions.

5- Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The management also identifies and analyzes the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors of the Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and sudden reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

5-1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. This risk is mainly associated with the Company's customers and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry which has a little effect on a credit risk.

Almost all of the Company's revenue is attributable to sales transaction with a vast group of customers. Therefore, demographically, there is no concentration of credit risk.

The Company's management has established a credit policy under which each customer is subject to credit valuation before the Company's standard payment and delivery terms and conditions are offered to him. The Company obtained advance payments and cheques covers for the full sales value in advance and before the delivery of units to customers. No previous losses were observed from transactions with customers.

Sales of units are made subject to retention of title clauses and the ownership title is transferred after collection of the full sales value. In the event of non-payment, the unit is returned to the Company and the amounts collected from customers are repaid at the default date after deducting a 5 % to 10 % of this value.

Investments

The Company manages the risk via conducting a detailed investment studies which reviewed by the board of directors. Company's management does not expect any counterparty to fail to meet its obligation.

Guarantees

The group extends corporate guarantees to subsidiaries, when needed, after the approval of the Board of directors. The following corporate guarantees were provided:

- On the 1st of February, 2015, Six of October Development and Investment Company's "SODIC" EGM approved extending a corporate guarantee to SOREAL For Real Estate Investments (99.99% owned by SODIC) a loan provided.

5-2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due , under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period of time including the cost of serving the financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit:

- A facility amounting to L.E 150 million. The facility is fully secured by deposits amounting to L.E 150 million.
- A medium term loan in the amount of L.E 900 million.
- A medium term loan in the amount of L.E 300 million.

5-3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income and expenses or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

5-4 Currency risk

The Company is exposed to currency risk on sales and financial assets, primarily the US dollar.

In respect of other monetary assets and liabilities denominated in other foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short- term imbalances.

The Company's investments in its subsidiaries are not hedged as those currency positions are considered to be long-term in nature. The Company does not enter into currency risk hedging contracts.

5-5 Interest rate risk

The company adopts a policy to limit the company's exposure to interest rate risk, therefore the Company's management evaluate the available alternatives for finance and negotiates with banks to obtain the best available interest rates and conditions. Borrowing contracts are presented to the board of directors. The finance position and finance cost is periodically evaluated by the Company's management. The Company does not enter into hedging contracts for interest rates.

5-6 Other market price risk

Equity price risk arises from available-for-sale equity securities and management of the Company monitors the mix of equity securities in its investment portfolio based on market indices or an objective valuation of the financial statements related to these shares.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

The primary goal of the Company's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated at held for trading because their performance is actively monitored and they are managed on a fair value basis.

5-7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Company defines as net profit for the period / year divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the period / year. The Company is not subject to externally imposed capital requirements.

6- Fixed assets

This item is represented as follows:

	Lands	Buildings of the Company's premises	Vehicles	Furniture and office fixtures	Office equipments and communication	Generators, machinery and equipment	Leasehold improvements	Total
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Cost as at 1/1/2015	−	**1 315 286**	**7 644 706**	**9 076 959**	**16 710 353**	**6 299 119**	**12 426 863**	**53 473 286**
Additions during the period	32 705 970	17 507 301	−	88 817	1 529 008	275 563	−	**52 106 659**
Disposals during the period	−	−	(230 000)	−	(238 476)	−	(4 254 475)	**(4 722 951)**
Cost as at 30/09/2015	**32 705 970**	**18 822 587**	**7 414 706**	**9 165 776**	**18 000 885**	**6 574 682**	**8 172 388**	**100 856 994**
Accumulated depreciation as at 1/1/2015	−	**724 276**	**7 433 664**	**4 153 420**	**11 864 037**	**5 375 227**	**8 131 400**	**37 682 024**
Depreciation during the period	−	5 668 560	155 638	673 937	1 684 519	596 974	1 864 029	**10 643 657**
Accumulated depreciation for disposals	−	−	(229 998)	−	(227 307)	−	(3 622 131)	**(4 079 436)**
Accumulated depreciation as at 30/09/2015	−	**6 392 836**	**7 359 304**	**4 827 357**	**13 321 249**	**5 972 201**	**6 373 298**	**44 246 245**
Net book value as at September 30, 2015	**32 705 970**	**12 429 751**	**55 402**	**4 338 419**	**4 679 636**	**602 481**	**1 799 090**	**56 610 749**
Net book value as at December 31, 2014	−	**591 010**	**211 042**	**4 923 539**	**4 846 316**	**923 892**	**4 295 463**	**15 791 262**

- Fixed assets include fully depreciated assets costing L.E 16 688 869 as at September 30, 2015

-On May 20, 2015 the company repurchased the sales building and the administrative building as it disclosed in financial statements notes (32-1)

7- Investments in subsidiaries

	Legal Form	Ownership %	Paid amount of Participation %	Carrying amount as at 30/9/2015 L.E	Carrying amount as at 31/12/2014 L.E
SODIC Property Services Co.	S.A.E	51	100	510 000	510 000
Sixth of October for Development and Real Estate Projects Co. (SOREAL)	S.A.E	99.99	100	807 334 516	807 334 516
SOREAL for Real Estate Investment Co. **(7-1)**	S.A.E	99.99	100	499 999 970	499 999 970
SODIC for Development and Real Estate Investment Co.	S.A.E	99.99	100	2 999 980	2 999 980
Tabrook Development Co. **(7-2)**	S.A.E	99.99	100	99 998 000	-
				1 410 842 466	**1 310 844 466**

(7-1) SOREAL for Real estate investment was established on June 23, 2014 ,and the company's shareholding percentage is 99.9997% from the total issued capital amounted to LE 100 million (one hundred million),the capital distributed over 10 million shares (ten million) with a par value of LE 100 per share.the capital share has been 100% paid On November 27, 2014 the Board of Directors agreed to increase the issued capital with an amount of LE 400 to reach LE 500 million and to be fully allocated to Sixth of October for Development and Investment Company "SODIC". The capital increase has been 100% paid.

(7-2) Acquisition of Tabrook Development Co. took place on March 2015.

8- Investments – available for sale

	Legal Form	Ownership %	Paid amount of Participation %	Carrying amount as at 30/9/2015 L.E	Carrying amount as at 31/12/2014 L.E
Egyptian Company for Development and Management of Smart Villages	S.A.E	1.08	100	4 250 000	4 250 000
SODIC for Golf and Tourist Development Co.	S.A.E	0.0025	25	1 250	1 250
Beverly Hills Co. for Management of Cities and Resorts	S.A.E	0.06	100	26 152	26 152
				4 277 402	**4 277 402**
Impairment of available for sale investments				(1 250)	(1 250)
				4 276 152	**4 276 152**

- Exposure to market risk related to available-for-sale investments is considered to be limited since these investments represent equity instruments that are not traded in an active market and are denominated in Egyptian Pounds.

9- Investment properties

The net carrying amount of investment properties as at September 30, 2015 amounted to L.E 83 686 199, following is the movement on the investment properties during the period:-

Description	Units leased out to others	Golf course	Total
Cost	**L.E**	**L.E**	**L.E**
At January 1, 2015	17 842 713	99 377 533	117 220 246
Additions during the period	7 188 627	–	7 188 627
At September 30, 2015	**25 031 340**	**99 377 533**	**124 408 873**
Accumulated depreciation			
At January 1, 2015	609 378	6 837 173	7 446 551
Depreciation for the period	201 688	1 367 435	1 569 123
At September 30, 2015	**811 066**	**8 204 608**	**9 015 674**
Deduct:			
Impairment of investment properties **(a)**	-	31 697 000	31 697 000
Net value as at September 30, 2015	**24 220 274**	**59 475 925**	**83 696 199**
Net value as at December 31, 2014	**17 233 335**	**60 843 360**	**78 076 695**

(a) This item represents the impairment of the golf course by L.E 31 697 000 which shows the increase in its book value over its recoverable amount which has been measured by the value in use.

- There is a difficulty in determining the fair value of the investment properties of the golf course reliably for the purpose of disclosure because of the rarity of such business in Egypt and due to the unavailability of an active market.
- The fair value of units leased out to others amounts to L.E 35 314 300 as at September 30, 2015.

10- Investment properties advances

This item amounted to L.E 147 849 222 as at September 30, 2015 (2014: L.E 145 000 482), represented in the amounts paid to SODIC - SIAC for Real Estate Investment Co. (a subsidiary) on account of the acquisition of building No. (1) of the **Polygon project**, to be leased out for others, with total value of L.E 142 553 760 according to the contract concluded between the Company and SODIC SIAC for Real Estate Investment Co. dated January 5, 2010. In addition to the amount of L.E 5 295 462 representing the amount paid under maintenance, management and operation expenses of the project's public utilities related to the building for three years.

11- Long - term trade and notes receivable

This item represents the present value of long-term trade and notes receivable balance as follows:-

	30/9/2015	31/12/2014
	L.E	**L.E**
Trade receivables	–	14 956 506
Notes receivable	1 440 132 963	1 661 242 988
	1 440 132 963	**1 676 199 494**
Deduct: unamortized interest – Notes receivable	61 407 781	69 384 026
	1 378 725 182	**1 606 815 468**

- The Company's exposure to credit and currency risks - related to trade and notes receivable is disclosed in note No. (45)

12- Completed units ready for sale

This item represents the cost of the completed units ready for sale as follows:

	30/9/2015	31/12/2014
	L.E	L.E
Cost of completed commercial units	5 267 708	5 348 572
Cost of units purchased for resale **(12-1)**	5 445 567	10 137 967
	10 713 275	**15 486 539**

12-1 This item represents the acquisition cost of 8 units in Casa project (Semi Finished) that were purchased from Royal Gardens Co. for Real Estate Investment – an associated company for the purpose of resale to others.

13- Work in process

This item represents the total costs related to projects which are currently being undertaken. Details of these projects are as follows:

	30/9/2015	31/12/2014
	L.E	L.E
Allegria project cost	422 509 243	464 998 581
Westown project cost	836 288 895	799 302 539
Fourth phase costs (4A, 4B), showrooms and others	12 087 106	9 920 997
	1 270 885 244	**1 274 222 117**

14- Trade and notes receivable - Current

	30/9/2015	31/12/2014
	L.E	L.E
Trade receivables	84 455 915	127 716 953
Notes receivable	977 201 265	956 746 982
	1 061 657 180	**1 084 463 935**
Deduct: Unamortized interest – notes receivables	11 508 661	8 905 008
	1 050 148 519	**1 075 558 927**
Impairment loss of trade and notes receivables	(200 000)	(200 000)
	1 049 948 519	**1 075 358 927**

- The Company's exposure to credit and currency risks related to trade and notes receivable is disclosed in note No.(45).

15- Due from related parties

	30/9/2015 L.E	31/12/2014 L.E
Sixth of October for Development and Real Estate Projects (SOREAL) – a subsidiary	37 887 377	21 764 284
SOREAL for Real Estate Co – a subsidiary.	673 196	200 534 320
Tabrook Development Co. – a subsidiary.	64 925 175	-
SODIC for securitization – a subsidiary.	145	69 429
Greenscape for Agriculture and Reclamation Co. – a subsidiary (under Liquidation)	6 219 961	6 219 961
Move-In for Advanced Contracting Co. – a subsidiary	22 341 395	23 094 187
El Yosr for Projects and Agriculture Development Co. – a subsidiary	3 635	43 171 855
SODIC for Development and Real Estate Investment Co. – a subsidiary	284 291 077	268 297 628
SODIC SIAC for Real Estate Investment Co. – a subsidiary	278 296 556	247 539 834
SODIC Syria Co. – a subsidiary	433 732 931	433 717 351
Fourteen for Real Estate Investment Co. – a subsidiary	57 238 451	56 822 299
La Maison for Real Estate Investment Co. - S.A.E	4 867 424	76 951 309
Edara for Services of Cities and Resorts Co. – a subsidiary	17 951 455	18 104 284
Palmyra Real Estate Development Co. –a Joint project	35 191 620	35 191 620
Tegara for Trading Centers Co. – a subsidiary	3 691 592	3 640 373
SODIC Garden City for Development and Investment Co. – a subsidiary	236 662	55 036
SODIC for Golf and Tourist Development Co. – a subsidiary	35 302 404	20 631 695
Other related companies	782 627	1 229 053
	1 283 633 683	**1 457 034 518**
Impairment of due from related parties **(15- 1)**	(581 142 763)	(568 147 054)
	702 490 920	**888 887 464**

(15-1) Due to the current political circumstances in the Syrian Arab Republic and the confiscation of assets and documents related to Palmyra - SODIC Real Estate Development Co by the Syrian Arab Republic government in 2014, the management of SODIC addressed the Embassy of the Syrian Arab Republic in Egypt to protect all of its interest from these acts and commissioned a law firm for trying to reserve its interest, accordingly, the Board of Directors of Sixth of October Development and Investment "SODIC" saw that the assets of the investee company all become in dispute with the mentioned country's government, which requires to recognize a loss arising from an inability to recover its investments and therefore the Board of Directors decided on 16 April 2014 to impair due from related parties relating to investments that have been injected for projects in the Syrian Arab Republic in addition to an impairment for due from some related party related to debts unexpected to be collected which are amounting to L.E 581 142 763 as of September 30, 2015.

16- Debtors and other debit balances

	30/9/2015 L.E	31/12/2014 L.E
Contractors and suppliers – advance payments	120 703 163	66 499 805
Prepaid expenses	78 788 793	90 321 192
Deposits with others	1 314 138	1 402 898
Due from the bonus and incentive plan to employees and managers fund	122 737	18 004 359
Prepaid financial lease	-	3 615 682
Other debit balances	12 249 629	9 829 436
	213 178 460	**189 673 372**
Impairment loss on debtors and other debit balances	(355 157)	(355 157)
	212 823 303	**189 318 215**

- The Company's exposure to credit and currency risks related to other debtors is disclosed in note no. (45).

17- Cash at banks and on hand

	30/9/2015 L.E	31/12/2014 L.E
Bank – time deposits **(17-1)**	706 280 000	1 139 800 161
Bank – current accounts	87 234 264	40 669 402
Checks under collection	14 265 388	18 374 164
Cash on hand	1 363 182	766 074
	809 142 834	**1 199 609 801**

17-1 Deposits include L.E 205 million restricted as a guarantee for the credit facility granted to the Company from a commercial banks. In addition, it includes an amount of L.E 131million representing the value of deposits collected from customers on account of the regular maintenance expenses

- The Company's exposure to interest rate risk for financial assets is disclosed in note no. (45).
- For the purpose of preparing the separate statement of cash flows, cash and cash equivalents items is represented as follows:

	30/9/2015 L.E	31/12/2014 L.E
Cash at banks and on hand	809 142 834	1 199 609 801
Less:		
Bank – Overdraft	-	643 013
Cash and cash equivalent according to separate statement of cash flows	**809 142 834**	**1 198 966 788**
Restricted cash (facilities guarantee)	205 000 000	150 000 000
Cash available at the end of the period	**604 142 834**	1 048 966 788

18- Provision for completion

Movement on provision during the period is represented as follows:-

	Balance as at 1/1/2015 L.E	Provision formed during the period L.E	Provision used during the period L.E	Balance as at 30/9/2015 L.E
Provision for completion of works	65 256 733	34 759 039	(54 324 164)	45 691 608
	65 256 733	**34 759 039**	**(54 324 164)**	**45 691 608**

this provision is formed against the estimated costs expected to be incurred in the following years to complete the execution of the delivered units.

19- Provisions

	Balance as at 1/1/2015 L.E	Provision formed during the period L.E	Provision used during the period L.E	Balance as at 30/9/2015 L.E
Provision for expected claims	8 054 124	67 985	(2 239 297)	5 882 812
	8 054 124	**67 985**	**(2 239 297)**	**5 882 812**

The provision is formed in relation to existing claims on the company's transactions with other parties. The Company's management reviews the provisions annually and makes any amendments if needed according to the latest agreements and negotiations with those parties.

The Company did not disclose all of the information required by the Egyptian accounting standards with those parties as the management assumes that the disclosure of such information shall seriously affect the company`s negotiations with those parties.

20- Bank – credit facilities

This item represents in the following:

	30/9/2015 L.E	31/12/2014 L.E
The amount used from the LE 150 million overdraft facility from Bank Audi. The facility is fully secured by deposits amounting to L.E 150 million.	-	101 170 177
	-	**101 170 177**

21- Advances from customers

This item represents the advances from customers for booking and contracting of units and lands as follows:

	30/9/2015 L.E	31/12/2014 L.E
Advances for booking , contracting and installments of residential units (Fourth area)	833 628	676 599
Advances – **Allegria project**	432 575 763	627 582 283
Advances – **Forty West project**	80 440 744	103 161 786
Advances – **Westown Residences project**	1 452 899 550	1 891 624 173
Advances _ **The Courtyards**	459 409 025	194 580 148
Advances _ **Bolck 41**	89 157 877	-
Advances – **Casa**	8 274 067	15 229 188
	2 523 590 654	**2 832 854 177**

22- Contractors, suppliers and notes payable

	30/9/2015 L.E	31/12/2014 L.E
Contractors	53 336 034	56 975 065
Suppliers	2 283 720	8 345 285
Notes payable **(22-1)**	90 148 241	31 084 928
	145 767 995	**96 405 278**
Deduct: Unamortized interest - notes payable	1 298 452	1 473 592
	144 469 543	**94 931 686**

(22-1) This amount includes LE 26 510 468 which represents the amount due to the New Urban Communities Authority Sheikh Zayed, in addition to an amount of LE 55 Million resulting from the purchase of a plot of land of Tabrook Development Co. in Northern Coast-Ras Alhekmah,. , with an issued guarantee letter for it with the same amount to guarantee the liability.

-The Company's exposure to credit and currency risks related to other debtors is disclosed in note no. (45).

23- Due to related parties

	30/9/2015 L.E	31/12/2014 L.E
Sixth of October for Development and Real Estate Projects (SOREAL)	-	67 242 986
Move - In for Advanced Contracting Co. – a subsidiary	596 307	898 413
Green scape for Agriculture and Reclamation Co. – a subsidiary (under Liquidation).	2 748 260	2 748 260
SODIC SIAC Co. for Real Estate Investment – a subsidiary	84 237 368	81 388 628
Tegara for Trading Centers Co. – a subsidiary	55 595 000	55 595 000
SODIC Property Services Co. – a subsidiary (under Liquidation)	2 252 660	2 702 660
Edara for Services of Cities and Resorts Co. – a subsidiary	4 734 895	1 413 590
Beverly Hills Co. for Management of Cities and Resorts	50 000	660 755
	150 214 490	**212 650 292**

24- Creditors and other credit balances

	30/9/2015 L.E	31/12/2014 L.E
Accrued expenses	49 946 077	72 515 342
Amounts collected on account for management, operation and maintenance	155 731 172	138 671 482
Deposits collected from customers – against improvements	149 615	149 615
Customers-credit balances of **Polygon project**	425 029 471	341 174 801
Bonyan for development and trading Co.	107	107
Customers - cancellation	7 771 001	8 840 657
Dividends payable	91 643	91 643
Tax Authority	52 005 034	20 271 801
Accrued compensated absence	1 013 591	3 632 525
Sundry creditors	11 522 848	9 220 109
Accrued to beneficiaries from incentive plan	1 192 600	1 192 600
Capital gain-Deferred	-	6 665 857
	704 453 159	**602 426 539**

- The Company's exposure to currency and liquidity risks related to creditors is disclosed in note no. (45).

25- Share capital

-The authorized capital of the Company is L.E. 2,8 billion.
- The Company issued and paid in capital is L.E 1.355 billion distributed over 338 909 573 share with a par value of L.E 4 per share, commercial register notation has taken place on December 7, 2014.

The currently capital structure is as follows:

Shareholder	Number of shares	Share value L.E	Ownership percentage %
Olayan Saudi Investment Company.	43 121 432	172 485 728	12.72
RA Six Holdings Limited	31 992 544	127 970 176	9.44
Rashed Abd El- Rhman Rashed & Sons Co.	15 586 983	62 347 932	4.60
EFG Hermes Holdings Financial Group.	15 183 111	60 732 444	4.48
NORGES Bank	13 888 392	55 553 568	4.10
Juma Al- Majid Investments LLC limited liability Co.	11 148 092	44 592 368	3.29
Abdel Monem Rashed Abdel Rahman Al Rashed	9 897 756	39 591 024	2.92
Other shareholders	198 091 263	792 365 052	58.45
	338 909 573	**1 355 638 292**	**100**

26- Legal reserve

According to the Company' statutes, the Company is required to set aside 5 % of annual net profit to form a legal reserve, transfer to the legal reserve may be suspended once the reserve reaches 50% of the Company's issued capital. The reserve balance as at September 30, 2015 is represented as follows:

	L.E
Legal reserve balance as at 1/1/2003	6 530 455
Add:	
Increase of the legal reserve with the difference between the par value of the treasury shares and its actual cost (according to the Company's Extra-Ordinary General Assembly Meeting held on July 10, 2003).	4 627 374
Increase of the legal reserve with part of capital increase share premium with limits of half of the Company's issued share capital during 2006. (Note No. 27).	123 409 151
Increase of the legal reserve with part of capital increase share premium during 2007 with limits of half of the Company's issued share capital. (Note No. 27).	5 000 000
Increase of legal reserve with a 5% of the net profit for year 2008.	2 339 350
Increase in legal reserve with a part of the capital share premium during 2010 with limits of half of the Company's issued share capital (Note No. 27)	39 446 365
Increase of the legal reserve with 5% of the net profit for the year 2014	3 076 124
Deduct:	
The amount used to increase the issued share capital during the year 2011.	2
	184 428 817

27- Special reserve – share premium

The balance is represented in the following:

Description	L.E
Total value of the capital increase share premiums collected for the years 2006 and 2010	1 455 017 340
Add:	
- Share premium of the employees' incentive and bonus plan issued during 2007	90 000 000
- The value of selling 712 500 share which has been sold through beneficiaries of incentive and bonus plan during 2014 with LE 30 per share (after split)	21 375 000
- - The value of 200 000 shares converted to treasury shares during the year 2015 at par value, these shares were previously set aside for the benefit of the incentive and bonus plan at the time of the capital increase in year 2008 (Note no.50).	2 150 000
- - The value received from the selling of offering rights for 737 500 shares during the year 2014, which were transferred from shares held for "incentive and bonus plan" as a result of the termination of the program (Note no.50).	16 306 910
- The value of accrued dividends for 737 500 share which transferred from the shares set aside for the incentive and bonus plan during the year 2015 as a result of the termination of the program (Note no.50).	1 180 000
Deduct:	
- Amounts transferred to the legal reserve	167 855 516
- Capital increase – related expenses	55 240 255
- Amount used for share capital increase during 2008	5 000 000
	1 357 993 479

28- Profit from sale of treasury shares

On August 14, 2011, the board of directors of the Company approved the purchase of one million treasury shares at L.E 18 per share (the par value is L.E 4 per share) with a total amount of L.E 18 018 000 from the company's shares offered on the Egyptian stock exchange. On August 13, 2012 the Company's board of directors agreed to sell these shares for a total value of L.E 21 710 867 resulting in a profit from the sale of treasury shares with an amount of L.E 3 692 867.

29- Treasury shares

On February 1, 2015, the Company's Extraordinary General Assembly agreed on the termination of the current incentive and bonus plan for employees and executive directors of the company by the end of its duration as of march 31, 2015 and converting the remaining shares with the number of 737 500 share on which its rights have not been exercised yet, into treasury shares according to the related regulations, and the converting of the shares into treasury shares has been done on July 14, 2015.

30- Shares kept for bonus and incentive plan

This item is represented in the remainder of the amount paid by the Company in return for issuing 2.5 million ordinary shares with a fair value of L.E 40 per share (after splitting) under account and in favor of the incentive and bonus plan of the Company's employees and managers which are kept in Arab African International Bank, and The converting of these shares into treasury shares has been done on July 14, 2015, 2015 according to the decision of Extraordinary General Assembly with the date of February 1, 2015 as it is mentioned above (Note 29).

31- Set aside amount for bonus and incentive plan

The balance is represented in the following:

Description	**L.E**
Balance as of January 1, 2015	20 004 359
Deduct:	
- The value of the offering rights for 737 500 shares transferred to share premium during the year 2015, as a result of the termination of the inventive and bonus plan (Note 50)	16 306 910
- The value of accrued dividends for 737 500 shares transferred to share premium during the year 2015, as a result of the termination of the inventive and bonus plan (Note 50)	1 180 000
- The value of the interest realized on the current account for the incentive and bonus plan, which was recognized as interest earned in the income statement during the period	517 449
	2 000 000

32- Long-term loans

	30/9/2015 L.E	31/12/2014 L.E
On December 19, 2013 the company signed a medium-term syndicated loan contract with a group of banks represented by the Arab African International Bank "facility agent" with a total amount of LE 900 million to finance the total debt outstanding on the company and to finance SODIC West projects located in Kilo 38 Cairo/Alex desert road -Giza-Egypt. On May 6, 2015 the company signed an addendum to the above mentioned loan agreement, adding land plots in SODIC WEST project and using the facility to refinance the outstanding debt to PIRAEUS Egypt bank. **Guarantees:**. - Unconditional and irrevocable revenue transfer by which the lender and some of its subsidiaries transfer all current and future proceeds, selling and lease contracts of the current and foreseeable project units to the interest of the "Guarantee agent". - Accounts mortgage contracts: debt interest and all amounts deposited therein are pledged for the interest of the "guarantee agent", and pledge the project's account. - promissory note from the Company (the borrower). **Grace period:** 12 months from the date of the first drawdown, this applies to the principle amount of the debt only. **Repayment:** commenced on March 31, 2015 and payable on (16) quarterly unequal installments.	433 122 914	433 983 384
On July16, 2014 the company signed a medium-term loan contract with Commercial International Bank (CIB) for an amount of LE 300 million as follows: Tranche (A) to refinance the total amount due to Solidere International following the settlement agreement and Tranche (B) to finance the development of specific blocks on Westown Residences and The Courtyards project.	189 347 800	189 347 800
	622 470 714	**623 331 184**
Deduct: Current portion		
Arab African International Bank loan	117 836 218	78 117 009
	504 634 496	**545 214 175**

32-1 The Company has signed a medium term financing contract (sale and lease back - financial lease) with PIRAEUS bank Egypt and PIRAEUS company "for financial lease" in the amount of L.E 75 132 399 which includes land plot and buildings value of both the administration and sales buildings.

- On May 20, 2015 the company signed a contract with PIRAEUS company "for financial lease" to buy the aforementioned two buildings and the associated lands for an amount of 50 213 271 L.E which has been paid in full accordingly ending the medium term financial lease contract. Those assets have been recorded as fixed assets during the financial period ended September 30, 2015.

Long-term notes payable

This item is represented in the following:

	30/9/2015 L.E	31/12/2014 L.E
Total present value of the checks issued to New Urban Communities, which are payable on May 2, 2016.	-	26 510 466
Deduct:		
Unamortized interest	-	2 204 348
	-	**24 306 118**

- The Company's exposure to credit risk related to long-term notes payable is disclosed in note no.(45)

33- Deferred tax liabilities

	30/9/2015 L.E	31/12/2014 L.E
Fixed assets	1 033 609	3 442 573
Net Deferred tax (liability)	**1 033 609**	**3 442 573**

34- Sales

- The Company's operations are considered to fall into one broad class of business represented in sale of real estate units and lands and hence, segmental analysis of assets and liabilities is not considered meaningful. Revenues could be analyzed as follows:

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Sale of Villas of **Allegria project**	193 166 249	263 384 210
Sales of **Forty West project**	81 087 374	138 187 484
Sales of **Casa project**	7 612 622	25 424 894
Sales of **Westown Residences project**	390 440 412	114 218 081
	672 306 657	**541 214 669**

35- Cost of sales

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Cost of sales of Villas of **Allegria project**	89 737 010	149 394 595
Cost of sales of **Forty West project**	60 666 615	111 269 050
Cost of sales of **Casa project**	4 692 400	15 626 850
Cost of sales of **Westown Residences project**	218 433 647	62 678 063
	373 529 672	**338 968 558**

36- Other operating revenues

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Interest income realized from installments during the period	32 158 299	23 563 322
Assignment, cancellation dues and delay penalties	24 512 453	20 406 696
Sundry income	3 654 527	14 121 273
Income from management & operation of the golf course	900 000	900 000
Buildings rental income	413 419	522 830
Investment income	-	117 692
Capital gain	6 126 398	1 603 426
	67 765 096	**61 235 239**

37- Selling and marketing expenses

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Salaries and wages	12 351 580	12 760 793
Sales commissions	21 527 105	16 397 114
Advertising expenses	13 111 055	15 916 409
Conferences and exhibitions	1 909 291	2 975 947
Rent	7 426 478	11 726 439
Travel, transportation and vehicles	131 944	12 543
Donations	203 750	34 740
Maintenance, Cleaning, Agriculture and Security	2 192 604	1 835 294
Professional fees and consultancy	560 704	456 000
Gifts	145 109	167 991
Printing and Xerox	490 492	374 471
Fees, Stamps and licenses	2 805 056	38 656
Others	1 075 700	1 110 482
	63 930 868	**63 806 879**

38- General and administrative expenses

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Salaries, wages and bonuses **(39-1)**	30 665 276	30 979 440
Board of directors' remunerations and allowances	4 438 667	7 605 243
Consultancy and professional fees	3 801 610	4 664 850
Advertising	1 324 669	61 743
Donations	1 725 580	1 971 524
Maintenance, Cleaning, Agriculture & Security	12 193 561	15 285 259
Administrative depreciation of fixed assets and Rented Units.	11 928 834	7 052 208
Subscriptions and governmental dues	1 050 292	756 909
Rents	5 329 568	8 203 452
Travelling and transportation	1 155 287	879 420
Communication and electricity	2 508 446	2 985 794
Stationary and computer supplies	2 150 102	1 899 581
Hospitality	1 017 825	941 111
Defined employees benefit contribution	1 957 761	-
Bank charges	2 264 671	1 545 102
Others	1 988 056	1 682 402
	85 500 205	**86 514 038**

(39-1) This item includes salaries for the executive manager's members of the Board as follows:

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Salaries	3 961 350	3 470 100
	3 961 350	**3 470 100**

The company has a bonus and incentive plan for the share settled share based payment and current plan has been ceased (note no.50) of the notes to the financial statements.

39- Other operating expenses

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Discount for early payment	8 846 992	27 927 153
Provision for claims	67 986	67 986
Impairment of related parties	12 995 708	1 777 145
	21 910 686	**29 772 284**

40- Finance income

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Interest income	50 913 026	12 159 981
Treasury stock investment income	28 636 721	-
Net foreign exchange differences	1 400 535	-
	80 950 282	**12 159 981**

41- Finance cost

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Interest expense	66 589 744	39 918 041
Installments interest expense of Sheikh Zayed land	2 710 484	4 166 161
Net foreign exchange differences	-	5 737 698
	69 300 228	**49 821 900**

42- Income tax expense

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Current income tax expense	47 218 575	-
Deferred income tax (benefit)/expense	(2 408 964)	697 015
	44 809 611	**697 015**

43- Earnings per share

Earnings per share are calculated on the basis of net profit of the period and the weighted average number of shares outstanding during the period as follows:

	Nine months ended 30/9/2015 L.E	Nine months ended 30/9/2014 L.E
Net profit for the period	162 040 765	45 029 215
Divided by:		
Weighted average number of shares outstanding during the period	338 909 573	90 676 348
Earnings per share (L.E/share)	**0.48**	**0.50**

44- Financial instruments

45-1 Credit risk

Exposure to credit risk

The carrying amount of financial assets represented in the balances of trade and notes receivables, debtors and cash and cash equivalent represent the maximum credit exposure. These balances amounting to LE 3 287 712 453 as at September 30, 2015 (December 31, 2014: L.E 3 919 713 155).

45-2 Liquidity risk

This note represents the contractual terms of financial liabilities:

September 30, 2015

	Carrying amount L.E	Less than 1 year L.E	1-2 years L.E	2-5 years L.E
Short-term loans	117 836 218	117 836 218	-	-
Long-term loans	504 634 496	-	225 671 359	278 963 137
Contractors and suppliers	55 619 754	55 619 754	-	-
Other creditors	704 453 159	352 226 579	234 817 720	117 408 860
Notes payable – short term	88 849 789	88 849 789	-	-
Total	**1 471 393 416**	**614 532 340**	**460 489 079**	**396 371 997**

December 31, 2014

	Carrying amount	Less than 1 year	1-2 years	2-5 years
	L.E	L.E	L.E	L.E
Banks – credit facility	101 170 177	101 170 177	-	-
Bank – overdraft	643 013	643 013	-	-
Long-term loans	545 214 175	-	225 671 359	319 542 816
Short-term loans	78 117 009	78 117 009	-	-
Contractors and suppliers	65 320 353	65 320 353	-	-
Other creditors	602 426 539	395 333 584	199 561 111	7 531 844
Notes payable – short term	29 611 336	29 611 336	-	-
Notes payable – long term	24 306 118	-	24 306 118	-
Total	**1 446 808 720**	**670 195 472**	**449 538 588**	**327 074 660**

45-3 Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows:

	30/9/2015		31/12/2014	
Description	**EUR**	**USD**	**EUR**	**USD**
Cash at banks	281 755	2 188 586	273 963	1 944 671
Surplus of foreign currencies	**281 755**	**2 188 586**	**273 963**	**1 944 671**

45-4 Interest rate risk

At the separate interim financial statements date the interest rate profile of the Company's financial instruments was:-

	Carrying amount	
	30/9/2015	**31/12/2014**
	L.E	**L.E**
Fixed rate instruments		
Financial assets	2 428 673 701	2 682 174 395
Financial liabilities	(88 849 789)	(53 917 454)
	2 339 823 912	**2 628 256 941**
Variable rate instruments		
Financial liabilities	(622 470 714)	(724 501 361)
	(622 470 714)	**(724 501 361)**

The Company does not account for any fixed rate financial assets and liabilities at fair value through income statement, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the financial statements date would not affect the income statement.

45-5 Fair values

Fair values versus carrying amounts

The main financial instruments for the Company are represented in the balances of cash at banks, investments, trade and notes receivables, its associates and Subsidiaries, suppliers, contractors, notes payables, creditors and other credit balances and the monetary items included in debtors and creditors. The main purpose of these instruments is to finance the Company`s activities.

According to the applied evaluation basis in evaluating the Company`s assets and liabilities the carrying amounts for these financial instruments shows reasonable evaluation for their fair values.

45- Transactions with related parties

Related parties are represented in the Company' shareholders, board of directors, executive directors and companies in which they own directly or indirectly shares giving them significant influence or controls over the company. The Company made several transactions during the period with related parties and these transactions have been done in accordance with the terms determined by the Company's management, excluded added value, and have been approved by the Company's Ordinary General Assembly Summary of significant transactions concluded during the period at the separate balance sheet date were as follows:-

Party	Nature of relationship	Nature of transaction	30/9/2015 Amount of Transaction L.E
Beverly Hills Co. for Management of Cities and Resorts	A subsidiary	Works of agriculture, maintenance and security services for Beverly Hills City.	3 138 870
Sixth of October for Development and Real Estate Projects (SOREAL)	A subsidiary	Payments on behalf of the Company	109 499 794
		Cash payments	138 143 037
Sodic Garden City for development and investment	A subsidiary	Payments on behalf of the Company	274 126
		Cash payments	92 500
Move-In for Advanced Contracting Co.	A subsidiary	Rent of managerial Units	600
		Cash payments	1 039 836
		Cash payments	550 000
Edara for Services of Cities and Resorts Co.	A subsidiary	Works of agriculture, maintenance and security services for Allegria City.	29 670 844
Tegara CO. for trading centers	A subsidiary	Expenses on behalf of the company	51 976
SODIC for Golf and Tourist Development Co.	A subsidiary	Payments on behalf of the Company.	962 879
		Revenue from management and operation of the golf course and club.	900 000
		Expenses recovery	799 767
		Cash payments	7 000 000
SODIC SIAC for Real estate investment	A subsidiary	Payments on behalf of the Company.	70 910 869
		Cash receivable	40 154 147
		Works of SODIC SIAC building No.(1)	2 848 740
		Customer receivable and notes receivable	83 854 670
El Yosr for Projects and Agriculture Development Co.	A subsidiary	Payment on behalf of the company	955 520
		Cash payments	800 000
		Cash payments	45 011 339
Fourteen for real estate investment.	A subsidiary	Payments on behalf of the Company	416 152

Party	**Nature of relationship**	**Nature of transaction**	**30/9/2015 Amount of Transaction**
SODIC for development and Real estate investment	A subsidiary	Payments on behalf of the Company	20 358 832
		Cash payment	4 365 384
Royal Gardens Co			598 869
	A subsidiary	Payments on behalf of the Company	698 446
SODIC – Syria		Cash payment	15 580
La maison Co. for Real estate investment	A subsidiary	Payments on behalf of the Company	14 250 467
	A subsidiary	Payments on behalf of the Company	86 334 352
Soreal Co. for Real estate investment		Cash payment	27 042 822
.	A subsidiary	Payments on behalf of the Company	226 903 946
SODIC CO.for securitization.		Cash payment	69 429
Tabrook Development Co	A subsidiary	Payments on behalf of the Company	176 847 076
	A subsidiary	Payments on behalf of the Company	111 921 901
Executive directors & board members		Cash payement	(Note No. 39)

46- Legal status

There is a dispute between the Company and another party regarding the contract concluded between them on 23/2/1999 which is related to delivering this party a plot of land as a usufruct right for indefinite year of time and a return for an annual rental with a minimal amount for a total of 96 acres approximately and which has not been delivered up till this date as the management of this party did not abide by the detailed conditions of the contract. There are exchanged notifications concerning this land between the management of the Company and the management of the third party. During 2009, this party raised a court case No. 3 of 2009 Civil 6th of October against the Company asking it for the delivery of the allocated land. A preliminary sentence was issued by the court in its session held on February 22, 2010 to refer this matter to Experts and to delegate the Experts Office of the Ministry of Justice to embark this case and set a session to be held on April 26, 2010 for the expert to present his report. The session was postponed by the court several times and the last one will be held on November 24, 2014. The Company's legal counsel is of the opinion that the Company has the right to maintain and exploit this land under the contract as the said contract has not been affected and no usufruct right has been arisen to this party since its effect was based on conditions that have not been met. In addition, in case of any dispute raised by this party to possess the land, the Company has the actual and physical possession of the land and hence it has the right to continue in possessing the land till settlement of this dispute in front of court. The opponent has claimed an appeal for which a court sitting is scheduled on December 19, 2015.

47- Tax status

On June 4, 2014, Law No. (44) For the year 2014 has been issued to impose a temporary three year additional tax amounting to (5%) starting from the current taxable period. This additional tax is imposed on the tax pool over an amount of One Million Egyptian pounds by individuals or corporates as stipulated in the articles of the Income tax Law. This additional tax should be assessed and collected according to those articles. This law became into force starting from June 5, 2014.
On June 30, 2014, Law No. (53) For the year 2014 has been issued by a presidential decree. This law included amendments for some articles of Law No. (91) For the year 2005. The most important amendments are as follows:

1. Imposing a tax on Dividends.
2. Imposing a tax on the capital gains resulted from sale of capital contribution shares and securities.

- On August 20, 2015, Law No.(96) For the year 2015 has been issued by a presidential decree. This law included amendments for some articles of Law No.(91) For the year 2005, and law No.(44) for the year 2014 to impose a temporary additional income tax, and to be forced the day following to the day to be published.

Following is the most significant amendments included in the decision:

1. Decrease the income tax rate to be 22.5% of net annual profit.
2. Adjusting the period of imposing the temporary tax 5%
3. Adjusting the tax on Dividends.
4. Stop forcing the tax on the capital gains resulted from sale of capital contribution shares and securities for two years started from May 17, 2015.
Summary of the Company's tax status at the separate financial statements date is as follows:

Corporate tax

- A ten – year corporate tax exemption year starting from the year following the date of the activity inception as of 1/1/1998 until 31/12/2007 has been previously granted according to Law No. 59 of 1979 concerning the New Urban Communalities.
- During January 2011, the Company submitted a request to the Tax Authority demanding the amendment of the tax exemption year to start from the date of the actual handing over of the units in the year 2002.
- On January 18, 2011, the Disputes Dispersal Committee of the Tax Authority considered and studied the Company's request in the light of the date of the actual handing over of the units and the regulations applicable to similar companies. Accordingly, the said committee decided to approve the Company's request thus considering the date of the actual business activity of the Company to be the year 2002, hence, the Company shall be entitled to tax exemption from 1/1/2003 to 31/12/2012, and the amendment was annotated in the Company's tax card.
- The amended tax return for the year 2008 was submitted to the Tax Authority.
- Years from 1996 till 2001 has been inspected and the company were notified and tax differences are under settlement.
- Years from 2002 till 2004 has been inspected and the company was not notified by any tax claims till the date these financial statements are authorized to be issued.
- Inspection has been notified for the year 2006, by the tax form (19) with the date of April 29, 2012 as an estimation, it has been appealed as of May 3, 2012, re-inspection request has been submitted for the year 2006, and re-inspection is carried on and no claims have been informed to the company till the date of the authorization of the financial statements.

- On April 2, 2013 The Company has been notified by form (19) for 2007, 2008 approximately, on April 9, 2013 the company has appealed and it has been returned to the appeal committee, which issued its decision to return the file to large tax payers for re-inspection, and no claims have been informed to the company till the date of the authorization of the financial statements.

- On April 7, 2015 The Company has been notified by form (19) for the inspection of the years 2009, 2010 approximately, on April 7, 2015 the company has appealed, and the inspection has been carried out and no claims have been informed to the company till the date of the authorization of the financial statements.

- The company has been notified for the for the tax period from 2011 till 2013, with the tax inspection form (32), and the inspection did not take place till the date.
- The Company submits its annual tax return on due dates in accordance with Law No. 91 of 2005.

Salary tax
- Tax inspection was carried out for the previous years till the year 2004 and the tax claims have been paid.
- Years from 2005 till 2012 are under inspection and the Company has not received any tax claims till the date of authorizing of these financial statements for issuance.

Withholding Tax
- Tax inspection has been carried out till the second quarter of the year 2015, and the Company has not received any tax claims till the date of authorizing of these financial statements for issuance.

Stamp tax
- Tax inspection was carried out for the previous year till December 31, 2010 and tax differences have been fully paid.
- Years from 2011 till 2012 have been inspected and tax differences have been fully paid.
- The company regularly provides stamp tax returns.

Sales tax
- The Company was inspected from inception till December, 2013 and tax differences were paid.
- The company regularly provides sales tax returns.

Real estate property tax
The Company submitted the Real Estate Tax returns for the year 2009 on due dates in accordance with Law No. 196 of 2008.

48- Capital commitments

Capital commitment as at September, 30, 2015 is represented in contracted and unexecuted works amounting to L.E. 253 259 (2014: L.E. 587 374)

49- Bonus and incentive plan of the Company's employees and managers

- On 16 October 2006, the Company's Extra - Ordinary General Assembly unanimously agreed to approve the incentive plan of the Company's employees and managers and authorizing the Company's board of directors to issue million share with a fair value of L.E 100 per share (before splitting) and appointing an independent committee for supervising the execution of this plan formed by non – executive members in the board of directors, and the allocated shares for the plan had been increased by additional 500 000 share.
- On February 1,2015,the general assembly has approved upon the following ;
- The current Bonus and incentive plan ended on March 31, 2015, and the company converted the remaining 737 500 shares which have its rights unexercised into treasury shares according to the relevant governing regulations.
- Implementation of new Bonus and incentive plan through appropriating shares characterized by favorable conditions in respect of both employees and executive directors.
- On May 31, 2015, the Egyptian Financial Supervisory Authority notified the company that the authority has nothing against carrying out the procedures of converting the number of 737 500 shares out of the shares of the bonus and incentive plan system for employees to treasury shares with a new code both with Egyptian Stock Market and Misr for Clearing, Settlement and Central Depository (MCSD), applying the legal provisions and rules regarding dealing with treasury shares.
- On July 14, 2015, 737 500 share have been converted from shares of the incentive and bonus plan of employees and executive directors into treasury shares.
- On September 3, 2015, the company's extraordinary general assembly has approved the termination of the incentive and bonus plan system for employees, managers and executive board members of the company, which was authorized by the Extraordinary General Assembly of the company on February 1, 2015, and was not submitted to the Egyptian Financial Supervisory Authority for authorization, as well as canceling all its related effects.