

Interim condensed consolidated financial information and review report
Ikarus Petroleum Industries Company – KPSC and Subsidiaries
Kuwait

31 March 2014

Contents

	Page
Review report	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial information	7 to 16

Report on review of interim condensed consolidated financial information

To the board of directors of
Ikarus Petroleum Industries Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ikarus Petroleum Industries Company (A Kuwaiti Public Shareholding Company) as of 31 March 2014 and the related interim condensed consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory matters

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2013, nor of the articles of association of the Company, as amended, have occurred during the three month period ended 31 March 2014 that might have had a material effect on the business or financial position of the Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
12 May 2014



Abdullatif A.H. Al-Majid
(Licence No. 70-A)
of Parker Randall (Allied Accountants)

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
Income			
Unrealised gain/(loss) on investments at fair value through profit or loss		51,181	(365,558)
Realised gain on sale of available for sale investments		1,740,300	1,232,359
Dividend income from available for sale investments		1,548,747	1,719,136
Interest and other income		34,027	55,479
Foreign exchange gain/(loss)		19,296	(358,311)
		3,393,551	2,283,105
Expenses and other charges			
Staff costs		103,774	100,689
Finance costs		299,567	315,871
Other Operating expenses		78,058	81,513
		481,399	498,073
Profit before provision for KFAS, Zakat and NLST		2,912,152	1,785,032
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(26,209)	(16,065)
Provision for Zakat		(28,497)	(17,880)
Provision for National Labour Support Tax (NLST)		(71,243)	(44,699)
Profit for the period		2,786,203	1,706,388
Basic and diluted earnings per share	4	3.56 Fils	2.18 Fils

*



The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
Profit for the period	2,786,203	1,706,388
Other comprehensive income:		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Available for sale investments:		
- Net change in fair value arising during the period	2,373,054	9,700,706
- Transferred to consolidated statement of profit or loss on sale	(1,982,332)	(1,138,111)
<i>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	390,722	8,562,595
<i>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Total other comprehensive income for the period	390,722	8,562,595
Total comprehensive income for the period	3,176,925	10,268,983

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Assets				
Non-current assets				
Available for sale investments	5	190,719,689	190,694,397	157,364,638
Current assets				
Available for sale investments	5	7,663,251	7,016,694	7,829,594
Investments at fair value through profit or loss	6	4,055,378	4,004,197	4,985,079
Due from Parent Company	11	3,353,380	3,319,353	5,209,230
Accounts receivable and other assets		42,888	57,287	46,040
Cash and cash equivalents	7	3,904,729	1,475,642	5,393,993
Total current assets		19,019,626	15,873,173	23,463,936
Total assets		209,739,315	206,567,570	180,828,574
Equity and liabilities				
Equity				
Share capital		75,000,000	75,000,000	75,000,000
Treasury shares		(793,687)	(793,687)	(611,443)
Legal reserve		6,380,906	6,380,906	5,218,070
Voluntary reserve		2,164,821	2,164,821	2,164,821
Cumulative changes in fair value		80,644,894	80,254,172	49,380,148
Retained earnings		13,049,638	10,263,435	11,031,043
Total equity		176,446,572	173,269,647	142,182,639
Liabilities				
Non-current liabilities				
Long term borrowings	8	32,338,775	32,364,125	-
Current liabilities				
Short term borrowings	9	-	-	37,811,225
Other liabilities		953,968	933,798	834,710
Total current liabilities		953,968	933,798	38,645,935
Total liabilities		33,292,743	33,297,923	38,645,935
Total equity and liabilities		209,739,315	206,567,570	180,828,574

Dr. Adel Khaleel M. Sabeeh
Deputy Chairman



Suhail Yousef Abograis
Director & CEO

The notes set out on pages 7 to 10 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Share capital KD	Treasury shares KD	Legal reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Total KD
Balance as at 1 January 2014	75,000,000	(793,687)	6,380,906	2,164,821	80,254,172	10,263,435	173,269,647
Profit for the period	-	-	-	-	-	2,786,203	2,786,203
Other comprehensive income for the period	-	-	-	-	390,722	-	390,722
Total comprehensive income for the period	-	-	-	-	390,722	2,786,203	3,176,925
Balance as at 31 March 2014 (unaudited)	75,000,000	(793,687)	6,380,906	2,164,821	80,644,894	13,049,638	176,446,572
Balance as at 1 January 2013	75,000,000	(611,443)	5,218,070	2,164,821	40,817,553	9,324,655	131,913,656
Profit for the period	-	-	-	-	-	1,706,388	1,706,388
Other comprehensive income for the period	-	-	-	-	8,562,595	-	8,562,595
Total comprehensive income for the period	-	-	-	-	8,562,595	1,706,388	10,268,983
Balance as at 31 March 2013 (unaudited)	75,000,000	(611,443)	5,218,070	2,164,821	49,380,148	11,031,043	142,182,639

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before provision for KFAS, Zakat and NLST		2,912,152	1,785,032
Adjustments:			
Realised gain on sale of available for sale investments		(1,740,300)	(1,232,359)
Dividend income from available for sale investments		(1,548,747)	(1,719,136)
Interest income		(34,027)	(55,479)
Finance costs		299,567	315,871
Foreign exchange gain/(loss) on non-operating liabilities		(25,350)	418,800
		(136,705)	(487,271)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		(51,181)	365,558
Accounts receivable and other assets		14,399	19,258
Other liabilities		(105,779)	(59,938)
Net cash used in operations		(279,266)	(162,393)
KFAS paid		-	(79,773)
Net cash used in operating activities		(279,266)	(242,166)
INVESTING ACTIVITIES			
Dividend income received from available for sale investments		1,548,747	1,719,136
Proceeds on sale of available for sale investments		3,187,592	2,242,299
Purchase of available for sale investments		(1,728,419)	-
Net cash from investing activities		3,007,920	3,961,435
FINANCING ACTIVITIES			
Finance costs paid		(299,567)	(315,871)
Net cash used in financing activities		(299,567)	(315,871)
Net increase in cash and cash equivalents		2,429,087	3,403,398
Cash and cash equivalents at beginning of the period		1,475,642	1,990,595
Cash and cash equivalents at end of the period	7	3,904,729	5,393,993

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Ikarus Petroleum Industries Company – KPSC, (“The Parent Company”) was incorporated on 1 February 1997 and listed on the Kuwait stock exchange on 14 April 2008. The Parent Company is a subsidiary of National Industries Group Holding – KPSC “Ultimate Parent Company”. The Parent Company along with its subsidiaries are jointly referred to as “The Group”

The main objectives of the Parent Company are as follows:

- 1- Manufacture all kinds of chemical and petrochemical materials and any other related materials (subject to approval by the Public Authority for Industry).
- 2- Establish, manage, operate and acquire chemical projects and market their products
- 3- Establish, manage, operate and acquire chemical and petrochemical projects and market their products (subject to approval by Kuwait Petroleum Corporation)
- 4- Sell, purchase, supply, distribute, export and store chemical materials and related materials and participate in all related activities, for instance and not limited to establishment and leasing of the necessary services.
- 5- Sell, purchase, supply, distribute, export and store chemical and petrochemical materials and related materials and participate in all related activities, for instance and not limited to establishment and leasing of the necessary services (subject to approval by Kuwait Petroleum Corporation)
- 6- Contribute to the share capitals of all kinds of companies inside and outside Kuwait which perform similar activities for the company’s objectives
- 7- Utilize surplus funds available with the company by investing same in financial portfolios and funds managed by specialized companies and authorities whether inside or outside Kuwait.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the “Companies Law”), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Law No. 97 of 2013.

On 29 September 2013, Ministry of Commerce and Industry issued its regulation No. 425/2013 regarding the Executive by-laws of the Companies Law. All existing companies are required to comply with articles of these by-laws within one year from the date of its issuance.

The address of the company is Al-Qiblah Area – Part 6, Building 3 – Sheikh Salem Al-Ali Al-Subah Complex – Second Floor, Office No. 18.

The Board of Directors of the company approved this interim condensed consolidated financial information for issue on 12 May 2014.

The annual consolidated financial statements for the year ended 31 December 2013 were approved by the shareholders at the annual General Meeting which was held on 11 May 2014.

2 Basis of presentation

Basis of presentation

The interim condensed consolidated financial information of the Parent Company has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

Basis of presentation (continued)

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2013.

Operating results for the three months period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2013.

3 Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of the following new standards and amendments effective as of 1 January 2014:

Adoption of new IASB Standards and amendments during the period

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 32 Financial Instruments: Presentation - Amendments	1 January 2014
IAS 36 Impairment of Assets- Amendments	1 January 2014
Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
IFRIC 21 Levies	1 January 2014

The nature and the impact of applying each new standard/amendment is described below:

3.1 IAS 32 Financial Instruments: Presentation - Amendments

The amendments to IAS 32 add application guidance to address inconsistencies in applying IAS 32's criteria for offsetting financial assets and financial liabilities in the following two areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are required to be applied retrospectively. The adoption of the amendment did not result in any material impact on the Group's interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IAS 36 Impairment of Assets- Amendments

The amendments to IAS 36 reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The adoption of this amendment did not have any significant impact on the financial position or performance of the Group.

3.3 Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27

The Amendments define the term ‘investment entity’, provide supporting guidance and require investment entities to measure investments in the form of controlling interests in another entity at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

3.4 Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

The Amendment makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations. The adoption of this amendment did not have any significant impact on the financial position or performance of the Group.

3.5 IFRIC 21 ‘Levies’ (IFRIC 21)

IFRIC 21 clarifies that:

- the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by the government’s legislation. If this activity arises on specific date within an accounting period then the entire obligation is recognised on that date
- the same recognition principles apply in the annual and interim financial statements.

IFRIC 21 has been applied retrospectively in accordance with its transitional provisions but the adoption of this amendment did not have any significant impact on the financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Notes to the interim condensed consolidated financial information (continued)

4 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 31 March 2014 (Unaudited)	Three months ended 31 March 2013 (Unaudited)
Profit for the period (KD)	2,786,203	1,706,388
Weighted average number of shares outstanding during the period (excluding Treasury shares)	782,087,898	783,426,000
Basic and diluted earnings per share	3.56 Fils	2.18 Fils

The current and comparative periods' basic and diluted earnings per share have been adjusted for bonus shares approved by the general assembly held on 11 May 2014 (Note 13).

5 Available for sale investments

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Non-current			
Quoted shares			
- foreign	160,029,477	160,004,185	126,674,426
	160,029,477	160,004,185	126,674,426
Unquoted shares			
- local	3,066,032	3,066,032	3,066,032
- foreign	27,624,180	27,624,180	27,624,180
	30,690,212	30,690,212	30,690,212
	190,719,689	190,694,397	157,364,638
Current			
Quoted shares – local	7,663,251	7,016,694	7,829,594
Total	198,382,940	197,711,091	165,194,232

- The local quoted shares represent investments in various sectors. Local quoted shares with a carrying value of KD6,671,716 (31 December 2013 KD6,016,263 and 31 March 2013 KD6,726,195) are pledged against a short term loan facility of KD8,000,000 from a local bank which has not been utilised as of the reporting date (refer note 9).
- Foreign quoted shares represent investment in quoted Saudi companies operating in the fields of chemicals and petrochemicals. Majority of these shares, with a carrying value of KD159,275,755 as at 31 March 2014 (31 December 2013: KD158,694,180 and 31 March 2013: KD125,343,613) are held through two 100% owned special purpose vehicles incorporated in the Kingdom of Bahrain solely to own these shares.
Foreign quoted shares with a carrying value and KD53,511,644 (31 December 2013: KD52,827,693) are pledged against long term loans (see note 8)
- Investments in unquoted shares are stated at cost due to the non availability of quoted market prices or other reliable measures of its fair value. Management is not aware of any circumstances that would indicate impairment in the value of these investments. The local and foreign unquoted shares represent investments in a local unlisted company operating in the field of oil and gas and in Saudi unlisted companies operating in the field of petrochemical and related products respectively.

Notes to the interim condensed consolidated financial information (continued)

6 Investments at fair value through profit or loss

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Designated on initial recognition :			
Quoted shares – local	2,246,551	2,200,230	3,044,002
Local money market funds	1,808,827	1,803,967	1,941,077
	4,055,378	4,004,197	4,985,079

- a) During October 2008, a local money market fund, in which the company has investments totaling to KD1,620,710 as at 31 March 2014 (31 December 2013: KD1,615,850 and 31 March 2013: KD1,752,959), suspended redemption requests. Management has been informed by the manager of the fund that redemptions will be made depending on availability of liquid funds. The company's management considers this to be a situation arising from the current crisis in the global financial market and its impact on the local market. The investment has been fair valued based on the unaudited net asset value reported by the fund manager as of 31 March 2014. Therefore the company's management expects to realise these investments at not less than its carrying value.
- b) Local quoted shares with a carrying value of KD2,246,551 (31 December 2013: KD2,200,230 and 31 March 2013: KD3,044,002) are pledged against a short term loan facility of KD8,000,000 from a local bank which has not been utilised as of the reporting date (refer note 9).

7 Cash and cash equivalents

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Cash and bank balances	2,213,260	637,007	4,389,028
Cash balances held with portfolio managers	1,691,469	838,635	1,004,965
Cash and cash equivalents	3,904,729	1,475,642	5,393,993

8 Long term borrowings

	Effective interest rates %	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Local bank – US Dollar	3.216%	18,338,775	18,364,125	-
Local bank – Kuwaiti Dinar	4.5%	14,000,000	14,000,000	-
		32,338,775	32,364,125	-

- a. During the third quarter of the year 2013, the Parent Company has completed the restructuring of the short term US Dollar loan (equivalent KD32,811,225 at 31 March 2013) which was obtained from a local bank, by way of entering into a new agreement with the same bank. As per the new agreement the Parent Company received two secured long term loans aggregating to KD32,364,125 (a US Dollar loan of 65,000,000 and a KD loan of 14,000,000) which was utilised to repay the old US Dollar loan in full. As per the new agreement the loans are to be repaid in instalments commencing from July 2015 and ending in January 2018, and the loan facilities are secured against quoted investments (refer note 5b).

Notes to the interim condensed consolidated financial information (continued)

9 Short-term borrowings

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Local bank – US Dollar	-	-	32,811,225
Local bank – Kuwaiti Dinar	-	-	5,000,000
	-	-	37,811,225

- a) During the 3rd quarter of the year 2013 the Parent Company settled it's US Dollar loan mainly from the proceeds of the new loan referred to in note 8.
- b) During the year 2012, the Parent Company had utilised KD5,000,000 from the KD8,000,000 loan facility from a local bank, which is secured against local investments with a fair value of KD8,918,267 (31 Dec. 2013 : KD8,216,493 and 31 March 2013: KD9,770,197) (refer note 5a and 6b). During 2013, the Parent Company repaid the loan in full. However the facility is still available to the Parent Company to utilise when required.

10 Segmental analysis

The segments' results are based on internal management reporting information that is reported to the higher management of the company.

The company activities are concentrated in two main segments: Domestic (Kuwait) and International (Kingdom of Saudi Arabia). The following is the segments information, which conforms with the internal reporting presented to management:

	Domestic KD	International KD	Total KD
Three months ended 31 March 2014 (Unaudited)			
Segment income	150,538	3,223,717	3,374,255
Segment (loss)/profit	(31,294)	3,223,717	3,192,423
Finance costs, net of foreign exchange gain			(280,271)
Profit before provision for KFAS, Zakat and NLST			2,912,152
Segment assets	18,968,150	190,771,165	209,739,315
Segment liabilities	(953,968)	-	(953,968)
Segment net assets	18,014,182	190,771,165	208,785,347
Borrowings			(32,338,775)
Net assets			176,446,572

Notes to the interim condensed consolidated financial information (continued)

10 Segmental analysis (continued)

	Domestic KD	International KD	Total KD
Three months ended 31 March 2013 (Unaudited)			
Segment income	(310,079)	2,951,495	2,641,416
Segment (loss)/profit	(492,281)	2,951,495	2,459,214
Finance costs and foreign exchange loss			(674,182)
Profit before provision for KFAS, Zakat and NLST			1,785,032
Segment assets	24,579,554	156,249,020	180,828,574
Segment liabilities	(834,710)	-	(834,710)
Segment net assets	23,744,844	156,249,020	179,993,864
Borrowings			(37,811,225)
Net assets			142,182,639

11 Related party transactions

Related parties represent, the Ultimate Parent Company, the Parent Company's directors and key management personnel of the Parent Company, and other related parties such as subsidiaries of the Ultimate Parent Company (fellow subsidiaries), major shareholders and Companies in which directors and key management personnel of the Parent Company are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Details of significant related party transactions and balances are as follows:

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Interim condensed consolidated statement of financial position			
Due from Ultimate Parent Company (*)	3,353,380	3,319,353	5,209,230
Interim condensed consolidated statement of profit or loss			
Interest income from the Parent Company (*)		34,027	55,479
Management fees (included in other operating expenses)		977	1,612
Compensation of key management personnel of the Group			
Short-term employee benefits		24,750	24,750

* Due from Ultimate Parent Company at 31 March 2014 includes a short term advance of KD3,000,000 at an interest rate of 4.5% per annum.

Notes to the interim condensed consolidated financial information (continued)

12 Summary of financial assets and liabilities by category and fair value measurement

12.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the statement of financial position may also be categorized as follows:

	31 March 2014 (Unaudited KD	31 Dec. 2013 (Audited) KD
Financial assets:		
Loans and receivables(at amortised cost):		
• Cash and cash equivalents	3,904,729	1,475,642
• Accounts receivable and other assets	42,888	57,287
• Due from ultimate Parent Company	3,353,380	3,319,353
	7,300,997	4,852,282
Assets at fair value through profit or loss:		
• Investments at fair value through profit or loss (refer Note 6)		
- Held for trading	2,246,551	2,200,230
- Designated on initial recognition	1,808,827	1,803,967
	4,055,378	4,004,197
Available for sale investments (refer Note 5)		
- At fair value	167,692,728	167,020,879
- At cost / cost less impairment (refer note 5c)	30,690,212	30,690,212
	198,382,940	197,711,091
Total financial assets	209,739,315	206,567,570

	31 March 2014 (Unaudited KD	31 Dec. 2013 (Audited) KD
Financial liabilities:		
At amortised cost:		
• Long term borrowings	32,338,775	32,364,125
• Other liabilities	953,968	933,798
Total financial liabilities	33,292,743	33,297,923

12.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments at fair value through profit or loss and available for sale investments (excluding certain available for sale investments which are carried at cost/cost less impairment for reasons specified in Note 5c to the consolidated financial statements) are carried at fair value and measurement details are disclosed in Note 12.4 to the consolidated financial statements. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are at amortised costs (see note 12.1) is considered a reasonable approximation of their fair values.

Notes to the interim condensed consolidated financial information (continued)

12 Summary of financial assets and liabilities by category and fair value measurement (continued)

12.3 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

12.4 Fair value measurement of financial instruments

The financial assets and liabilities measured at fair value on a recurring basis in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

31 March 2014		Level 1	Level 2	Level 3	Total
	Note	KD	KD	KD	KD
Assets at fair value					
Available for sale investments					
- Local quoted shares	a	7,663,251	-	-	7,663,251
- Foreign quoted shares	a	160,029,477	-	-	160,029,477
Investments at fair value through profit or loss					
- Local quoted shares	a	2,246,551	-	-	2,246,551
- Local money market funds	b	-	1,808,827	-	1,808,827
Total assets		169,939,279	1,808,827	-	171,748,106
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31 December 2013		Level 1	Level 2	Level 3	Total
	Note	KD	KD	KD	KD
Assets at fair value					
Available for sale investments					
- Local quoted shares	a	7,016,694	-	-	7,016,694
- Foreign quoted shares	a	160,004,185	-	-	160,004,185
Investments at fair value through profit or loss					
- Local quoted shares	a	2,200,230	-	-	2,200,230
- Local money market funds	b	-	1,803,967	-	1,803,967
Total assets		169,221,109	1,803,967	-	171,025,076

There have been no transfers between level 1, level 2 and level 3 during the reporting period.

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value, which are unchanged compared to the previous reporting period, are as follows:

Notes to the interim condensed consolidated financial information (continued)

12 Summary of financial assets and liabilities by category and fair value measurement (continued)

Financial instruments in level 1

a) Local and foreign quoted securities

All quoted equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

Financial instruments in level 2

b) Local money market funds

The underlying investments of these funds mainly comprise of local and foreign variable and fixed income monetary instruments including treasury bills, bonds and sukuk. The fair values of these funds have been determined based on latest net asset values reported by the investment managers.

13 Dividend distribution

At the Annual General Meeting held on 11 May 2014, the shareholders approved a cash dividend of 10% equivalent to 10 Fils per share amounting to KD 7,448,456 and bonus shares of 5%.

At the Annual General Meeting held on 11 April 2013, the shareholders approved a cash dividend of 12% equivalent to 12 fils per share amounting to KD 8,953,440 for the year ended 31 December 2012.

14 Subsequent event

In April 2014, the company received an amount of KD3,847,720 as dividend from a foreign quoted investment classified as available for sale investment. The dividend will be recorded as income in the second quarter consolidated financial information.