

**Commercial Facilities Company - S.A.K.P.
and Subsidiaries
State of Kuwait**



شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. S.A.K

**Interim Condensed Consolidated Financial
Information and Independent Auditors' Review
Report for the Period from
1 January to 31 March 2015
(Unaudited)**

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**Commercial Facilities Company – S.A.K.P.
State of Kuwait**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Facilities Company – S.A.K.P. ("the Parent Company") and subsidiaries (collectively "the Group") as at 31 March 2015, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Group is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. 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 condensed consolidated 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 the basis of presentation set out in note 2.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Group. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 25 of 2012, as amended and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three months period ended 31 March 2015 that might have had a material effect on the business of the Group or on its financial position.

**Commercial Facilities Company – S.A.K.P.
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS (Continued)

Report on Other Legal and Regulatory Requirements (Continued)

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the three months period ended 31 March 2015 that might have had a material effect on the business of the Group or on its financial position.



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14 May 2015
Kuwait

Commercial Facilities Company - S.A.K.P. and Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position as at 31 March 2015
(Unaudited)



		(Unaudited) 31 March 2015	(Audited) 31 December 2014	(Unaudited) 31 March 2014
	Notes	KD'000	KD'000	KD'000
Assets				
Cash and bank balances	3	21,835	25,659	23,411
Other receivables and prepayments		912	744	1,549
Instalment debtors	4	236,991	233,020	219,631
Financial assets at fair value through profit or loss		8,632	8,966	9,924
Available-for-sale investments	5	16,455	15,782	15,813
Investment in associates	6	12,834	12,695	12,394
Investment property		1,952	1,952	1,873
Property and equipment		2,152	2,179	2,273
Total assets		301,763	300,997	286,868
Liabilities and equity				
Liabilities				
Due to banks	3	1,095	96	579
Trade creditors and other liabilities		6,456	6,006	7,321
Term loans	7	99,352	96,312	58,299
Bonds	8	18,750	25,000	43,750
Provision for staff indemnity		3,934	3,854	4,212
Total liabilities		129,587	131,268	114,161
Equity				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		45,660	45,660	44,511
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		2,921	2,316	2,464
Foreign currency translation reserve		817	581	209
Land revaluation reserve		704	704	704
Treasury shares	10	(9,987)	(9,987)	(9,987)
Gain on sale of treasury shares		47	47	47
Retained earnings		18,525	27,206	21,270
Proposed dividend		10,287	-	10,287
Total equity		172,176	169,729	172,707
Total liabilities and equity		301,763	300,997	286,868

Ali Ibrahim Marafi
Chairman



Abdallah Saud Abdulaziz Al-Humaidhi
Vice Chairman and Managing Director

The accompanying notes 1 to 18 form an integral part of this interim condensed consolidated financial information.

**Commercial Facilities Company - S.A.K.P. and Subsidiaries
State of Kuwait**

Interim Condensed Consolidated Statement of Profit or Loss
– period from 1 January to 31 March 2015 (Unaudited)



	Notes	Three-month period ended 31 March	
		2015 KD'000	2014 KD'000
Income from instalment credit		4,050	4,094
Share of results of associates	6	139	156
Other income		604	575
Net foreign exchange gains		-	8
Net gains from investments	11	-	1,256
Total other income		743	1,995
Borrowing costs		(905)	(960)
Staff costs and related expenses		(723)	(797)
General and administrative expenses		(381)	(395)
Net losses from investments	11	(321)	-
Net foreign exchange losses		(58)	-
Total other expenses		(2,388)	(2,152)
Profit before provision for credit losses and impairment losses		2,405	3,937
(Provision for)/ reversal of provision for doubtful debts, net of released amount		(653)	188
Impairment losses on available-for-sale investments	5	(47)	(106)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Directors' remuneration		1,705	4,019
Provision for KFAS		(17)	(40)
Provision for NLST and Zakat		(50)	(134)
Provision for Directors' remuneration		(32)	(32)
Profit for the period		1,606	3,813
Earnings per share	12	3 Fils	7 Fils

The accompanying notes 1 to 18 form an integral part of this interim condensed consolidated financial information.

Commercial Facilities Company - S.A.K.P. and Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income - period from 1 January to 31 March 2015 (Unaudited)



	Three-month period ended 31 March	
	2015	2014
	KD'000	KD'000
Profit for the period	1,606	3,813
Other comprehensive income		
Foreign exchange gain/ (loss)	236	(21)
Available-for-sale investments		
Change in fair value of available-for-sale investments	558	(150)
Impairment of available-for-sale investments transferred to the consolidated statement of profit or loss	47	106
Other comprehensive income/ (loss) for the period	841	(65)
Total comprehensive income for the period	2,447	3,748

The accompanying notes 1 to 18 form an integral part of this interim condensed consolidated financial information.

Commercial Facilities Company - S.A.K.P. and Subsidiaries
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Interim Condensed Consolidated Statement of Changes in Equity - period from 1 January to 31 March 2015 (Unaudited)

	Share capital	Share premium	Legal reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Land revaluation reserve	Treasury shares	Gain on sale of treasury shares	Retained earnings	Proposed dividend	Total
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
Balance at 1 January 2015	53,676	1,433	45,660	48,093	2,316	581	704	(9,987)	47	27,206	-	169,729
Profit for the period	-	-	-	-	-	-	-	-	-	1,606	-	1,606
Foreign exchange gain	-	-	-	-	-	236	-	-	-	-	-	236
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of available-for-sale investments	-	-	-	-	558	-	-	-	-	-	-	558
Impairment of available-for-sale investments transferred to consolidated statement of profit or loss	-	-	-	-	47	-	-	-	-	-	-	47
Total comprehensive income for the period	-	-	-	-	605	236	-	-	-	1,606	-	2,447
Dividends (See note 15)	-	-	-	-	-	-	-	-	-	(10,287)	10,287	-
Balance at 31 March 2015	53,676	1,433	45,660	48,093	2,921	817	704	(9,987)	47	18,525	10,287	172,176
Balance at 1 January 2014	53,676	1,433	44,511	48,093	2,508	230	704	(9,987)	47	27,744	-	168,959
Profit for the period	-	-	-	-	-	-	-	-	-	3,813	-	3,813
Foreign exchange loss	-	-	-	-	-	(21)	-	-	-	-	-	(21)
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value of available-for-sale investments	-	-	-	-	(150)	-	-	-	-	-	-	(150)
Impairment of available-for-sale investments transferred to consolidated statement of profit or loss	-	-	-	-	106	-	-	-	-	-	-	106
Total comprehensive income for the period	-	-	-	-	(44)	(21)	-	-	-	3,813	-	3,748
Dividends (See note 15)	-	-	-	-	-	-	-	-	-	(10,287)	10,287	-
Balance at 31 March 2014	53,676	1,433	44,511	48,093	2,464	209	704	(9,987)	47	21,270	10,287	172,707

The accompanying notes 1 to 18 form an integral part of this interim condensed consolidated financial information.

Commercial Facilities Company - S.A.K.P. and Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows
- period from 1 January to 31 March 2015 (Unaudited)



	Note	Three-month period ended	
		31 March 2015	31 March 2014
		KD'000	KD'000
Operating activities			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		1,705	4,019
Adjustments for:			
Depreciation		46	66
Decrease/ (increase) in fair value of financial assets at fair value through profit or loss		334	(1,219)
Realised gain on sale of available-for-sale investments		(13)	(37)
Impairment loss on available-for-sale investments		47	106
Interest income		(168)	(161)
Dividend income		(349)	(330)
Share of results of associates		(139)	(156)
Provision for staff indemnity		83	72
(Provision for)/ reversal of provision for doubtful debts, net of released amount		653	(188)
Unrealised (gain)/ loss on derivative financial instruments		(13)	6
Foreign currency exchange loss on investments		5	-
		2,191	2,178
(Increase)/ decrease in instalment debtors		(4,624)	1,715
(Increase)/ decrease in other receivables and prepayments		(155)	56
Increase/ (decrease) in trade creditors and other liabilities		351	(666)
Cash (used in)/ from operations		(2,237)	3,283
Staff indemnity paid		(3)	(54)
Interest received		168	161
Dividends received		349	330
Net cash (used in)/ from operating activities		(1,723)	3,720
Investing activities			
Decrease in term deposits		12,439	6,357
Purchase of available-for-sale investments		-	(283)
Purchase of property and equipment		(19)	(4)
Proceeds from sale of available-for-sale investments		129	122
Net cash from investing activities		12,549	6,192
Financing activities			
Change in term loans		3,040	2,667
Bond repayment		(6,250)	(6,250)
Net cash used in financing activities		(3,210)	(3,583)
Net increase in cash and cash equivalents		7,616	6,329
Cash and cash equivalents at beginning of the period		13,124	16,503
Cash and cash equivalents at end of the period	3	20,740	22,832

The accompanying notes 1 to 18 form an integral part of this interim condensed consolidated financial information.

**Commercial Facilities Company - S.A.K.P. and Subsidiaries
State of Kuwait**

Notes to the Interim Condensed Consolidated Financial Information
- period from 1 January to 31 March 2015 (Unaudited)



1. Incorporation and principal activities

Commercial Facilities Company – S.A.K.P. (“the Parent Company”) was incorporated on 16 January 1977 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company’s shares were listed in the Kuwait Stock Exchange on 29 September 1984.

The Parent Company and its subsidiaries (collectively “the Group”) have been established to perform the following objectives within and outside the State of Kuwait:

- 1) Providing short and medium term loans to individuals and entities with the aim of financing purchase of vehicles, equipment and home appliances.
- 2) Financing consumer products of raw materials, manufactured or semi-manufactured.
- 3) Providing short, medium and long term loans to individuals to finance the purchase of land and properties.
- 4) Providing operating or financing lease for vehicles and equipment.
- 5) Providing necessary guarantees related to the Parent Company objectives.
- 6) Establishing companies, associated to the original company, specialised in marketing to collaborate with products’ agents and insurance companies in return for commission or discounted amounts that correlate with the volume of sales and insurance achieved with the agent.
- 7) Investing in real estate, industrial, agricultural and other economic sectors through participation in the establishment of specialised companies or the purchase of their shares.
- 8) Purchasing and selling of financial securities such as shares and bonds for the Parent Company’s account being a part of the Parent Company’s investment portfolio.
- 9) Acting as intermediary in managing loans and syndicated loans on commission basis.

The Parent Company is prohibited, in its course of action to accomplish its objectives, to open current or saving accounts for others or accept deposits, open letters of credit or to represent foreign banks.

However, without violation of the above prohibition, the Parent Company has the right to have an interest in or collaborate by all means with organisations dealing and involved in similar businesses or those that can support and help achieve its objectives within or outside the State of Kuwait and also has the right to purchase these organisations or make them affiliated entities.

The address of the Parent Company’s registered office is P.O. Box 24284, Safat 13103, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 14 May 2015.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting, and the Kuwait Stock Exchange instruction No. 2 of 1998.

This interim condensed consolidated financial information does not include all the information and notes required for full annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as modified for use by the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (“CBK”). These regulations require adoption of all IFRSs except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK requirements for a minimum general provision.

Commercial Facilities Company - S.A.K.P. and Subsidiaries
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Notes to the Interim Condensed Consolidated Financial Information
- period from 1 January to 31 March 2015 (Unaudited)



The interim condensed consolidated financial information has been prepared using the same accounting policies and methods of computation with those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2014, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2014 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

In the opinion of management, all adjustment consisting of normal recurring accruals considered necessary for a fair presentation have been included. The operating results for the three-months period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

2.2 Judgement and estimates

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. The 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 2014.

3. Cash and bank balances

	(Unaudited) 31 March 2015	(Audited) 31 December 2014	(Unaudited) 31 March 2014
	KD'000	KD'000	KD'000
Cash on hand	9	1	8
Bank balances	1,652	925	9,502
Deposits	20,174	24,733	13,901
	<u>21,835</u>	<u>25,659</u>	<u>23,411</u>
Less: Deposits with original maturity over three months	-	(12,439)	-
Less: Due to banks (Bank overdrafts)	(1,095)	(96)	(579)
Cash and cash equivalents as per consolidated statement of cash flows	<u>20,740</u>	<u>13,124</u>	<u>22,832</u>

The Group's deposits with local banks denominated in KD amount to KD 7,000 thousand (31 December 2014: KD 12,000 thousand and 31 March 2014: KD 2,500 thousand) and those denominated in USD and LBP with foreign banks based in the Middle East amounted to KD 13,174 thousand (31 December 2014: KD 12,733 thousand and 31 March 2014: 11,401 thousand). These deposits yield interest ranging from 0.72% to 5.92% (31 December 2014: 0.85% to 5.92% and 31 March 2014: 1% to 6% per annum).

4. Instalment debtors

The average interest rate earned from instalment credit for the three-month period ended 31 March 2015 was 4.07% per annum (31 December 2014: 4.24% and 31 March 2014: 4.36% per annum).

Commercial Facilities Company - S.A.K.P. and Subsidiaries
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Notes to the Interim Condensed Consolidated Financial Information
- period from 1 January to 31 March 2015 (Unaudited)



5. Available-for-sale investments

	(Unaudited) 31 March 2015	(Audited) 31 December 2014	(Unaudited) 31 March 2014
	KD'000	KD'000	KD'000
Investments carried at fair value	14,436	13,112	13,306
Investments carried at cost	2,019	2,670	2,507
	<u>16,455</u>	<u>15,782</u>	<u>15,813</u>

It was not possible to reliably measure the fair value of certain available-for-sale investments due to lack of reliable measures to determine the fair value of such investments. Accordingly they are stated at cost less impairment losses, if any.

Impairment losses recognised in the consolidated statement of profit or loss amounted to KD 47 thousand (31 December 2014: KD 251 thousand and 31 March 2014: 106 thousand).

6. Investments in associates

Details of the investment in associated companies at 31 March are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest 2014 and 2015	Principal activity
Real Estate Facilities Company K.S.C. (Closed)	Kuwait	26.43%	Finance of real estate
Priority Automobile Company	Kuwait	44.56%	Renting and leasing of luxury cars

Summarised financial information in respect of the Group's associates is set out below:

	2015	2014
	KD'000	KD'000
Total assets	48,626	43,889
Total liabilities	(10,265)	(7,091)
Net assets	<u>38,361</u>	<u>36,798</u>
Group's share of associates' net assets	<u>12,834</u>	<u>12,394</u>
Revenues	<u>3,447</u>	<u>1,504</u>
Profit for the period	<u>400</u>	<u>485</u>
Group's share of results of associates	<u>139</u>	<u>156</u>

7. Term loans

	(Unaudited) 31 March 2015	(Audited) 31 December 2014	(Unaudited) 31 March 2014
	KD'000	KD'000	KD'000
Loans denominated in KD	82,167	77,917	45,222
Loans denominated in USD	17,185	18,395	13,077
	<u>99,352</u>	<u>96,312</u>	<u>58,299</u>

Commercial Facilities Company - S.A.K.P. and Subsidiaries
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Notes to the Interim Condensed Consolidated Financial Information
 - period from 1 January to 31 March 2015 (Unaudited)



During the period, the Group obtained KD loan amounting to KD 10 million (31 December 2014: KD 45 million and 31 March 2014: KD Nil) and USD loan amounting to USD Nil (31 December 2014: USD 60 million and 31 March 2014: USD 30 million).

The weighted average interest rate on KD loans outstanding at 31 March 2015 was 3.1% per annum and on USD loans was 1.86% per annum (31 December 2014: 3.07% per annum and 1.86% per annum respectively and for 31 March 2014: 3.21% per annum and 1.99% per annum respectively).

The Group's outstanding term loans at 31 March 2015 are borrowed under floating rate agreements. The interest rates were determined at normal commercial rates available from the debt market on an arm's length basis. The Group has assigned customer contracts amounting to KD 119,063 thousand (31 December 2014: KD 111,001 thousand and 31 March 2014: KD 81,936 thousand) as security over 14 term loans (31 December 2014: 13 term loans and 31 March 2014: 9 term loans) with balances outstanding of KD 90,345 thousand (31 December 2014: KD 87,511 thousand and 31 March 2014: KD 58,299 thousand).

8. Bonds

On 14 December 2011, the Parent Company issued unsecured bonds amounting to KD 50,000 thousand with an interest rate of CBK discount rate plus 1.4 % payable quarterly in arrears. The bonds will be redeemed in eight quarterly instalments of KD 6,250 thousand each from 14 March 2014 to 14 December 2015. As at 31 March 2015, the Parent Company has re-paid five instalments.

9. Related party transactions

Related parties comprise associated companies, major shareholders, directors and key management personnel of the Group, their families and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

a) Compensation of key management personnel of the Parent Company

	Three-month period ended 31 March	
	2015	2014
	KD'000	KD'000
Salaries and other short-term benefits	100	96
Post-employment benefits	104	25
	<u>204</u>	<u>121</u>
b) Instalment debtors		
Balance at 1 January	15	31
Loan advance received	63	-
Instalment repayments received	(17)	(6)
Balance at 31 March	<u>61</u>	<u>25</u>

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Notes to the Interim Condensed Consolidated Financial Information
- period from 1 January to 31 March 2015 (Unaudited)



10. Treasury shares

	(Unaudited) 31 March 2015	(Audited) 31 December 2014	(Unaudited) 31 March 2014
Market value of total treasury shares (KD'000)	5,603	6,052	6,500
Percentage of issued shares	4.18%	4.18%	4.18%
Total number of shares (000's)	22,414	22,414	22,414

11. Net gains from investments

	Three-month period ended 31 March	
	2015 KD'000	2014 KD'000
(Decrease)/ increase in fair value of financial assets at fair value through profit or loss	(334)	1,219
Realised gain on sale of available-for-sale investments	13	37
	<u>(321)</u>	<u>1,256</u>

12. Earnings per share

Earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	Three-month period ended 31 March	
	2015 KD'000	2014 KD'000
Profit for the period	<u>1,606</u>	<u>3,813</u>
	Shares	
Weighted average number of the Parent Company's issued and paid-up shares (000's)	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	<u>(22,414)</u>	<u>(22,414)</u>
Weighted average number of the Parent Company's outstanding shares (000's)	<u>514,350</u>	<u>514,350</u>
Earnings per share	<u>3 Fils</u>	<u>7 Fils</u>

Commercial Facilities Company - S.A.K.P. and Subsidiaries
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Notes to the Interim Condensed Consolidated Financial Information
- period from 1 January to 31 March 2015 (Unaudited)



13. Revenue and segmental analysis

The Group operates in one principal area of activity - the granting of consumer instalment credit facilities. Its consumer credit operations are carried out entirely in the domestic market in Kuwait. The Group has investments both inside and outside Kuwait.

A segmental analysis of profit from ordinary activities, total assets, total liabilities and net assets employed by geographical location is as follows:

	<u>Kuwait</u>	<u>International</u>	<u>Total</u>
	KD'000	KD'000	KD'000
At 31 March 2015 (Unaudited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>1,476</u>	<u>229</u>	<u>1,705</u>
Total assets	<u>272,135</u>	<u>29,628</u>	<u>301,763</u>
Total liabilities	<u>(112,402)</u>	<u>(17,185)</u>	<u>(129,587)</u>
Net assets employed	<u>159,733</u>	<u>12,443</u>	<u>172,176</u>
At 31 December 2014 (Audited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>10,623</u>	<u>865</u>	<u>11,488</u>
Total assets	<u>272,453</u>	<u>28,544</u>	<u>300,997</u>
Total liabilities	<u>(112,873)</u>	<u>(18,395)</u>	<u>(131,268)</u>
Net assets employed	<u>159,580</u>	<u>10,149</u>	<u>169,729</u>
At 31 March 2014 (Unaudited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	<u>3,425</u>	<u>594</u>	<u>4,019</u>
Total assets	<u>259,640</u>	<u>27,228</u>	<u>286,868</u>
Total liabilities	<u>(101,084)</u>	<u>(13,077)</u>	<u>(114,161)</u>
Net assets employed	<u>158,556</u>	<u>14,151</u>	<u>172,707</u>
14. Commitments	(Unaudited)	(Audited)	(Unaudited)
	31 March	31 December	31 March
	2015	2014	2014
	<u>KD'000</u>	<u>KD'000</u>	<u>KD'000</u>
Capital commitments	<u>270</u>	<u>244</u>	<u>46</u>

15. Annual general assembly

The shareholder's annual general assembly held on 23 April 2015 approved the audited consolidated financial statements of the Group for the year ended 31 December 2014 and the payment of cash dividend of 20 fils per share to the shareholders on record as of the date of the annual general assembly (2013: 20 fils per share). This amount has been presented under equity since the date of the shareholder's approval is after the statement of financial position date.

16. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 31 December 2014.

17. Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and other models as appropriate.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined 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 : valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2015 (Unaudited)	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	8,112	520	-	8,632
				-
Available-for-sale investments				
Managed funds	-	209	-	209
Equity participations (unquoted securities)	-	-	14,227	14,227
	<u>8,112</u>	<u>729</u>	<u>14,227</u>	<u>23,068</u>
31 December 2014 (Audited)	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	8,439	527	-	8,966
Available-for-sale investments				
Managed funds	-	205	-	205
Equity participations (unquoted securities)	-	-	12,907	12,907
	<u>8,439</u>	<u>732</u>	<u>12,907</u>	<u>22,078</u>
31 March 2014 (Unaudited)	Level 1	Level 2	Level 3	Total
	KD'000	KD'000	KD'000	KD'000
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	9,346	578	-	9,924
Available-for-sale investments				
Managed funds	-	246	-	246
Equity participations (unquoted securities)	-	-	13,060	13,060
	<u>9,346</u>	<u>824</u>	<u>13,060</u>	<u>23,230</u>

18. Comparatives

Certain comparative figures have been reclassified to conform to current year presentation but with no effect on previously reported net profit.