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 30 June 2016
(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 30 June 2016, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month 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. 1 of 2016, and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the six-month period ended 30 June 2016 that might have had a material effect on the business of the Group or on its financial position.

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State of Kuwait

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 six-month period ended 30 June 2016 that might have had a material effect on the business of the Group or on its financial position.

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Kuwait
16 August 2016

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

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2016
(Unaudited)

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

	Notes	(Unaudited) 30 June 2016 KD'000	(Audited) 31 December 2015 KD'000	(Unaudited) 30 June 2015 KD'000
Assets				
Cash and bank balances	3	28,152	30,367	25,531
Other receivables and prepayments		1,459	1,379	816
Instalment debtors	4	251,684	253,621	243,707
Financial assets at fair value through profit or loss		6,708	8,132	8,810
Available-for-sale investments	5	26,581	22,762	17,809
Investment in associates	6	13,191	12,919	13,020
Investment property		4,358	1,739	1,952
Property and equipment		2,238	2,293	2,129
Total assets		334,371	333,212	313,774
Liabilities and equity				
Liabilities				
Due to banks	3	445	556	229
Trade creditors and other liabilities		5,588	6,473	6,549
Term loans	7	161,536	153,811	126,330
Bonds		-	-	12,500
Provision for staff indemnity		4,229	4,145	4,010
Total liabilities		171,798	164,985	149,618
Equity				
Share capital		53,676	53,676	53,676
Share premium		1,433	1,433	1,433
Legal reserve		46,566	46,566	45,660
Voluntary reserve		48,093	48,093	48,093
Fair value reserve		2,991	2,923	3,052
Foreign currency translation reserve		812	949	921
Land revaluation reserve		899	899	704
Treasury shares	9	(10,954)	(10,945)	(10,707)
Gain on sale of treasury shares		14	47	47
Retained earnings		19,043	24,586	21,277
Total equity		162,573	168,227	164,156
Total liabilities and equity		334,371	333,212	313,774

COMMERCIAL FACILITIES CO. 1 (S.A.K.)

Ali Ibrahim Marafi
Chairman

Abdallah Saud Abdulaziz Al-Humaidhi
Vice Chairman and Chief Executive Officer

The accompanying notes 1 to 16 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 30 June 2016 (Unaudited)

		Three-month period ended		Six -month period ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
	Notes	KD'000	KD'000	KD'000	KD'000
Income from instalment credit		4,292	4,360	8,576	8,410
Share of results of associates	6	114	321	273	460
Other income		616	355	1,267	959
Rental income from investment property		75	-	139	-
Net foreign exchange gain		47	-	254	-
Total other income		852	676	1,933	1,419
Borrowing costs		(1,152)	(965)	(2,251)	(1,870)
Staff costs and related expenses		(617)	(694)	(1,228)	(1,417)
General and administrative expenses		(170)	(383)	(335)	(764)
Net losses from investments	10	(513)	194	(1,191)	(127)
Net foreign exchange losses		-	(58)	-	(116)
Total other expenses		(2,452)	(1,906)	(5,005)	(4,294)
Profit before provision for credit losses and impairment losses		2,692	3,130	5,504	5,535
Provision for doubtful debts		(1,042)	(209)	(2,146)	(862)
Impairment losses on available-for-sale investments	5	(44)	(16)	(44)	(63)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Directors' remuneration		1,606	2,905	3,314	4,610
Provision for KFAS		(16)	(29)	(33)	(46)
Provision for NLST and Zakat		(54)	(93)	(102)	(143)
Provision for Directors' remuneration		(27)	(31)	(53)	(63)
Profit for the period		1,509	2,752	3,126	4,358
Earnings per share	12	3 Fils	5 Fils	6 Fils	8 Fils

The accompanying notes 1 to 16 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 30 June 2016 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2016	2015	2016	2015
	KD'000	KD'000	KD'000	KD'000
Profit for the period	1,509	2,752	3,126	4,358
Other comprehensive income				
Foreign exchange gain	(84)	104	(137)	340
Available-for-sale investments				
Change in fair value of available-for-sale investments	27	115	24	673
Impairment of available-for-sale investments transferred to the consolidated statement of profit or loss	44	16	44	63
Other comprehensive income for the period	(13)	235	(69)	1,076
Total comprehensive income for the period	1,496	2,987	3,057	5,434

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

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 Statement of Changes in Equity - period from 1 January to 30 June 2016 (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	Total
	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 2016	53,676	1,433	46,566	48,093	2,923	949	899	(10,945)	47	24,586	168,227
Profit for the period	-	-	-	-	-	-	-	-	-	3,126	3,126
Foreign exchange gain	-	-	-	-	-	(137)	-	-	-	-	(137)
Available-for-sale investments											
Change in fair value of available-for-sale investments	-	-	-	-	24	-	-	-	-	-	24
Impairment of available-for-sale investments transferred to consolidated statement of profit or loss	-	-	-	-	44	-	-	-	-	-	44
Total comprehensive income for the period	-	-	-	-	68	(137)	-	-	-	3,126	3,057
Dividends (See note 14)	-	-	-	-	-	-	-	-	-	(8,669)	(8,669)
Purchase of treasury shares	-	-	-	-	-	-	-	(70)	-	-	(70)
Sale of treasury shares	-	-	-	-	-	-	-	61	(33)	-	28
Balance at 30 June 2016	53,676	1,433	46,566	48,093	2,991	812	899	(10,954)	14	19,043	162,573

	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	Total
	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	-	-	-	-	-	-	-	-	-	4,358	4,358
Foreign exchange losses	-	-	-	-	-	340	-	-	-	-	340
Available-for-sale investments											
Change in fair value of available-for-sale investments	-	-	-	-	673	-	-	-	-	-	673
Impairment of available-for-sale investments transferred to consolidated statement of profit or loss	-	-	-	-	63	-	-	-	-	-	63
Total comprehensive income for the period	-	-	-	-	736	340	-	-	-	4,358	5,434
Dividends (See note 14)	-	-	-	-	-	-	-	-	-	(10,287)	(10,287)
Purchase of treasury shares	-	-	-	-	-	-	-	(720)	-	-	(720)
Balance at 30 June 2015	53,676	1,433	45,660	48,093	3,052	921	704	(10,707)	47	21,277	164,156

The accompanying notes 1 to 16 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 30 June 2016 (Unaudited)

	Note	Six-month period ended 30 June 2016 KD'000	Six-month period ended 30 June 2015 KD'000
Operating activities			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		3,314	4,610
Adjustments for:			
Depreciation		63	92
Decrease in fair value of financial assets at fair value through profit or loss		1,269	156
Gain on sale of available-for-sale investments		(167)	(29)
Impairment loss on available-for-sale investments		44	63
Realised loss on financial assets at fair value through profit or loss		89	-
Interest income		(390)	(326)
Dividend income		(825)	(534)
Share of results of associates		(273)	(460)
Provision for staff indemnity		89	167
Provision for doubtful debts, net of released amount		2,146	862
Unrealised gain on derivative financial instruments		-	36
Foreign currency exchange gain on investments		20	5
Loss on sale of treasury shares		(33)	-
		5,346	4,642
Increase in instalment debtors		(209)	(11,549)
Increase in other receivables and prepayments		(80)	(108)
Decrease in trade creditors and accrued liabilities		(1,300)	(149)
Cash used in operations		3,757	(7,164)
Staff indemnity paid		(5)	(11)
Interest received		390	326
Dividends received		825	534
Net cash used in operating activities		4,967	(6,315)
Investing activities			
(Increase)/ decrease in deposits		(242)	2,760
Purchase of available-for-sale investments		(4,281)	(1,260)
Purchase of investment property		(2,619)	-
Purchase of property and equipment		(9)	(44)
Purchase of financial assets at fair value through profit and loss		(178)	-
Proceeds from sale of financial assets at fair value through profit or loss		244	-
Proceeds from sale of available-for-sale investments		496	270
Proceeds from disposal of property and equipment		1	2
Dividend from associate		1	135
Net cash (used in)/ from investing activities		(6,587)	1,863
Financing activities			
Proceeds of term loans		7,725	30,018
Bond repayment		-	(12,500)
Dividends paid		(8,442)	(9,847)
Purchase of treasury shares		(70)	(720)
Sale of treasury shares		61	-
Net cash (used in)/ from financing activities		(726)	6,951
Net (decrease)/ increase in cash and cash equivalents		(2,346)	2,499
Cash and cash equivalents at beginning of the period		16,005	13,124
Cash and cash equivalents at end of the period	3	13,659	15,623

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

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 on 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 with the original company, specialised in marketing to collaborate with products' agents and insurance companies in return for commission or discount 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 cannot open current or saving accounts for others, accept deposits, open letters of credit or represent foreign banks. However, without violating this restriction, the Parent Company can 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.

On 1 February 2016, the new Companies Law No.1 of 2016 was published in the Official Gazette, which is effective from 26 November 2012. According to the new Law, the Companies Law No. 25 of 2012 and its amendments have been cancelled. However, its Executive Regulations will continue until a new set of Executive Regulations are issued.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 16 August 2016.

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.

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.

The interim condensed consolidated financial information has been prepared using the same accounting policies and methods of computation as those used in the preparation of the annual audited consolidated financial statements for the year ended 31 December 2015 except for applicable changes in IFRS from 1 January 2016. Such changes 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 six-month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016.

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 2015.

3. Cash and bank balances

	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2015
	KD'000	KD'000	KD'000
Cash on hand	8	3	12
Bank balances	1,080	4,558	3,082
Deposits	27,064	25,806	22,437
	28,152	30,367	25,531
Less: Deposits with original maturity over three months	(14,048)	(13,806)	(9,679)
Less: Due to banks (Bank overdrafts)	(445)	(556)	(229)
Cash and cash equivalents as per consolidated statement of cash flows	13,659	16,005	15,623

The Group's deposits with local banks, denominated in KD, amount to KD Nil (31 December 2015: KD 12,000 thousand and 30 June 2015: KD 9,000 thousand) and those denominated in USD and LBP with foreign banks based in the Middle East amount to KD 27,064 thousand (31 December 2015: KD 13,806 thousand and 30 June 2015: KD 13,437 thousand). These deposits yield interest ranging from 1.22% to 6.45% (31 December 2015: 1.14% to 5.92% and 30 June 2015: 1% to 5.92% per annum).

4. Instalment debtors

The average interest rate earned from instalment credit for the six-month period ended 30 June 2016 was 4.15% per annum (31 December 2015: 4.16% and 30 June 2015: 4.13% per annum).

5. Available-for-sale investments

	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2015
	KD'000	KD'000	KD'000
Investments carried at fair value	15,118	15,727	15,173
Investments carried at cost	11,463	7,035	2,636
	26,581	22,762	17,809

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 44 thousand (31 December 2015: KD 216 thousand and 30 June 2015: KD 63 thousand).

6. Investments in associates

Investments in associated companies are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest 2015 and 2016	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

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

	2016	2015
	KD'000	KD'000
Total assets	50,885	50,018
Total liabilities	(11,298)	(10,443)
Net assets	39,587	39,575
Group's share of associates' net assets	13,191	13,020
Revenues	4,584	6,796
Profit for the period	832	1,531
Group's share of results of associates	273	460

7. Term loans

	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2015
	KD'000	KD'000	KD'000
Loans denominated in KD	130,358	99,008	84,917
Loans denominated in USD	31,178	54,803	41,413
	161,536	153,811	126,330

During the period, the Group obtained KD loans amounting to KD 37 million (31 December 2015: KD 58 million and 30 June 2015: KD 23 million) and USD loans amounting to USD Nil (31 December 2015: USD 180 million and 30 June 2015: USD 115 million).

The weighted average interest rate on KD loans outstanding at 30 June 2016 was 3.23% per annum and on USD loans was 2.23% per annum (31 December 2015: 3.05% per annum and 2% per annum respectively and for 30 June 2015: 3% per annum and 1.19% per annum respectively).

The Group's outstanding term loans at 30 June 2016 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 214,249 thousand (31 December 2015: KD 181,075 thousand and 30 June 2015: KD 151,738 thousand) as security over 16 term loans (31 December 2015: 14 term loans and 30 June 2015: 15 term loans) with balances outstanding of KD 161,536 thousand (31 December 2015: KD 138,612 thousand and 30 June 2015: KD 111,191 thousand).

8. 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		Six-month period ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
			KD'000	KD'000
Salaries and other short-term benefits	101	98	203	198
Post-employment benefits	18	14	16	102
	119	112	219	300

b) Instalment debtors

Balance at 1 January	51	15
Loan advance received	-	63
Instalment repayments received	(6)	(20)
Balance at 30 June	45	58

9. Treasury shares

	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2015
Number of shares purchased (000's)	385	4,399	3,152
Cost of shares purchased during the period / year (KD'000)	70	958	720
Number of shares sold (000's)	(150)	-	-
Cost of shares sold during the period / year (KD'000)	(27)	-	-
Market value of total treasury shares (KD'000)	4,869	4,505	5,113
Percentage of issued shares	5.04%	5.00%	4.76%
Total number of shares (000's)	27,048	26,813	25,566

The Parent Company's retained earnings, equivalent to the cost of treasury shares on the date of the interim condensed consolidated financial information, are not available for distribution as long as these treasury shares are held by the Parent Company. The treasury shares are not mortgaged.

10. Net gains from investments

	Three-month period ended		Six-month period ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	KD'000	KD'000	KD'000	KD'000
(Decrease)/ increase in fair value of financial assets at fair value through profit or loss	(533)	178	(1,269)	(156)
Realised gain on sale of available-for-sale investments	21	16	167	29
Realised loss on sale of financial assets at fair value through profit or loss	(1)	-	(89)	-
	(513)	194	(1,191)	(127)

11. Earnings per share

Earnings per share is computed by dividing profit for the three-month and six-month period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended		Six-month period ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	KD'000	KD'000	KD'000	KD'000
Profit for the period	1,509	2,752	3,126	4,358
	Shares			
Weighted average number of the Parent company's issued and paid-up shares (000's)	536,764	536,764	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	(26,915)	(23,982)	(26,864)	(23,202)
Weighted average number of the Parent Company's outstanding shares (000's)	509,849	512,782	509,900	513,562
Earnings per share	3 Fils	5 Fils	6 Fils	8 Fils

12. 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:

	Kuwait	International	Total
	KD'000	KD'000	KD'000
At 30 June 2016 (Unaudited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	2,449	865	3,314
Total assets	287,270	47,101	334,371
Total liabilities	(121,393)	(50,405)	(171,798)
Net assets employed	165,877	(3,304)	162,573

At 31 December 2015 (Audited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	8,158	902	9,060
Total assets	302,961	30,251	333,212
Total liabilities	(110,182)	(54,803)	(164,985)
Net assets employed	192,779	(24,552)	168,227
At 30 June 2015 (Unaudited)			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	4,051	559	4,610
Total assets	283,542	30,232	313,774
Total liabilities	(108,205)	(41,413)	(149,618)
Net assets employed	175,337	(11,181)	164,156

13. Commitments

	(Unaudited) 30 June 2016 KD'000	(Audited) 31 December 2015 KD'000	(Unaudited) 30 June 2015 KD'000
Capital commitments	44	1,139	196

14. Annual general assembly

The shareholder's annual general assembly held on 27 April 2016 approved the audited consolidated financial statements of the Group for the year ended 31 December 2015 and the payment of cash dividend of 17 fils per share to the shareholders on record as of the date of the annual general assembly (2014: 20 fils per share) amounting to KD 8,669 thousand (2014: KD 10,287 thousand).

15. 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 2015.

16. Fair value of financial instruments

Fair value is 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.

The Group's financial assets are measured at fair value at the end of each reporting period. The following tables gives information about how the fair values of these financial assets are determined.

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).

30 June 2016 (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	6,265	443	-	6,708
Available-for-sale investments				
Managed funds	-	-	294	294
Equity participations (unquoted securities)	-	-	14,824	14,824
	6,265	443	15,118	21,826

31 December 2015 (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	7,663	469	-	8,132
Available-for-sale investments				
Quoted debt	909	-	-	909
Managed funds	-	-	286	286
Equity participations (unquoted securities)	-	-	14,532	14,532
	8,572	469	14,818	23,859

30 June 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	8,297	513	-	8,810
Available-for-sale investments				
Managed funds	-	-	196	196
Equity participations (unquoted securities)	-	-	14,977	14,977
	8,297	513	15,173	23,983

Financial assets	Fair value as at			Fair value Hierarchy	Sector
	30 June 2016	31 December 2015	30 June 2015		
	KD'000	KD'000	KD'000		
Financial assets at fair value through profit or loss - *Quoted securities*	5,752	6,987	7,610	Level 1	Financial Institutions
	482	643	643	Level 1	Real estate
	31	33	44	Level 1	Retail
Available for sale investments – *Quoted debts*	-	909	-	Level 1	Financial Institutions
	6,265	8,572	8,297		
Financial assets at fair value through profit or loss - *Unquoted funds*	443	469	513	Level 2	Real estate

Available for sale investments - *Unquoted funds*	113	112	131	Level 3	Media & technology
	128	126	-	Level 3	Real estate
	53	48	65	Level 3	Retail
Available for sale investments - *Unquoted securities*	7,423	7,101	6,526	Level 3	Real estate
	6,225	6,096	7,048	Level 3	Financial Institutions
	1,176	1,315	1,369	Level 3	Service
	-	16	23	Level 3	Manufacturing
	-	4	11	Level 3	Media & technology
	15,118	14,818	15,173		
	21,826	23,859	23,983		

Movement in level 3 available-for-sale investments (Unquoted securities) is as follows:

	(Unaudited) 30 June 2016	(Audited) 31 December 2015	(Unaudited) 30 June 2015
	KD'000	KD'000	KD'000
Opening balance	14,818	13,112	13,112
Total gain or losses:			
- in profit or loss	118	(163)	(50)
- in other comprehensive income	-	929	1,021
Purchases/ transfers	607	1,345	1,344
Sales	(425)	(405)	(254)
Closing balance	15,118	14,818	15,173

The fair values of equity investments are obtained from quoted market prices and other models as appropriate.

Valuation techniques include observable market information of comparable companies and net asset values. Significant unobservable inputs used in valuation techniques mainly include market multiples such as price to book and price to earnings. The most significant unobservable inputs used is the illiquidity discount in the level 3 hierarchy.

Other financial assets and liabilities are carried at amortised cost and the carrying values are not materially different from their fair values.

A sensitivity analysis on fair value estimations, by varying input assumptions by a reasonable margin, did not indicate any material impact on the interim consolidated statement of financial position or consolidated statement of profit or loss.