Interim condensed consolidated financial information and review report

YIACO Medical Company – KPSC and Subsidiaries

Kuwait

31 March 2014 (Unaudited)

Contents

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

EY
Building a better working world

Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18–21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

Report on review of interim condensed consolidated financial information

To the board of directors of
YIACO Medical Company - KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of YIACO Medical Company– KPSC (the "Parent Company") and its subsidiaries(together the "Group") as of 31 March 2014 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

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

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

Report on Review of Other Legal and Regulatory Requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012 nor of the Articles and Memorandum of association, of the Parent Company, as amended, that might have had a material effect on the business of the Parent Company or on its financial position during the three months period ended 31 March 2014.

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

Waleed A. Al-Osaimi
Licence No. 68-A
of EY Al Aiban, Al Osaimi & Partners

Kuwait
13 May 2014

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
Sales		29,265,817	31,443,398
Cost of sales		(23,770,523)	(24,823,753)
Gross profit		5,495,294	6,619,645
Other operating income		76,883	15,303
Distribution costs		(1,248,448)	(1,206,506)
Administrative expenses		(3,046,252)	(3,427,544)
Allowance for bad and doubtful debts		(60,185)	(72,501)
Profit from operating activities		1,217,292	1,928,397
Loss on disposal of property, plant and equipment		(456)	(328)
Share of results of associate	5	371,354	229,559
Unrealised gain/(loss) on investments carried at fair value through profit or loss		103,880	(97,020)
Finance costs		(290,979)	(199,330)
Profit for the period before income tax		1,401,091	1,861,278
Income taxes for overseas subsidiaries		(37,836)	(5,987)
Profit before provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST), Zakat and Directors' remuneration		1,363,255	1,855,291
Provision for contribution to KFAS		(7,895)	(14,391)
Provision for NLST		(33,237)	(50,292)
Provision for Zakat		(9,577)	(17,821)
Provision for Directors' remuneration		(12,250)	(12,250)
Profit for the period		1,300,296	1,760,537
Attributable to:			
Owners of the Parent Company		1,282,868	1,759,323
Non-controlling interests		17,428	1,214
		1,300,296	1,760,537
Basic and diluted earnings per share attributable to the owners of the Parent Company	4	7.05 Fils	9.67 Fils

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

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
Profit for the period	1,300,296	1,760,537
Other comprehensive income:		
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	(7,012)	(75,614)
Total other comprehensive income	(7,012)	(75,614)
Total comprehensive income for the period	1,293,284	1,684,923
Total comprehensive income attributable to:		
Owners of the Parent Company	1,276,671	1,696,116
Non-controlling interests	16,613	(11,193)
	1,293,284	1,684,923

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

Interim condensed consolidated statement of financial position

	Note	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		**7,001,013**	7,110,306	7,790,106
Inventory assigned to customers		**487**	487	2,442
Intangible assets		**2,938,537**	2,763,799	1,028,643
Investment in associates	5	**8,819,222**	8,447,868	7,697,087
Investments carried at fair value through profit or loss		**610,540**	820,260	874,160
Available for sale investments		**79,380**	79,380	78,120
		19,449,179	19,222,100	17,470,558
Current assets				
Inventories		**26,208,062**	26,485,812	20,788,405
Accounts receivable and prepayments	6	**50,813,719**	44,691,486	38,113,050
Cash and cash equivalents	7	**8,604,048**	5,751,180	9,291,429
		85,625,829	76,928,478	68,192,884
Total assets		**105,075,008**	96,150,578	85,663,442
Equity and liabilities				
Equity				
Share capital		**17,325,000**	17,325,000	16,500,000
Statutory reserve		**4,111,483**	4,111,483	3,722,086
Voluntary reserve		**1,044,529**	1,044,529	655,132
General reserve		**1,561,379**	1,561,379	1,171,982
Foreign currency translation reserve		**(115,759)**	(109,562)	(71,211)
Retained earnings		**11,431,551**	10,148,683	11,954,992
Equity attributable to the owners of the Parent Company		**35,358,183**	34,081,512	33,932,981
Non-controlling interests		**221,943**	205,330	183,607
Total equity		**35,580,126**	34,286,842	34,116,588
Non-current liabilities				
Murabaha payables	8	**8,246**	20,202	87,087
Employees' end of service benefits		**2,331,536**	2,589,237	1,949,264
		2,339,782	2,609,439	2,036,351
Current liabilities				
Accounts payable and accruals		**25,076,259**	24,164,751	24,422,815
Murabaha payables	8	**42,078,841**	35,089,546	25,087,688
		67,155,100	59,254,297	49,510,503
Total liabilities		**69,494,882**	61,863,736	51,546,854
Total equity and liabilities		**105,075,008**	96,150,578	85,663,442

Nafel Mohammad Eissa Al Hathal
Chairman

Dr.Hamed A. Hamadah
Chief Executive Officer

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

Interim condensed consolidated statement of changes in equity

	Equity attributable toowners of the Parent Company								
	Share capital	Statutory reserve	Voluntary reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2014 (Audited)	17,325,000	4,111,483	1,044,529	1,561,379	(109,562)	10,148,683	34,081,512	205,330	34,286,842
Profit for the period	-	-	-	-	-	1,282,868	1,282,868	17,428	1,300,296
Other comprehensive loss	-	-	-	-	(6,197)	-	(6,197)	(815)	(7,012)
Total comprehensive (loss)/income for the period	-	-	-	-	(6,197)	1,282,868	1,276,671	16,613	1,293,284
Balance at 31 March 2014 (Unaudited)	**17,325,000**	**4,111,483**	**1,044,529**	**1,561,379**	**(115,759)**	**11,431,551**	**35,358,183**	**221,943**	**35,580,126**
Balance as at 1 January 2013 (Audited)	16,500,000	3,722,086	655,132	1,171,982	(8,004)	10,195,669	32,236,865	194,800	32,431,665
Profit for the period	-	-	-	-	-	1,759,323	1,759,323	1,214	1,760,537
Other comprehensive loss	-	-	-	-	(63,207)	-	(63,207)	(12,407)	(75,614)
Total comprehensive (loss)/income for the period		-	-	-	(63,207)	1,759,323	1,696,116	(11,193)	1,684,923
Balance at 31 March 2013 (Unaudited)	16,500,000	3,722,086	655,132	1,171,982	(71,211)	11,954,992	33,932,981	183,607	34,116,588

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

Interim condensed consolidated statement of cash flows

		Three months ended 31 March 2014 (Unaudited) KD	Three months ended 31 March 2013 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		1,300,296	1,760,537
Adjustments for:			
Depreciation and amortisation		492,460	513,322
Provision for employees' end of service benefits		121,395	111,039
Loss on disposal of property, plant and equipment		456	328
Change in fair value of investments at fair value through profit or loss		(103,880)	97,020
Finance costs		290,979	199,330
Provision for slow moving and expired items		98,205	57,601
Allowance for bad and doubtful debts		60,185	72,501
Share of results of associate		(371,354)	(229,559)
Income taxes on overseas subsidiaries		37,836	5,987
		1,926,578	2,588,106
Working capital changes :			
Inventories		179,545	3,970,163
Accounts receivable and prepayments		(6,182,417)	(4,847,924)
Accounts payable and accruals		762,073	(875,239)
Cash flows (used in)/from operations		(3,314,221)	835,106
Employees' end of from service benefits paid		(379,096)	(75,165)
Income taxes on overseas subsidiaries paid		(37,836)	(5,987)
Net cash(used in)/from operating activities		(3,731,153)	753,954
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	288,286
Proceeds from redemption of investment at fair value through profit or loss		313,600	-
Purchase of property, plant and equipment		(351,965)	(310,550)
Purchase of intangible assets		(207,257)	(28,500)
Net movement in inventory assigned to customers		-	19,984
Net cash used ininvesting activities		(245,622)	(30,780)
FINANCING ACTIVITIES			
Finance cost paid		(140,684)	(80,316)
Net drawdown of murabaha payable		6,977,339	(28,619)
Net cash flows from (used in) financing activities		6,836,655	(108,935)
Increase in cash and cash equivalents		2,859,880	614,239
Net impact of foreign currency translation adjustments		(7,012)	(60,347)
Cash and cash equivalents at the beginning of the period		5,751,180	8,737,537
Cash and cash equivalents at the end of the period	7	8,604,048	9,291,429

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

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

The Group comprises of YIACO Medical Company – KPSC (the 'Parent Company')and its subsidiaries (collectively "the Group"). The Parent Company is a Kuwaiti public shareholding company and its shares are listed on the Kuwait Stock Exchange.

The Parent Company was incorporated on 15 January 1969 in Kuwait and is governed by the Islamic Sharee'a in its activities. The Group is engaged in the below activities which mainly operates in Kuwait and Egypt.

- Trading in medicines and medical equipment and taking part in the Government and Private Tenders.
- Establishing and Managing of Medical Centres and Hospitals.
- Establishing and Managing of Medical Dispensaries.
- Establishing and Managing of Medical Laboratories.
- Providing Home Medical Services.
- Assisting Medical Services for old people.
- Conduct of studies and researches related to the medical issues and provide Medical Consultations of the company or others.
- Contracting with Doctors, nurses, pharmacists & Technicians to work in the Clinics, Pharmacies & laboratories and with others in or out the country.
- Maintain works for the Medical Equipment and apparatus.
- Procession of Real Estates and the necessary means of Transport to perform the Company's objects.
- Utilizing the surplus funds available in the company by investing it in Financial and Real Estates portfolios managed by specialized bodies and companies. The company may perform the aforesaid business in the State of Kuwait and abroad by its self or by proxy.

Further, the Parent Company may have interest in or enter in any respect with entities that carry on works similar to its works or those that may assist the company to achieve its objects in Kuwait or abroad, and it may establish, participate in or purchase such bodies or having them affiliated thereto.

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

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

The Board of Directors of the Group approved this interim condensed financial information for issue on 13 May 2014.

The annual consolidated financial statements for the year ended 31 December 2013 were approved by the shareholders at the Annual General meeting which was held on 12 May 2014.

The address of the Parent Company's registered office is P.O. Box 435, Safat 13005, State of Kuwait.

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2014 was authorized for issue in accordance with a resolution of the Board of Directors on 13 May 2014.

Notes to the interim condensed financial information (continued)

2 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

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

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

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

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

Operating results for the three months period ended 31 March2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2013.

3 Changes in accounting policies

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

Adoption of new IASB Standards and amendments during the period

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

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

3.1 IAS 32 Financial Instruments: Presentation - Amendments

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

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

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

Notes to the interim condensed financial information (continued)

3 Changes in accounting policies (continued)

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

3.3 Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27
The Amendments define the term 'investment entity', provide supporting guidance and require investment entities to measure investments in the form of controlling interests in another entity at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

3.4 Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
The Amendment makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

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

3.5 IFRIC 21 'Levies' (IFRIC 21)
IFRIC 21 clarifies that:

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

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

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

Notes to the interim condensed financial information (continued)

4 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earningsper share are calculated by dividing the profit for the periodattributable to the owners of the Parent company by the weighted average number of shares outstanding during the period as follows:

	Three months ended 31 March 2014 (Unaudited)	Three months ended 31 March 2013 (Unaudited)
Profit for the period attributable to owners of the Parent Company (KD)	1,282,868	1,759,323
Weighted average number of shares outstanding during the period	181,912,500	181,912,500
Basic and diluted earningsper share attributable to the owners of the Parent Company	7.05 Fils	9.67 Fils

The current and comparative periods basic and diluted earnings per share have been adjusted for bonus shares approved by the general assembly held on 12 May 2014 (Note 13).

5 Investment in associate

Movement in the carrying value of investment in associate is as follows:

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Carrying value at the beginning of the period/year	8,447,868	7,467,528	7,467,528
Share of results	371,354	980,340	229,559
Carrying value at the end of the period/year	8,819,222	8,447,868	7,697,087

The Group has accounted for its investment and share of results in the associate based on management accounts as at and for the three months period ended 31 March2014.

6 Accounts receivable and prepayments

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Trade accounts receivable (net of impairment)	45,857,829	40,249,136	32,375,822
Amounts due from associate	226,477	189,863	437,248
Other receivables	536,040	550,541	771,433
Reimbursable expenses	2,971,013	2,429,467	2,950,538
Advances to suppliers	578,606	606,022	760,353
Prepaid expenses	576,321	608,267	731,628
Staff receivables	67,433	58,190	86,028
	50,813,719	44,691,486	38,113,050

Notes to the interim condensed consolidated financial information (continued)

7 Cash and cash equivalents

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Cash and bank balances	8,290,448	5,751,180	9,291,429
Cash balances with portfolio manager	313,600	-	-
Cash and cash equivalents	8,604,048	5,751,180	9,291,429

8 Murabaha payables

Murabaha payables represent commodities purchased on a deferred settlement basis from local Islamic banks which carries effective profit payable rates ranging from 2.85% to 4% (2013: 4% to 5%) per annum. The murabahas are payable on different dates ending 31 May 2015 and are secured over certain property, plant and equipment with net book value of KD853,751 (31 December2013: KD857,084 and 31 March 2013: KD841,967) and against an investment in an associate with carrying value of KD8,819,222(31 December 2013: KD8,447,868 and 31 March 2013: KD7,697,087). Amounts payable within the next twelve months are shown as current liabilities in the interim condensed consolidated statement of financial position.

9 Contingent assets and liabilities

The Parent Company has submitted claims of KD21,391,629(31 December 2013: KD19,454,869 and 31 March 2013: KD18,185,629) related to additional services provided to one of the projects with the government. However, these claims were not yet approved.

At 31 March2014 the Group had contingent liabilities in respect of outstanding letters of guarantees arising in the ordinary course of business amounting to KD22,968,456 (31 December 2013: KD20,417,412 and 31 March2013: KD18,855,122).

10 Related party transactions and balances

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD	31 March 2013 (Unaudited) KD
Included in the interim condensed consolidated statement of financial position:			
Amounts due from associate (included in accounts receivable and prepayments)	226,477	189,863	437,248
Amounts due to related parties (included in accounts payable and accruals)	24,179	22,592	17,342

Notes to the interim condensed consolidated financial information (continued)

10 Related party transactions and balances (continued)

	31 March 2014 (Unaudited) KD	31 March 2013 (Unaudited) KD
Transactions included in the interim condensed consolidated statement of profit or loss		
Write-off of inventory assigned to customers (associate)	-	19,984
Sales to associate	384,523	361,880
Other operating income (refer note 13)	56,000	-
Compensation of key management		
Provision for directors' remuneration	12,250	12,250
Management fees	-	150,330
Salaries and short term benefits	48,461	77,588
Employees' end of service benefits	5,359	5,329
	80,070	245,497

11 Segmental information

The Group's primary basis of segment reporting is by business segments, which consist of medical and related activities and investments.

Management monitors the opening results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income). and income taxes are managed on a group basis and are not allocated to operating segments.

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

	Medical and related activities KD	Investments KD	Total KD
Three months ended 31 March2014 (Unaudited)			
Segment revenue	29,265,817	475,234	29,741,051
Segment results	925,857	475,234	1,401,091
Unallocated expenses (income tax, directors' remuneration, KFAS, NLST and Zakat)			(100,795)
Profit for the period			1,300,296
Other segment information			
Share of results of an associate	-	371,354	371,354
Depreciation and amortisation	492,460	-	492,460
Finance costs	290,979	-	290,979
As at 31 March2014:			
Total assets	95,565,866	9,509,142	105,075,008
Total liabilities	(69,494,882)	-	(69,494,882)

Notes to the interim condensed consolidated financial information (continued)

11 Segmental information (continued)

	Medical and related activities KD	Investments KD	Total KD
Three months ended 31 March2013 (Unaudited)			
Segment revenue	31,443,398	132,539	31,575,937
Segment results	1,728,739	132,539	1,861,278
Unallocated expenses (income tax, directors' remuneration, KFAS, NLST and Zakat)	-	-	(100,741)
Profit for the period	-	-	1,760,537
Other segment information			
Share of results of an associate	-	229,559	229,559
Depreciation and amortisation	513,322	-	513,322
Finance costs	199,330	-	199,330
As at 31 March2013:			
Total assets	77,041,075	8,649,367	85,663,442
Total liabilities	(51,546,854)	-	(51,546,854)

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

12.1 Categories of financial assets and liabilities

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

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD
Financial assets:		
Loans and receivables (at amortised cost):		
• Accounts receivable (excluding prepayment & other non financial assets - refer note 6)	49,658,792	43,477,197
• Cash and cash equivalent	8,604,048	5,751,180
	58,262,840	49,228,377
Assets at fair value through profit or loss:		
• Investments at fair value through profit or loss		
- Designated on initial recognition	610,540	820,260
	610,540	820,260
Available for sale investments		
- At fair value	79,380	79,380
	79,380	79,380
Total financial assets	58,952,760	50,128,017

Notes to the interim condensed consolidated financial information (Unaudited) (continued)

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

12.1 Categories of financial assets and liabilities (continued)

	31 March 2014 (Unaudited) KD	31 Dec. 2013 (Audited) KD
Financial liabilities:		
At amortised cost		
• Accounts payable & accruals	25,076,259	24,164,751
• Murabaha payables	42,087,087	35,109,748
Total financial liabilities	67,163,346	59,274,499

12.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments at fair value though profit or loss and available for sale are carried at fair value and measurement details are disclosed in Note 12.3 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are at amortised costs is considered a reasonable approximation of their fair values.

12.3 Fair value hierarchy

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

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

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

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

31 March2014

	Level 1	Level 2	Level 3	Total
Assets at fair value	KD	KD	KD	KD
Investments at fair value through profit or loss				
- Local unquoted fund- designated	-	-	610,540	610,540
Available for sale investments				
- Local unquoted fund	-	-	79,380	79,380
Total assets	-	-	689,920	689,920

Notes to the interim condensed consolidated financial information (Unaudited) (continued)

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

12.3 Fair value hierarchy (continued)

31 March2013

	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Investments at fair value through statement of profit or loss:				
- Local managed funds-designated	-	-	820,260	820,260
Available for sale investments				
- Local unquoted fund	-	-	79,380	79,380
Total assets	-	-	899,640	899,640

There have been no transfers between levels during the reporting period.

Fair value measurements

The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	31 March 2014 (Unaudited) KD	31 March 2013 (Unaudited) KD
Opening balance	899,640	1,049,300
Change in fair value	103,880	(97,020)
Amount received upon partial redemption of investment	(313,600)	-
Closing balance	689,920	952,280

Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.

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.

13 Annual general assembly, dividends and board of directors' remuneration

a) The Annual General Assembly of the shareholders held on 12 May 2014, approved the financial statements for the year ended 31 December 2013 and director's proposal to distribute stock dividends of 5% for the year then ended.

b) Further the shareholders at the Annual General Assembly held on 12 May 2014 approved only KD49,000 of the KD105,000 directors' remuneration proposed by the Board for the year ended 31 December 2013. Consequently the excess provision of KD56,000 made during the prior year was adjusted during the current period as other operating income in the interim condensed consolidated statement of profit or loss.

Notes to the interim condensed consolidated financial information (Unaudited) (continued)

14 Comparative information

Certain comparative figures has been reclassified to conform to the presentation in the current year, and such reclassification does not affect previously reported net assets, net equity and net results for the year or net increase in cash and cash equivalents.