

Interim condensed consolidated financial information and review report

Ikarus Petroleum Industries Company – KPSC and Subsidiaries

Kuwait

31 March 2016

Contents

	Page
Review report	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5 and 6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial information	8 to 17



Grant Thornton | An instinct for growth™

Al-Qatami, Al-Aiban & Partners

Auditors & Consultants

Souq Al Kabeer Building, Block A, 9th Floor
P.O.Box 2986, Safat 13030, Kuwait
Tel: (965)2244 3900-9
Fax: (965) 2243 8451
E-mail: gt@kw.gt.com
www.grantthornton.com.kw

Abdullatif Al-Majid & Co.

Allied Accountants
Certified Public Accountants - Experts

Parker Randall

P.O. Box : 5506 Safat- 13056 Kuwait
Tel: 22432082/3/4
Fax: 22402640

E-mail: mail.kw@parkerrandall.com

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 – KPSC (the “Parent Company”) and its Subsidiaries (together the “Group”), as of 31 March 2016 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other 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 Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and the Executive Regulations of Law No. 25 of 2012, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2016 that might have had a material effect on the business or financial position of the Group.

Anwar Y. Al-Qatami, F.C.C.A.
(Licence No. 50-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

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

Kuwait
12 May 2016

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
Income			
Unrealised loss on investments at fair value through profit or loss		(227,603)	(96,759)
Realised gain on sale of investments at fair value through profit or loss		-	29,534
Realised gain on sale of available for sale investments		-	380,917
Dividend income from available for sale investments		112,853	1,599,022
Interest income		49,191	34,027
Foreign exchange loss		(97,264)	(460,887)
		(162,823)	1,485,854
Expenses and other charges			
Staff costs		197,005	108,526
Finance costs		278,580	327,892
Other Operating expenses		89,736	81,593
		565,321	518,011
(Loss)/profit before foreign taxation		(728,144)	967,843
Foreign taxation	5a	-	(78,137)
(Loss)/profit before KFAS, NLST and Zakat		(728,144)	889,706
Provision for KFAS, NLST and Zakat	5b	-	(38,692)
(Loss)/profit for the period		(728,144)	851,014
Basic and diluted (loss)/earnings per share	4	(0.93) Fils	1.09 Fils

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

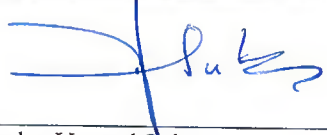
Interim condensed consolidated statement of profit or loss and other comprehensive income


	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
(Loss)/profit for the period	(728,144)	851,014
Other comprehensive income:		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Available for sale investments:		
- Net change in fair value arising during the period	(6,476,895)	(3,416,801)
- Transferred to condensed consolidated statement of profit or loss on sale	-	(354,215)
Total other comprehensive income for the period	(6,476,895)	(3,771,016)
Total comprehensive income for the period	(7,205,039)	(2,920,002)

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Assets				
Non-current assets				
Available for sale investments	6	60,582,655	66,635,420	162,215,109
Current assets				
Available for sale investments	6	5,638,321	5,897,931	6,866,534
Investments at fair value through profit or loss	7	3,830,246	4,057,849	4,096,016
Due from Ultimate Parent Company	14	3,616,014	3,583,487	3,489,490
Accounts receivable and other assets	8	60,423	22,525,428	1,560,655
Cash and cash equivalents	9	5,733,276	1,379,157	886,612
Total current assets		18,878,280	37,443,852	16,899,307
Total assets		79,460,935	104,079,272	179,114,416
Equity and liabilities				
Equity				
Share capital	10	78,750,000	78,750,000	78,750,000
Treasury shares	10	(1,035,114)	(1,035,114)	(814,692)
Legal reserve		7,445,326	7,445,326	7,445,326
Voluntary reserve		2,266,720	2,266,720	2,266,720
Cumulative changes in fair value (Accumulated losses)/retained earnings		(16,195,378) (8,373,017)	(9,718,483) (7,644,873)	44,865,955 8,862,198
Total equity		62,858,537	70,063,576	141,375,507
Liabilities				
Non-current liabilities				
Long term borrowings	11	14,703,469	25,448,750	28,039,875
Current liabilities				
Short term borrowings	12	-	6,589,750	7,207,250
Other liabilities		1,898,929	1,977,196	2,491,784
Total current liabilities		1,898,929	8,566,946	9,699,034
Total liabilities		16,602,398	34,015,696	37,738,909
Total equity and liabilities		79,460,935	104,079,272	179,114,416


Nader Hamad Sultan
Chairman


Suhail Yousef Abograis
Director & CEO

The notes set out on pages 8 to 17 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/ (accumulated losses) KD	Total KD
Balance as at 1 January 2016 (audited)	78,750,000	(1,035,114)	7,445,326	2,266,720	(9,718,483)	(7,644,873)	70,063,576
Loss for the period	-	-	-	-	-	(728,144)	(728,144)
Other comprehensive income for the period	-	-	-	-	(6,476,895)	-	(6,476,895)
Total comprehensive income for the period	-	-	-	-	(6,476,895)	(728,144)	(7,205,039)
Balance as at 31 March 2016 (unaudited)	78,750,000	(1,035,114)	7,445,326	2,266,720	(16,195,378)	(8,373,017)	62,858,537

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 2015 (audited)	78,750,000	(814,692)	7,445,326	2,266,720	48,636,971	8,011,184	144,295,509
Profit for the period	-	-	-	-	-	851,014	851,014
Other comprehensive income for the period	-	-	-	-	(3,771,016)	-	(3,771,016)
Total comprehensive income for the period	-	-	-	-	(3,771,016)	851,014	(2,920,002)
Balance as at 31 March 2015 (unaudited)	78,750,000	(814,692)	7,445,326	2,266,720	44,865,955	8,862,198	141,375,507

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
OPERATING ACTIVITIES			
(Loss)/profit before foreign taxation		(728,144)	967,843
Adjustments:			
Realised gain on sale of available for sale investments		-	(380,917)
Dividend income from available for sale investments		(112,853)	(1,599,022)
Interest income		(49,191)	(34,027)
Finance costs		278,580	327,892
Foreign exchange (gain)/loss on non-operating liabilities		(55,687)	483,275
		(667,295)	(234,956)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		227,603	(14,700)
Due from ultimate parent company		1,500	-
Accounts receivable and other assets		6,291	19,033
Other liabilities		(56,277)	(105,673)
Net cash used in operating activities		(488,178)	(336,296)
INVESTING ACTIVITIES			
Dividend income received from available for sale investments		112,853	85,180
Proceeds on sale of available for sale investments		-	931,310
Receipt of remaining proceeds on sale of available for sale investments during the previous year	8	22,458,714	-
Purchase of available for sale investments		(164,520)	(862,824)
Interest received		15,164	-
Net cash from investing activities		22,422,211	153,666
FINANCING ACTIVITIES			
Loans (repaid)/obtained		(17,279,344)	200,000
Finance costs paid		(278,580)	(327,892)
Dividends paid		(21,990)	-
Net cash used in financing activities		(17,579,914)	(127,892)
Net increase/(decrease) in cash and cash equivalents		4,354,119	(310,522)
Cash and cash equivalents at beginning of the period		1,379,157	1,197,134
Cash and cash equivalents at end of the period	9	5,733,276	886,612

The notes set out on pages 8 to 17 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 (refer note 17). 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 objectives for which the Parent Company has been incorporated 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 Parent Company has the right to perform the above mentioned activities inside and outside the State of Kuwait directly or through an agent. The Parent Company may have an interest or participate in any aspect with the entities performing similar works or which might assist it in the achievement of its objectives in Kuwait or abroad. The Parent Company may also purchase or share these entities or affiliate them therewith.

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 in which they have cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012 and the executive regulations of Law No. 25 of 2012 will remain effective pending the issuance of the new Executive Regulations.

The address of the company is Sharq Area – Block 2, Building 25 – Real Estate Investment Company Complex – Mezzanine Floor, Office No. 1.

The Board of Directors of the Parent Company authorised this interim condensed consolidated financial information for issue on 12 May 2016.

The annual consolidated financial statements for the year ended 31 December 2015 were authorised for issuance by the Parent Company’s board of directors on 9 March 2016 and approved by the shareholders at the Annual General Meeting held on 10 May 2016.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three month period ended 31 March 2016 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

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

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation (continued)

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 2015.

Operating results for the three-months period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2015.

3 Significant accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 December 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new accounting pronouncements which have become effective for the first time in 2016, non of which had any significant impact on the Group's results or financial position. These are:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations - Amendments	1 January 2016
IAS 1 'Disclosure Initiative - Amendments	1 January 2016
IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments	1 January 2016
IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation - Amendments	1 January 2016
IAS 27 Equity Method in Separate Financial Statements - Amendments	1 January 2016
IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception - Amendments	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016

Notes to the interim condensed consolidated financial information (continued)

4 Basic and diluted (loss)/earnings per share

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

	Three months ended 31 March 2016 (Unaudited)	Three months ended 31 March 2015 (Unaudited)
(Loss)/profit for the period (KD)	(728,144)	851,014
Weighted average number of shares outstanding during the period (excluding Treasury shares)	779,574,082	781,941,378
Basic and diluted (loss)/earnings per share	(0.93) Fils	1.09 Fils

5 Taxation and other statutory contributions

	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
a) Foreign taxation		
Taxation – current period charge	-	78,137
b) Provision for KFAS, NLST and Zakat		
Provision for contributions to Kuwait Foundation for Advancement of Science (KFAS)	-	8,711
Provision for National Labour Support Tax (NLST)	-	21,415
Provision for Zakat	-	8,566
Total	-	38,692

6 Available for sale investments

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Non-current Quoted shares - foreign	57,516,623	63,569,388	131,524,897
	57,516,623	63,569,388	131,524,897
Unquoted shares - foreign	3,066,032	3,066,032	30,690,212
	3,066,032	3,066,032	30,690,212
	60,582,655	66,635,420	162,215,109
Current Quoted shares – local	5,638,321	5,897,931	6,866,534
Total	66,220,976	72,533,351	169,081,643

- a. The local quoted shares represent investments in various sectors. Local quoted shares with a carrying value of KD4,979,014 (31 December 2015: KD5,221,221 and 31 March 2015: KD6,125,250) are pledged against a short term loan facility from a local bank (refer note 12a).

Notes to the interim condensed consolidated financial information (continued)

6 Available for sale investments (continued)

- b. 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 KD57,498,600 as at 31 March 2016 (31 December 2015: KD63,548,880 and 31 March 2015: KD132,987,790) are held through the two 100% owned subsidiaries incorporated in the Kingdom of Bahrain solely to own these shares.
- c. Foreign quoted shares with a carrying value of KD37,582,430 (31 December 2015: KD29,711,321 and 31 March 2015: KD45,596,559) are pledged against long term loans (refer note 11)
- d. 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.

Foreign unquoted shares as of 31 March 2016 amounting to KD3,066,032 (31 December 2015 and 31 March 2015: KD3,066,032) represent investments in an unlisted company operating in the field of oil and gas.

e. **Subsequent event**

Subsequent to the reporting date, as of 12 May 2016 the fair value of foreign quoted shares has increased by KD3,864,588 and KD9,914,868 when compared to the carrying value as of 31 December 2015 and 31 March 2016 respectively. This increase in fair value will positively effect the cumulative change in fair value as of 31 March 2015 by KD9,914,868.

7 Investments at fair value through profit or loss

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Designated on initial recognition :			
Local money market funds	1,565,916	1,565,916	1,788,444
Managed portfolios:			
- Local quoted shares	2,246,551	2,454,993	2,223,390
- Foreign quoted shares	17,779	36,940	84,182
	3,830,246	4,057,849	4,096,016

- a) During October 2008, a local money market funds, in which the Group has investments totaling to KD1,401,466 as at 31 March 2016 (31 December 2015: KD1,401,466 and 31 March 2015: KD1,623,993), suspended redemption requests. During the year 2015, the Parent company's management has been informed by the manager of the fund that the request made to liquidate the Fund has been accepted by the relevant authorities.

During the year 2015, the fund liquidator has redeemed 6.14% (amounting to KD61,679) of the units held and as per the liquidator and the redemption value has been calculated based on the last financial report submitted to the authority on 1 March 2015. The investment has been fair valued based on this last redemption value which resulted in an unrealised loss of KD130,847 being recognised in previous year's consolidated statement of profit or loss under "unrealised loss from investments at fair value through profit or loss". The Parent 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 2015: KD2,454,993 and 31 March 2015: KD2,223,390) are pledged against a short term loan facility from a local bank (refer note 12a).

Notes to the interim condensed consolidated financial information (continued)

8 Accounts receivable and other assets

Accounts receivable and other assets as of 31 December 2015 included an amount of KD22,458,714 which represented the remaining balance from the sale of foreign unquoted shares which were classified as available for sale investments and the amount was fully received during the current quarter.

9 Cash and cash equivalents

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Cash and bank balances	345,993	425,312	393,310
Cash balances held with portfolio managers	659,383	953,845	453,421
Short term bank deposit	4,727,900	-	39,881
Cash and cash equivalents	5,733,276	1,379,157	886,612

Short term deposit carries average effective annual interest of 0.86% per annum.

10 Share capital and treasury shares

Share capital

As of 31 March 2016, the authorised, issued and fully paid up share capital of the Parent company comprised 787,500,000 shares of 100 fils each (31 December 2015 and 31 March 2015: 787,500,000 shares of 100 fils each), all shares are fully paid.

Treasury shares

The Group holds treasury shares as follows:

	31 March 2016 (Unaudited)	31 Dec. 2015 (Audited)	31 March 2015 (Unaudited)
Number of shares	7,925,918	7,925,918	5,558,622
Percentage of issued shares	1.01%	1.01%	0.71%
Market value (KD)	594,444	705,407	767,090
Cost (KD)	1,035,114	1,035,114	814,692

Reserves equivalent to the cost of treasury shares held are not distributable.

11 Long term borrowings

	Effective interest rates %	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Local bank – US Dollar	3.216%	10,203,469	18,238,500	19,547,125
Local bank – Kuwaiti Dinar	4.75%	4,500,000	12,750,000	14,000,000
		14,703,469	30,988,500	33,547,125
Less: Due within one year		-	(5,539,750)	(5,507,250)
Total		14,703,469	25,448,750	28,039,875

Notes to the interim condensed consolidated financial information (continued)

11 Long term borrowings (continued)

- a. The above two 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 6c).
- b. During the current quarter, the Group settled instalments of KD1,250,000 from the Kuwaiti Dinar Loan and USD5,000,000 (equivalent to KD1,511,625) from the US dollar loan which was due in January 2016. Further, during the current quarter, the Group has also early settled USD21,250,000 (equivalent to KD6,424,406) from the US Dollar loan, and KD7,000,000 from Kuwaiti Dinar loan. Consequently, the balance due amounting to KD14,703,469 is due in July 2017 and January 2018.

12 Short-term borrowings

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Local bank – Kuwaiti Dinar – (a)	-	1,050,000	1,700,000
Long term borrowings due within one year (note 11)	-	5,539,750	5,507,250
	-	6,589,750	7,207,250

- a) The Parent Company had utilised KD Nil (net) (31 December 2015: KD1,050,000 and 31 March 2015: KD1,700,000) from the KD5,800,000 loan facility from a local bank, which is secured against local investments with a fair value of KD7,225,565 (31 December 2015: KD7,676,214 and 31 March 2015: KD8,348,640) (refer note 6a and 7b).

13 Segmental analysis

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

The Group's 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 2016 (Unaudited)			
Segment income	(46,398)	(19,161)	(65,559)
Segment loss	(333,139)	(19,161)	(352,300)
Finance costs and foreign exchange loss			(375,844)
Loss before foreign taxation			(728,144)
Segment assets	18,288,699	61,172,236	79,460,935
Segment liabilities	(320,792)	(1,578,137)	(1,898,929)
Segment net assets	17,967,907	59,594,099	77,562,006
Borrowings			(14,703,469)
Net assets			62,858,537

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Domestic KD	International KD	Total KD
Three months ended 31 March 2015 (Unaudited)			
Segment income	51,693	1,895,048	1,946,741
Segment (loss)/profit	(138,426)	1,895,048	1,756,622
Foreign exchange loss and finance costs			(788,779)
Profit before foreign taxation			967,843
Segment assets	18,262,289	160,852,127	179,114,416
Segment liabilities	(1,090,668)	(1,401,116)	(2,491,784)
Segment net assets	17,171,621	159,451,011	176,622,632
Borrowings			(35,247,125)
Net assets			141,375,507

14 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 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Interim condensed consolidated statement of financial position			
Due from Ultimate Parent Company (*)	3,616,014	3,583,487	3,489,490
Cash balances held with portfolio managers	3,824	92,899	91,104
		Three months ended 31 March 2015 (Unaudited) KD	Three months ended 31 March 2014 (Unaudited) KD
Interim condensed consolidated statement of profit or loss			
Interest income - from the Ultimate Parent Company (*)		34,027	34,027
Management and consultancy fees (included in other operating expenses)		1,500	-
Compensation of key management personnel of the Group			
Short-term employee benefits		24,750	24,750
End of service benefits		80,457	-

* Due from Ultimate Parent Company at 31 March 2016 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)

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

15.1 Categories of financial assets and liabilities

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

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Financial assets:			
Loans and receivables (at amortised cost):			
• Cash and cash equivalents	5,733,276	1,379,157	886,612
• Accounts receivable and other assets	60,423	22,525,428	1,560,655
• Due from Ultimate Parent Company	3,616,014	3,583,487	3,489,490
	9,409,713	27,488,072	5,936,757
Assets at fair value through profit or loss:			
• Investments at fair value through profit or loss (refer Note 7) - Designated on initial recognition	3,830,246	4,057,849	4,096,016
	3,830,246	4,057,849	4,096,016
Available for sale investments (refer Note 6)			
- At fair value	63,154,944	69,467,319	138,391,431
- At cost / cost less impairment (refer note 6d)	3,066,032	3,066,032	30,690,212
	66,220,976	72,533,351	169,081,643
Total financial assets	79,460,935	104,079,272	179,114,416
Financial liabilities:			
At amortised cost:			
• Long term borrowings	14,703,469	25,448,750	28,039,875
• Short term borrowings	-	6,589,750	7,207,250
• Other liabilities	1,898,929	1,977,196	2,491,784
Total financial liabilities	16,602,398	34,015,696	37,738,909

15.2 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 and investment at fair value through profit or loss which are carried at cost/cost less impairment/last reported NAV for reasons specified in Note 6d and 7 respectively) are carried at fair value and measurement details are disclosed in Note 15.4 to the interim condensed consolidated financial information. 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 15.1) is considered a reasonable approximation of their fair values.

15.3 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).

Notes to the interim condensed consolidated financial information (continued)

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

15.3 Fair value hierarchy (continued)

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.

15.4 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 2016		Level 1	Level 2	Level 3	Total
	Note	KD	KD	KD	KD
Assets at fair value					
Available for sale investments					
-	Local quoted shares	a	5,638,321	-	5,638,321
-	Foreign quoted shares	a	57,516,623	-	57,516,623
Investments at fair value through profit or loss					
• Managed portfolios:					
-	Local quoted shares	a	2,246,551	-	2,246,551
-	Foreign quoted shares	a	17,779	-	17,779
-	Local money market funds	b	-	1,401,466	1,401,466
Total assets			65,419,274	1,401,466	66,820,740
<hr/>					
31 December 2015		Level 1	Level 2	Level 3	Total
	Note	KD	KD	KD	KD
Assets at fair value					
Available for sale investments					
-	Local quoted shares	a	5,897,931	-	5,897,931
-	Foreign quoted shares	a	63,569,388	-	63,569,388
Investments at fair value through profit or loss					
• Managed portfolios:					
-	Local quoted shares	a	2,454,993	-	2,454,993
-	Foreign quoted shares	a	36,940	-	36,940
•	Local money market funds	b	-	1,401,466	1,401,466
Total assets			71,959,252	1,401,466	73,360,718
<hr/>					
31 March 2015		Level 1	Level 2	Level 3	Total
	Note	KD	KD	KD	KD
Assets at fair value					
Available for sale investments					
-	Local quoted shares	a	6,866,534	-	6,866,534
-	Foreign quoted shares	a	133,009,494	-	133,009,494
Investments at fair value through profit or loss					
• Managed portfolios:					
-	Local quoted shares	a	2,223,390	-	2,223,390
-	Foreign quoted shares	a	84,182	-	84,182
Total assets			142,183,600	-	142,183,600

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

Notes to the interim condensed consolidated financial information (continued)

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

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:

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/fund liquidators.

16 Dividend distribution

The shareholders at the Annual General Assembly held on 10 May 2016 approved not to distribute any dividend for the year ended 31 December 2015 (2014: 10% equivalents to 10 Fils per share).

At the Annual General Meeting held on 14 May 2015, the shareholders approved a cash dividend of 10% equivalent to 10 Fils per share amounting to KD7,819,414 for the year ended 31 December 2014.

17 Subsequent event

Subsequent to the reporting date, the board of directors of the Parent Company proposed in their meeting held on 11 April 2016 the optional withdrawal from Kuwait Stock Exchange. This proposal is subject to the approval of the relevant authorities and the shareholders Extraordinary General Assembly.