Interim Condensed Consolidated Financial Information and Review Report

International Financial Advisors – KSC (Closed) and Subsidiaries

Kuwait

31 March 2013 (Unaudited)

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Grant Thornton
Al-Qatami, Al-Aiban & Partners
Auditors & Consultants
Souq Al Kabeer Building - Block A - 9th Floor
Tel : (965) 2244 3900-9
Fax: (965) 2243 8451
P.O.Box 2986, Safat 13030
Kuwait
www.gtkuwait.com

Rödl
Middle East
Burgan – International Accountants
Ali Al Hassawi & Partners
P.O. Box: 22351 Safat 13084 Kuwait
Sharq – Dasman Complex – Block 2 – 9 Floor
Tel 22414956 -3 Fax:22426862-6 /22464574
info-kuwait@rodlme.comEmail:

Report on review of interim condensed consolidated financial information

To the board of directors of
International Financial Advisors – KSC (Closed)
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of International Financial Advisors (A Kuwaiti Closed Shareholding Company) and its subsidiaries as of 31 March 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and 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 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 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).

Emphasise of matter
Without qualifying our conclusion, we draw attention to note (13) of the interim condensed consolidated financial information as the group has recorded the investment property valuation gain resulted from one of its subsidiaries on 31 December 2012 but recorded by the group during this period.

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Group. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2013 or of the articles of association of the Company, as amended, have occurred during the three-month period ended 31 March 2013 that might have had a material effect on the business or financial position of the Group.

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We further report that, during the course of our review, we have not become aware of any material violations during the three-month period ended 31 March 2013 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.

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

Ali A. Al-Hasawi
(Licence No. 30-A)
Rödl Middle East
Burgan – International Accountants

Kuwait
22 May 2013

Interim condensed consolidated statement of income

	Notes	Three months ended 31 March 2013 (Unaudited)	Three months ended 31 March 2012 (Unaudited)
		KD	KD
Income			
Interest and similar income		**276,145**	170,643
Management fees and commission income		**215,740**	248,801
Dividends income		**122,445**	398,202
Net income from hoteliers and related services		**1,586,743**	1,155,008
Net (loss)/gain from investments at fair value through profit or loss	6	**(528,297)**	786,457
Gain on partial sale of asset classified as held for sale	11	**61,754**	749,694
Gain on sale of properties under development	7	**210,378**	191,679
Loss on sale of shares in an associated company	14	**(75,139)**	(1,197,380)
Share of loss from associated companies	14	**(48,953)**	(1,145,016)
Gain/(loss)on sale of available for sale investments		**667,622**	(22,053)
Changes in fair value of investment properties	13	**19,932,188**	-
Foreign currency exchange loss		**(455,232)**	(25,922)
Other (loss)/income		**(2,914,875)**	1,556,696
Total income		**19,050,519**	2,866,809
Expenses and other charges			
Interest and similar expenses		**2,547,707**	2,258,351
Staff and related costs		**1,229,085**	1,095,480
Other operating expenses		**4,337,165**	3,241,284
Impairment in value of available for sale investments		**457,265**	731,191
Impairment in value of the shareholders' loan granted to an associate	14	**3,216,178**	-
Impairment in value of receivables and other assets		**764,883**	-
Depreciation		**443,067**	440,773
Total expenses and other charges		**12,995,350**	7,767,079
Profit/(loss) before KFAS, National Labour Support Tax, Zakat provision and taxation on overseas subsidiaries		**6,055,169**	(4,900,270)
Taxation on overseas subsidiaries		**(1,474,846)**	158,981
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		**(28,052)**	-
Zakat provision		**(31,169)**	-
National Labour Support Tax		**(77,922)**	-
Profit/(loss) for the period		**4,443,180**	(4,741,289)
Attributable to :			
Owners of the parent company		**1,694,220**	(4,765,468)
Non-controlling interests		**2,748,960**	24,179
Profit/(loss) for the period		**4,443,180**	(4,741,289)
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company (Fils)	8	**2.53**	(7.09)

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2013 (Unaudited) KD	Three months ended 31 March 2012 (Unaudited) KD
Profit/(loss) for the period	**4,443,180**	(4,741,289)
Other comprehensive income/(loss):		
Exchange differences arising on translation of foreign operations	**674,351**	638,068
Available for sale investments:		
- Net change in fair value during the period	**(109,692)**	2,815,151
- Transferred to interim condensed consolidated statement of income on sale	**(1,990,120)**	-
- Transferred to interim condensed consolidated statement of income on impairment in value	**457,265**	731,191
- Share of other comprehensive income of associates	**1,286,608**	1,488,895
Total other comprehensive income	**318,412**	5,673,305
Total comprehensive income for the period	**4,761,592**	932,016
Attributable to:		
Owners of the parent company	**2,012,632**	907,837
Non-controlling interests	**2,748,960**	24,179
	4,761,592	932,016

Interim condensed consolidated statement of financial position

	Notes	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Assets				
Cash and cash equivalents	9	**13,888,781**	14,896,081	6,135,526
Investments at fair value through profit or loss	6	**6,904,890**	5,999,369	19,257,713
Receivables and other debit balances		**21,537,711**	23,202,182	23,186,194
Loans receivable		**2,605,608**	3,395,109	5,266,534
Due from related parties	23	**7,844,519**	4,741,193	5,429,626
Trading properties	10	**5,048,231**	5,466,261	5,932,053
Asset classified as held for sale	11	**8,077,176**	8,015,422	10,273,464
Available for sale investments	12	**38,393,060**	45,250,188	45,056,137
Investment properties	13	**59,802,007**	30,463,337	32,389,378
Investment in associated companies	14	**35,291,114**	37,192,511	48,326,494
Goodwill		**48,677,138**	48,678,399	48,684,318
Properties under development	15	**155,889,936**	150,272,839	149,430,928
Capital work in progress	16	**109,224,720**	122,156,490	110,799,268
Property, plant and equipment		**33,169,168**	33,712,624	39,014,078
Total assets		546,354,059	533,442,005	549,181,711
Liabilities and equity				
Liabilities				
Payables and other credit balances	17	**76,147,023**	72,698,466	73,956,313
Due to related parties	23	**17,611,223**	15,775,238	17,095,436
Term loan from a related party	23	**9,943,636**	9,943,636	11,663,637
Borrowings	18	**191,549,761**	192,075,856	191,754,317
Advances received from customers		**142,664,577**	140,030,130	131,304,469
Total liabilities		437,916,220	430,523,326	425,774,172
Equity				
Equity attributable to the owners of the parent company				
Share capital		**72,000,000**	72,000,000	72,000,000
Share premium		**11,973,061**	11,973,061	11,973,061
Treasury shares	19	**(32,869,551)**	(32,869,551)	(32,896,967)
Statutory and voluntary reserves		**61,408,598**	61,408,598	61,649,505
Cumulative changes in fair value		**11,557,867**	11,913,806	9,129,386
Foreign currency translation reserve		**(4,004,554)**	(4,678,905)	(3,859,314)
Accumulated losses		**(31,388,617)**	(33,084,165)	(11,487,087)
Total equity attributable to the owners of the parent company		88,676,804	86,662,844	106,508,584
Non-controlling interests		19,761,035	16,255,835	16,898,955
Total equity		108,437,839	102,918,679	123,407,539
Total liabilities and equity		546,354,059	533,442,005	549,181,711
Fiduciary accounts		76,453,886	81,929,620	88,999,851

Saleh Saleh Al-Selmi
Chairman & CEO

Talal Jassim Al-Bahar
Vice Chairman

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the parent company									
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance as at 1 January 2013 (Audited)	72,000,000	11,973,061	(32,869,551)	61,408,598	11,913,806	(4,678,905)	(33,084,165)	86,662,844	16,255,835	102,918,679
Profit for the period	-	-	-	-	-	-	1,694,220	1,694,220	2,748,960	4,443,180
Other comprehensive (loss)/income	-	-	-	-	(355,939)	674,351	-	318,412	-	318,412
Total comprehensive (loss)/income for the period	-	-	-	-	(355,939)	674,351	1,694,220	2,012,632	2,748,960	4,761,592
Gain arising on partial disposal of subsidiary shares	-	-	-	-	-	-	1,328	1,328	-	1,328
Change in non-controlling interests	-	-	-	-	-	-	-	-	756,240	756,240
Balance as at 31 March 2013 (Unaudited)	**72,000,000**	**11,973,061**	**(32,869,551)**	**61,408,598**	**11,557,867**	**(4,004,554)**	**(31,388,617)**	**88,676,804**	**19,761,035**	**108,437,839**

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the parent company									
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance as at 1 January 2012 (Audited)	72,000,000	11,973,061	(32,896,967)	61,649,505	4,094,149	(4,497,382)	(6,721,619)	105,600,747	16,452,078	122,052,825
(Loss)/profit for the period	-	-	-	-	-	-	(4,765,468)	(4,765,468)	24,179	(4,741,289)
Other comprehensive income	-	-	-	-	5,035,237	638,068	-	5,673,305	-	5,673,305
Total comprehensive income/(loss) for the period	-	-	-	-	5,035,237	638,068	(4,765,468)	907,837	24,179	932,016
Change in non-controlling interests	-	-	-	-	-	-	-	-	422,698	422,698
Balance as at 31 March 2012 (Unaudited)	72,000,000	11,973,061	(32,896,967)	61,649,505	9,129,386	(3,859,314)	(11,487,087)	106,508,584	16,898,955	123,407,539

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2013 (Unaudited) KD	Three months ended 31 March 2012 (Unaudited) KD
OPERATING ACTIVITIES		
Profit/(loss) for the period attributable to owners of the parent company	**1,694,220**	(4,765,468)
Adjustments:		
(Gain)/loss on sale of available for sale investments	**(667,622)**	22,053
Gain on sale of properties under development	**(210,378)**	(191,679)
Gain on partial sale of asset classified as held for sale	**(61,754)**	(749,694)
Impairment in value of available for sale investments	**457,265**	731,191
Impairment in value of the shareholders' loan granted to an associate	**3,216,178**	-
Impairment in value of receivables and other assets	**764,883**	-
Dividends income	**(122,445)**	(398,202)
Interest and similar income	**(276,145)**	(170,643)
Interest and similar expenses	**2,547,707**	2,258,351
Provisions	**218,592**	83,054
Depreciation	**443,067**	440,773
Loss on sale of shares in an associated company	**75,139**	1,197,380
Share of loss from associated companies	**48,953**	1,145,016
Changes in fair value of investment properties	**(19,932,188)**	-
Foreign currency exchange loss	**455,232**	25,922
	(11,349,296)	(371,946)
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	**(905,521)**	171,027
Receivables and other debit balances	**1,646,629**	1,616,231
Loans receivable	**570,909**	(765,220)
Due from related parties	**3,102,560**	(13,590)
Trading properties	**418,030**	(248,295)
Payables and other credit balances	**3,448,557**	(9,311,858)
Due to related parties	**1,835,985**	13,007,562
Advances received from customers	**2,634,447**	(366,315)
Cash from operations	**1,402,300**	3,717,596
Dividends income received	**122,445**	398,202
Interest income received	**276,145**	170,643
Interest and similar expenses paid	**(2,547,707)**	(2,258,351)
Net cash (used in)/from operating activities	**(746,817)**	2,028,090
INVESTING ACTIVITIES		
Proceeds from sale of shares in an associated company	**59,134**	1,275,882
Proceeds from sale of shares in a consolidated subsidiary	**10,382**	-
Proceeds from sale of asset classified as held for sale	**232,000**	2,602,814
Net change in investment in associated companies	**(1,730,007)**	(3,587,999)
Net movement in properties under development	**(5,406,719)**	(1,981,756)
Net additions on capital work in progress	**4,088,754**	(7,250,847)
Net change in property, plant and equipment	**100,389**	(1,248,547)
Proceeds from sale of available for sale investments	**-**	1,330,197
Net additions on investment properties	**(563,466)**	-
Purchase of available for sale investments	**(241,383)**	(178,036)
Net cash used in investing activities	**(3,450,916)**	(9,038,292)
FINANCING ACTIVITIES		
Loans obtained from banks	**960,442**	12,059,159
Repayment of loans	**(2,022,396)**	(8,890,458)
Change in non-controlling interests	**3,496,146**	446,877
Net movement on foreign currency translation reserve	**756,241**	1,809,056
Net cash from financing activities	**3,190,433**	5,424,634
Net decrease in cash and cash equivalents	**(1,007,300)**	(1,585,568)
Cash and cash equivalents at beginning of the period	**14,896,081**	7,721,094
Cash and cash equivalents at end of the period	**13,888,781**	6,135,526

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the parent company

International Financial Advisors – KSC (Closed) ("the parent company") is a Kuwaiti closed shareholding company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is regulated by the Central Bank of Kuwait as an investment company.

The parent company is principally engaged in providing financial advisory services, trading in local and international securities, borrowing, lending, issuing guarantees, managing investment funds and portfolios management and trading in future contracts.

In accordance with Law No. 97 of 2013 amending certain articles of the Amiri Decree Law No. 25 of 2012 regarding the issuance of the Companies Law, all existing companies are required to comply with the new companies Law in accordance with the rules and regulations stipulated in the Executive By-Laws due to be issued by the Minister of Commerce and Industry within six months from the date of issuance of the Law No. 97 in the official gazette on 27 March 2013. Further, all other supervisory bodies are required to issue their respective regulations within this time frame.

The address of the parent company's registered office is PO Box 4694, Safat 13047, State of Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2013 was authorised for issue by the parent company's board of directors on ……………..

2 Basis of presentation

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and the Central Bank of Kuwait regulations regarding general provisions against loans receivable.

The provisions for loans receivable complies in all material respects with the requirements of the Central bank of Kuwait. In this respect, Central Bank of Kuwait requires a general provision of 1% on all loans receivable not subject to a specific provision.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of the group for the year ended 31 December 2012 except for the adoption of new and revised standards and interpretations as discussed below.

Operating results for the three-month period are not necessarily indicative of the results that may be expected for the year ending 31 December 2013. For further information, refer to the audited consolidated financial statements and its related notes for the year ended 31 December 2012.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars (KD) which is the functional currency of the parent company.

Basis of consolidation

The interim condensed financial information of the parent company and its subsidiaries (Note 5) has been consolidated on a line by line basis after eliminating intra-group balances, intra-group transactions and resulting unrealized profits in full. Uniform accounting policies have been used by the group's companies in order to record like transactions and other events which occurred under similar circumstances in these companies.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

3.1 Adoption of new IASB Standards and amendments during the period

The Group has adopted the following new and amended IFRS during the period:

Standard or Interpretation	*Effective for annual periods beginning*
IAS 1 Presentation of Financial Statements – amendment	1 July 2012
IAS 27 Consolidated and Separate Financial Statements - Revised as IAS 27 Separate Financial Statements	1 January 2013
IAS 28 Investments in Associates - Revised as IAS 28 Investments – Associates and Joint Venture	1 January 2013
IFRS 7 Financial Instruments: Disclosures – amendments	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interest in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
Annual Improvements 2009-2011	1 January 2013

3.1.1 IAS 1 Presentation of Financial Statements- amendment

The Group has adopted the amendment to IAS 1 which requires entities to group other comprehensive income items presented in the interim condensed consolidated statement of comprehensive income based on those:

a) Potentially reclassifiable to interim condensed consolidated statement of income in a subsequent period, and
b) That will not be reclassified to interim condensed consolidated statement of income subsequently.

3.1.2 IAS 27 Consolidated and Separate Financial statements – Revised as IAS 27 Separate Financial Statements

As a result of the consequential amendments, IAS 27 now deals with separate financial statements.

The adoption of this amendment did not have any significant impact on the financial position or performance of the Group

3.1.3 IAS 28 Investments in Associates – Revised as IAS 28 Investments in Associates and Joint Ventures

As a result of the consequential amendments, IAS 28 brings investments in joint ventures into its scope. However, the equity accounting methodology under IAS 28 remains unchanged.

The adoption of this amendment did not have any significant impact on the financial position or performance of the Group

3.1.4 IFRS 7 Financial Instruments: Disclosures – Amendments

Qualitative and quantitative disclosures have been added to IFRS 7 'Financial Instruments: Disclosures' (IFRS 7) relating to gross and net amounts of recognised financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position. The required disclosures are required to be provided retrospectively (note 18).

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 Adoption of new IASB Standards and amendments during the period (continued)

3.1.5 IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements. It revised the definition of control together with accompanying guidance to identify an interest in subsidiary. However, the requirements and procedures of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

The adoption of this standard did not have any significant impact on the financial position or performance of the Group.

3.1.6 IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 is designed to complement the other new standards. It sets out consistent disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities. The disclosure requirements are extensive and will result in significant amounts of new disclosures for some companies. Structured entities were previously referred to in SIC 12 as special purpose entities. The disclosures required by IFRS 12 aim to provide transparency about the risks a company is exposed to through its interests in structured entities.

None of these disclosure requirements are applicable for interim condensed consolidated financial information unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made any disclosures.

3.1.7 IFRS 13 Fair Value Measurement

IFRS 13 does not affect which items to be fair valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements.

The adoption of this standard did not have any significant impact on the financial position or performance of the Group.

3.1.8 Annual Improvements 2009-2011

The Annual Improvements 2009-2011 (the Annual Improvements) made several minor amendments to a number of IFRSs. The amendments relevant to the Group are summarised below:

Clarification of the requirements for opening statement of financial position:

- clarifies that the appropriate date for the opening statement of financial position is the beginning of the preceding period (related notes are no longer required to be presented)
- addresses comparative requirements for the opening statement of financial position when an entity changes accounting policies or makes retrospective restatements or reclassifications, in accordance with IAS 8.

Clarification of the requirements for comparative information provided beyond minimum requirements:

- clarifies that additional financial statement information need not be presented in the form of a complete set of financial statements for periods beyond the minimum requirements
- requires that any additional information presented should be presented in accordance with IFRS and the entity should present comparative information in the related notes for that additional information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 Adoption of new IASB Standards and amendments during the period (continued)

3.1.8 Annual Improvements 2009-2011 (continued)

Segment information for total assets and liabilities:

- clarifies that the total assets and liabilities for a particular reportable segment are required to be disclosed if, and only if: (i) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; (ii) there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment.

The adoption of the above amendments did not have any significant impact on the financial position or performance of the Group.

3.2 IASB Standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Management is yet to determine impact of these pronouncements in the interim condensed consolidated financial information. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 32 Financial Instruments: Presentation – amendments	1 January 2014
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015

3.2.1 IAS 32 Financial Instruments: Presentation - Amendments

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

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

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. Management does not anticipate a material impact on the Group's interim condensed consolidated financial information from these amendments.

3.2.2 IFRS 9 Financial Instruments

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety, with the replacement standard to be effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

- Phase 1: Classification and Measurement
- Phase 2: Impairment methodology
- Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition.

Notes to the interim condensed consolidated financial information (continued)

4 Assumptions 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, liabilities, income and expenses. 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 consistent with those applied to the consolidated financial statements for the year ended 31 December 2012.

5 Subsidiary companies

The interim condensed consolidated financial information has incorporated the interim condensed financial information of the following subsidiaries as at 31 March 2013 or 31 December 2012:

Name of subsidiary	Period ended	Activity	Effective ownership percentage %
IFA Hotels and Resorts – KSC (Closed) and Subsidiaries	31 December 2012	Hotel operations	57.56
Seven Seas Resorts Company – KSC (Closed)	31 December 2012	Hotels and resorts	48.30
Gulf Real Estate Company – WLL	31 March 2013	Real estate investments	46.32
IFA Aviation Company – KSC (Closed) and Subsidiary	31 March 2013	Aviation services	74.80
Dana Real Estate Company – SAL	31 March 2013	Real estate investments	90.00
Radeem Real Estate Company – SAL	31 March 2013	Real estate investments	99.70

6 Investments at fair value through profit or loss

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Held for trading:			
Local			
Quoted securities and managed funds	**3,197,886**	1,864,880	14,245,764
Unquoted securities	**250,621**	250,619	881,592
	3,448,507	2,115,499	15,127,356
Foreign			
Quoted securities	**3,456,383**	3,883,870	4,130,357
	6,904,890	5,999,369	19,257,713

The amounts included in the interim condensed consolidated statement of income are:

	Three months ended	
	31 March 2013 (Unaudited) KD	31 March 2012 (Unaudited) KD
Realised (loss)/gain	**(370,750)**	139,026
Unrealised (loss) /gain	**(157,547)**	647,431
	(528,297)	786,457

Notes to the interim condensed consolidated financial information (continued)

7 Gain on sale of properties under development

Gain on sale of properties under development represents the difference between the revenue and cost which have been originally incurred by the Group to purchase the properties and then fully develop and sell it to customers, and it is as follows:

	Three months ended	
	31 March 2013 (Unaudited) KD	31 March 2012 (Unaudited) KD
Sales revenue	**2,851,878**	293,100
Cost of sales	**(2,641,500)**	(101,421)
	210,378	191,679

8 Basic and diluted earnings/ (loss) per share attributable to the owners of the parent company

Earnings/(loss) per share is computed by dividing the profit/(loss) for the period attributable to the owners of the parent company, by the weighted average number of outstanding shares during the period after deducting treasury shares as follows:

	Three months ended	
	31 March 2013 (Unaudited)	31 March 2012 (Unaudited)
Profit /(loss)for the period attributable to the owners of the parent company (KD)	**1,694,220**	(4,765,468)
Weighted average number of outstanding shares (excluding treasury shares) (share)	**670,486,872**	672,430,752
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company (Fils)	**2.53**	(7.09)

9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, short term deposits and balances due to banks. Short term deposits mature within three months from the date of placement and carry interest at the prevailing commercial rates.

10 Trading properties

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Residential apartments in Dubai – UAE	**-**	329,633	312,988
Properties in South Africa	**5,048,231**	5,136,628	5,619,065
	5,048,231	5,466,261	5,932,053

Trading properties in South Africa represent plots of lands purchased in South Africa for trading purposes and comprise of lands at cost and development expenditure relating to unsold properties.

Notes to the interim condensed consolidated financial information (continued)

11 Asset classified as held for sale

This represents 25% holding in Raimon Land Public Company Limited in one of the subsidiary companies of the Group. This investment has been reclassified as non-current assets "held for sale" because the subsidiary company's management has decided to commit to a plan to sell this investment and therefore its carrying amount will be recovered principally through the sale transaction rather than through continuous use.

Accordingly, during the current period part of this investment has been sold and a net gain amounting to KD61,754 has been recognised in the interim condensed consolidated statement of income as a result of that transaction. Subsequent to the reporting date the Group has disposed this investment.

Subsequent to the reporting date the Group has disposed this investment for a consideration equivalent to KD20,737,625 resulting in a gain approximately equivalent to KD12,876,430 will be carried in the statement of income during the subsequent period.

12 Available for sale investments

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Quoted securities	**4,252,350**	3,922,223	5,736,079
Unquoted securities	**34,140,710**	41,327,965	39,320,058
	38,393,060	45,250,188	45,056,137

Unquoted securities include investments stated at cost amounting to KD13,948,053 as there are no other reliable sources to determine their fair values (31 December 2012: KD12,085,277 and 31 March 2012: KD14,833,280). Management is not aware of any circumstances that may have lead to the decline in the value of such investments.

13 Investment properties

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Lebanon	**1,879,397**	1,858,471	2,591,569
Jordan	**401,800**	401,800	1,013,182
United Arab Emirates - see below	**47,891,218**	18,729,771	19,072,526
Egypt	**354,966**	354,966	354,966
Portugal - see below	**9,102,096**	8,942,632	9,167,816
South Africa	**172,530**	175,697	189,319
	59,802,007	30,463,337	32,389,378

As the Group consolidated the financial statements of one of its main subsidiaries IFA Hotel and Resorts – KSCC listed in Kuwait Stock Exchange based on the financial statements of this subsidiary issued three months before the date of the financial position of the group which is 31 December 2012 and it has been disclosed in Kuwait Stock Exchange, and the reason is the main subsidiary company has lots of subsidiaries and associates companies outside state of Kuwait, which requires suitable period of time for receiving their financial statements, the Group recognised during the period the profits resulting from re-estimation of the fair value as at 31 December 2012 of properties in Palm Jumeriah land and the land of Kingdom hotel Sheba, Dubai, UAE and Pinecliff Resort, Portugal which have been estimated by independent external valuers licensed to practice real estate evaluation profession according to the requirement of CMA in Kuwait, where the revaluation gain amounting to KD19,932,188 has been recognised in the interim condensed income statement during the current period. Also during the period group decided to transfer the Kingdom of Sheba Hotel, land and cost of initial work in UAE subsidiary from capital work in progress to investment properties for capital appreciation with an amount of KD8,843,016.

Notes to the interim condensed consolidated financial information (continued)

14 Investment in associated companies

The details of the associated companies are as follows:

Name of the associate	Principal activities	Date of acquisition	Country of incorporation	%	Net shareholders' equity as of 31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Boschendal (Pty) Ltd	Real estate	Apr-06	South Africa		-	-	2,852,073
Purple Plum Properties Limited	Property development	Apr-06	South Africa	**37.33**	**1**	1	-
Zamzam Religious Tourism Company	Hajj & Umrah services	Sep-07	Kuwait	**20**	**50,000**	50,000	50,000
Legend and IFA Developments (Pty) Ltd	Property development	Jun-07	South Africa	**50**	**8,033,099**	11,092,418	11,867,904
International Finance Company – KSC (Closed) – Quoted	Financing	July-08	Kuwait	**19.36**	**27,208,014**	26,050,092	33,556,517
					35,291,114	37,192,511	48,326,494

The Group's share during the period from the results of the activities of the above mentioned associated companies amounted to loss of KD48,953 (31 March 2012: loss of KD1,145,016). During the period, the Group also sold a percentage of 0.27% from the shares of International Finance Company – KSC (Closed) from which a sale loss amounting to KD75,139 (31 March 2012: loss of KD1,197,380) has resulted.

The Group has made impairment provision amounting to KD3,216,178 (31 March 2012 : Nil) against the shareholders' loan granted to Legend and IFA Development (Pty) Ltd Company carried in the statement of income for the period.

15 Properties under development

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Properties in Dubai – UAE	**135,736,866**	126,837,197	120,302,992
Properties in South Africa	**6,687,512**	7,772,050	9,416,384
Properties in Lebanon	**13,465,558**	15,663,592	19,711,552
	155,889,936	150,272,839	149,430,928

16 Capital work in progress

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Hotels, residential flats and commercial properties under construction in Dubai – UAE and South Africa	**109,224,720**	122,156,490	110,799,268

Notes to the interim condensed consolidated financial information (continued)

17 Payables and other credit balances

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Accrued interest payable	**6,569,700**	5,240,835	4,044,328
Accounts payable	**17,284,947**	17,771,798	18,003,044
Accrued dividend payable	**521,468**	521,343	522,580
Liability towards purchase of lands	**7,161,170**	7,286,773	6,906,393
Kuwait Foundation for the Advancement of Sciences (KFAS)	**2,419,372**	2,391,320	2,391,320
National Labour Support Tax (NLST)	**7,536,368**	7,458,445	7,458,445
Zakat provision	**604,498**	573,329	573,329
Provision for end of service indemnity and leave	**2,206,502**	1,572,853	1,736,493
Provision for contingent liabilities	**73,966**	73,966	73,966
Redeemable preference shares	**2,814,968**	2,993,455	2,919,726
Deferred income	**1,706,526**	1,807,143	2,028,154
Retentions payable	**11,874,768**	11,879,463	11,617,807
Accrued construction costs	**3,948,433**	4,677,906	5,430,374
Refundable deposit on cancellation and resale of units	**4,348,539**	4,482,701	2,874,488
Other payables	**7,075,798**	3,967,136	7,375,866
	76,147,023	72,698,466	73,956,313

18 Borrowings

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Loans in KD	**51,000,000**	51,000,000	51,500,000
Loans in USD	**42,497,216**	41,374,277	42,125,420
Loans in AED	**68,001,346**	68,043,800	62,837,645
Loans in EURO	**13,820,370**	14,024,962	14,452,591
Loans in Rand	**15,832,846**	17,220,,226	20,406,721
Loans in GBP	**397,983**	412,591	431,940
	191,549,761	192,075,856	191,754,317

The loans above are due for repayment as at as follows:

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Within one year	**56,583,908**	29,665,815	23,070,497
More than one year	**134,965,853**	162,410,041	168,683,820
	191,549,761	192,075,856	191,754,317

Notes to the interim condensed consolidated financial information (continued)

19 Treasury shares

	31 March 2013 (Unaudited)	31 Dec. 2012 (Audited)	31 March 2012 (Unaudited)
Number of shares (thousand share)	**49,513**	49,513	49,649
Percentage to the issued shares	**6.88%**	6.88%	6.90%
Market value (KD '000)	**2,475**	2,153	2,582

20 Capital commitments

Capital expenditure commitments

The Group has commitments to pay all the amounts required to settle its remaining share in the financing of the construction of real estate projects in Dubai (UAE) and South Africa. The Group's share in the amounts required to finance these projects is as follows:

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Estimated and contracted commitments for property, plant & equipment and capital work in progress	**-**	**-**	1,652,700
Estimated and contracted capital expenditure for construction of properties under development and trading properties	**37,052,000**	**37,177,000**	41,700,000
	37,052,000	**37,177,000**	43,352,700

The Group expects to finance the future expenditure commitments from the following sources:

a) sale of investment properties.
b) advances from customers.
c) share capital increase.
d) advances provided by the shareholders, related entities and joint ventures.
e) borrowings, if required.

The financing rates expected from the above sources are dependent on the nature of the source of financing and management estimates of the best financing sources available at the time they become due.

Notes to the interim condensed consolidated financial information (continued)

21 Segmental analysis

The Group has adopted IFRS 8 Operating Segments. According to this standard, reported segment profits are based on management's internal financial reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance, and then it is reconciled to the Group's profit or loss. Conversely, the predecessor standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical). The adoption of IFRS 8 has resulted in a change in the identification of the Group's reportable segments. The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

The Group primarily operates in one area of business activity, investment. Accordingly in prior years, segment information reported externally was analysed on the geographical basis. However, information reported to the Group's decision makers for the purposes of resource allocation and assessment of performance is more specifically focussed on the types of investment activities. The Group's reportable segments under IFRS 8 are therefore as follows:

Assets management
- Investments in Gulf Cooperation Council Countries, Middle East and North Africa
- International managed investment funds
- Discretionary and non-discretionary management for financial portfolios
- Management services

Treasury and investments
- Private equity
- Investment in international quoted securities
- Lending to corporates and individuals
- Managing the company's liquidity requirements

Real estate
- Sale and purchase of real estate
- Real estate brokerage and advisory

The profits and losses generated by the Group from business segments are summarised as follows:

	Assets management		Treasury and investments		Real Estate		Others		Total	
	31 March 2013 (Unaudited) KD '000	31 March 2012 (Unaudited) KD '000	**31 March 2013 (Unaudited) KD '000**	31 March 2012 (Unaudited) KD '000	**31 March 2013 (Unaudited) KD '000**	31 March 2012 (Unaudited) KD '000	**31 March 2013 (Unaudited) KD '000**	31 March 2012 (Unaudited) KD '000	**31 March 2013 (Unaudited) KD '000**	31 March 2012 (Unaudited) KD '000
Interim condensed consolidated statement of income										
Segment revenue/(expenses)	**216**	249	**476**	(259)	**21,729**	2,187	**(3,370)**	690	**19,051**	2,867
Segment profit/(loss)	**216**	249	**476**	(259)	**21,729**	2,187	**(3,370)**	690	**19,051**	2,867
Unallocated expenses									**(20,106)**	(7,656)
Non-controlling interests									**2,749**	24
(Loss)/profit for the period									**1,694**	(4,765)

Geographical segments

The Group operates from one location in Kuwait, however the Group's assets are scattered in different geographical areas of the world.

Notes to the interim condensed consolidated financial information (continued)

22 Annual general assembly

The annual general assembly for the year ended 31 December 2012 has not been held until the date of approval for this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2012 have not been approved. The interim condensed consolidated financial information for the three month period ended 31 March 2013 do not include any adjustments, which might have been required, in case the general assembly did not approve the consolidated financial statements for the year ended 31 December 2012. The parent company's board of directors proposed not to distribute any dividends for the year ended 31 December 2012 (2011: Nil).

23 Related parties transactions

These represent transactions with related parties such as shareholders, members of the board of directors and senior management of the parent company and its companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the parent company's management.

Transactions with related parties included in the interim condensed consolidated financial information are as follows:

	31 March 2013 (Unaudited) KD	31 Dec. 2012 (Audited) KD	31 March 2012 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties	**7,844,519**	4,741,193	5,429,626
Due to related parties	**(17,611,223)**	(15,775,238)	(17,095,436)
Term loan from a related party	**(9,943,636)**	(9,943,636)	(11,663,637)
Transactions included in the interim condensed consolidated statement of income:			
Interest expenses	**-**	56,359	27,873
Interest income	**8,296**	28,008	5,529
Gain on sale of available for sale investments	**667,621**	267,048	-
Key management compensation of the group			
Short-term employee benefits	**181,975**	602,407	182,774

Related parties balances outstanding at period end and which are resulting from funds transfer are included under amounts due from related parties and amounts due to related parties.

Notes to the interim condensed consolidated financial information (continued)

24 Capital management objectives

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2012.

24.1 Categories of financial instruments

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

	31 March 2013 (Unaudited)	
	Fair value KD'000	Carrying value KD'000
Financial assets		
Cash and cash equivalents	-	13,889
Investments at fair value through profit or loss	6,654	251
Receivables and other debt balances	-	21,538
Loans receivable	-	2,606
Due from related parties	-	7,845
Available for sale investments	24,445	13,948
	31,099	60,077
Financial liabilities		
Payables and other credit balances	-	76,147
Due to related parties	-	17,611
Term loan from a related party	-	9,944
Borrowings	-	191,550
Advances received from customers	-	142,664
	-	437,916

Management believes that the carrying values of the financial instruments approximate their fair values.

24.2 Financial instruments measured at fair value

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- 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 (unobservable inputs).

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

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

Notes to the interim condensed consolidated financial information (continued)

24 Capital management objectives (continued)

31 March 2013 (unaudited)

	Note	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000	Total KD '000
Assets:					
Investments at fair value through profit or loss					
Investments held for trading:					
Local:					
Quoted securities and managed funds	a + b	3,198	-	-	3,198
Foreign:					
Quoted securities	a	3,456	-	-	3,456
Financial assets available for sale					
Quoted securities	a	4,252	-	-	4,252
Managed funds	b	-	1,325	-	1,325
Unquoted securities	c	-	-	18,868	18,868
		10,906	1,325	18,868	31,099
Liabilities	d	-	-	-	-
Net fair value		10,906	1,325	18,868	31,099

There have been no significant transfers between level 1 and 2 during the reporting period

Measurement at fair value
The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

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

b) Managed funds
The underlying investments of local managed funds primarily comprise of local quoted securities whose fair values has been determined by reference to their quoted bid prices at the reporting date.

c) Unquoted securities
The consolidated financial statements include holdings in unlisted securities which are measured at fair value. Fair value is estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates.

d) Financial liabilities
The Group does not have any financial liabilities at fair value.

25 Comparative figures

Certain comparative amounts have been reclassified to conform with the presentation of the current period. Such reclassification does not affect the consolidated net assets, equity, and operation results for the previous period. Also it did not affect the net decrease in cash and cash equivalents for that period.