

19 MAY 2013

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Interim Condensed Consolidated Financial Information and Review Report

Tamdeen Real Estate Company – KSC (Closed) and its Subsidiaries

Kuwait

31 March 2013 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Tamdeen Real Estate Company – KSC (Closed)
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (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 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 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 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 Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012, 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 Company.



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of Grant Thornton – Al-Qatami, Al-Aiban & Partners



Fawzia Mubarak Al-Hassawi
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Interim condensed consolidated statement of income

	Notes	Three months ended 31 March 2013 (Unaudited) KD'000	Three months ended 31 March 2012 (Unaudited) KD'000
Income			
Operational income		2,179	2,246
Operational expenses		(735)	(741)
Net operational income		1,444	1,505
Other operational income		233	155
Fees from management of investment portfolios		22	13
Net income from investments	4	4,889	3,317
Share of profit in associated companies	7	1,855	1,208
Impairment in value of properties under development	8	(856)	-
Other income		60	464
		7,647	6,662
Expenses and other charges			
Staff costs		618	658
General and administrative expenses		820	873
Finance costs		1,074	1,380
		2,512	2,911
Profit for the period before contribution to KFAS, contribution to Zakat and provision for NLST		5,135	3,751
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	-
Contribution to Zakat		-	-
Provision for National Labour Support Tax (NLST)		(6)	(16)
Profit for the period		5,129	3,735
Attributable to :			
Owners of the parent company		2,792	2,217
Non-controlling interests		2,337	1,518
		5,129	3,735
EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	5	7.5 Fils	6.0 Fils

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended 31 March 2013 (Unaudited) KD'000	Three months ended 31 March 2012 (Unaudited) KD'000
Profit for the period	5,129	3,735
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	103	212
Available for sale investments:		
- Net change in fair value during the period	3,876	(3,240)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	203
Total other comprehensive income/(loss)	3,979	(2,825)
Total comprehensive income for the period	9,108	910
Attributable to:		
Owners of the parent company	6,771	(608)
Non-controlling interests	2,337	1,518
	9,108	910

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Assets				
Non-current assets				
Available for sale investments	6	93,973	88,746	92,280
Investments in associated companies	7	82,173	77,629	71,727
Investment properties		20,880	20,880	20,880
Properties under development	8	34,500	34,972	34,330
Property, plant and equipment		2,044	2,092	1,888
		233,570	224,319	221,105
Current assets				
Cash and bank balances		1,823	1,979	1,824
Short term deposits		1,743	1,753	6,135
Investments at fair value through profit or loss		744	675	701
Accounts receivable and other debit balances	9	18,182	13,529	24,383
Investments in lands and real estate held for trading		11,341	11,341	15,987
		33,833	29,277	49,030
Total assets		267,403	253,596	270,135
Equity and liabilities				
Equity				
Share capital		37,312	37,312	37,312
Share premium		11,132	11,132	11,132
Treasury shares		(650)	(650)	(645)
Reserve of profit on sale of treasury shares		739	739	739
Legal reserve		8,464	8,464	8,045
Voluntary reserve		9,862	9,862	9,443
Foreign currency translation reserve		322	219	212
Retained earnings		16,127	13,335	15,297
Cumulative changes in fair value		18,741	14,865	17,475
Equity attributable to the owners of the parent company		102,049	95,278	99,010
Non-controlling interests		48,158	42,944	45,839
Total equity		150,207	138,222	144,849
Liabilities				
Non-current liabilities				
Term loans	10	61,250	60,500	60,500
Refundable rental deposits		1,185	1,138	1,144
Provision for end of service indemnity		660	635	600
		63,095	62,273	62,244
Current liabilities				
Bank facilities	11	9,519	8,646	2,617
Accounts payable and other credit balances		12,082	11,955	10,425
Current portion of term loans	10	32,500	32,500	50,000
		54,101	53,101	63,042
Total liabilities		117,196	115,374	125,286
Total equity and liabilities		267,403	253,596	270,135



Mohammed Jassim Al-Marzouq
Chairman and CEO

Ali Yacoub Ghafil Al-Aryan
Vice-Chairman

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

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Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to the owners of the parent company										Total KD'000	
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Legal reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Retained earnings KD'000	Cumulative changes in fair value KD'000	Sub- total KD'000		Non- controlling interests KD'000
Balance as at 1 January 2013	37,312	11,132	(650)	739	8,464	9,862	219	13,335	14,865	95,278	42,944	138,222
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,877	2,877
Transactions with the owners	-	-	-	-	-	-	-	-	-	-	2,877	2,877
Profit for the period	-	-	-	-	-	-	-	2,792	-	2,792	2,337	5,129
Other comprehensive income:												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	103	-	-	103	-	103
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	3,876	3,876	-	3,876
Total comprehensive income for the period	-	-	-	-	-	-	103	2,792	3,876	6,771	2,337	9,108
Balance as at 31 March 2013	37,312	11,132	(650)	739	8,464	9,862	322	16,127	18,741	102,049	48,158	150,207

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

	Equity attributable to the owners of the parent company										Total KD'000	
	Share capital KD'000	Share premium KD'000	Treasury shares KD'000	Reserve of profit on sale of treasury shares KD'000	Legal reserve KD'000	Voluntary reserve KD'000	Foreign currency translation reserve KD'000	Retained earnings KD'000	Cumulative changes in fair value KD'000	Sub- total KD'000		Non- controlling interests KD'000
Balance as at 1 January 2012	37,312	11,132	(645)	739	8,045	9,443	-	13,080	20,512	99,618	46,953	146,571
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,632)	(2,632)
Transactions with the owners	-	-	-	-	-	-	-	-	-	-	(2,632)	(2,632)
Profit for the period	-	-	-	-	-	-	-	2,217	-	2,217	1,518	3,735
Other comprehensive income:												
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	212	-	-	212	-	212
Available for sale investments:												
- Net change in fair value during the period	-	-	-	-	-	-	-	-	(3,240)	(3,240)	-	(3,240)
- Transferred to interim condensed consolidated statement of income on impairment in value	-	-	-	-	-	-	-	-	203	203	-	203
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	212	2,217	(3,037)	(608)	1,518	910
Balance as at 31 March 2012	37,312	11,132	(645)	739	8,045	9,443	212	15,297	17,475	99,010	45,839	144,849

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2013 (Unaudited)	Three months ended 31 March 2012 (Unaudited)
Note	KD'000	KD'000
OPERATING ACTIVITIES		
Profit for the period attributable to the owners of the parent company	2,792	2,217
Adjustments:		
Depreciation	55	61
Provision for end of service indemnity	38	43
Unrealised (profit)/loss from investments at fair value through profit or loss	(69)	56
Net loss from sale of available for sale investments	-	4
Impairment in value of available for sale investments	-	203
Impairment in value of properties under development	856	-
Dividends income	(4,813)	(3,556)
Interest income	(7)	(24)
Share of profit in associated companies	(1,855)	(1,208)
Finance costs	1,074	1,380
	(1,929)	(824)
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	157	449
Accounts payable and other credit balances	128	320
Refundable rental deposits	47	-
End of service indemnity paid	(13)	(2)
Net cash used in operating activities	(1,610)	(57)
INVESTING ACTIVITIES		
Net purchase of available for sale investments	-	(85)
Proceeds from sale of available for sale investments	-	60
Paid to purchase additional shares in an associated company	(1,060)	-
Additions to properties under development	(384)	(1,039)
Net (purchase)/disposal of property, plant and equipment	(7)	33
Dividends income received	2	41
Interest income received	7	24
Net cash used in investing activities	(1,442)	(966)
FINANCING ACTIVITIES		
Change in non-controlling interests	2,601	1,524
Change in bank facilities	873	806
Change in term loans	750	-
Cash dividends	(10)	(9)
Change in foreign currency translation reserve	103	212
Finance costs paid	(1,431)	(1,605)
Net cash from financing activities	2,886	928
Net decrease in cash and cash equivalents	(166)	(95)
Cash and cash equivalents at beginning of the period	3,732	8,054
Cash and cash equivalents at end of the period	12	7,959

The notes set out on pages 8 to 21 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

Tamdeen Real Estate Company – KSC (Closed) (the parent company) was incorporated in Kuwait on 16 December 1982 in accordance with the Commercial Companies Law. The shares of this parent company are listed on the Kuwait Stock Exchange.

The principal activities of the parent company are represented in the real estate investments inside and outside the State of Kuwait, for the purposes of ownership, resale, leasing and renting. The parent company is also engaged in the development of real estate projects and construction contracts of buildings, managing the properties of others, establishing and managing real estate investment funds, real estate studies and consultancy, and investing in companies with activities similar to its own and in financial portfolios managed by professional companies and authorities.

In accordance with Law No. 97 of 2013 amending certain articles of the Amiri Decree by 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 in accordance with the provisions of this law within this time frame.

The address of the parent company: PO Box 21816 - Safat 13079 - State of Kuwait.

The interim condensed consolidated financial information for the three months period ended 31 March 2013 was authorised for issue by the parent company's board of directors on 13 May 2013.

The general assembly of shareholders was not convened up to the date of issuance of these financial information to approve the consolidated financial statements for the year ended 31 December 2012.

2 Basis of preparation

This interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2012.

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 the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation for the interim condensed consolidated financial information have been included.

Operating results for the three months period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013. For further details, refer to the group's consolidated financial statements and its related disclosures for the year ended 31 December 2012.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.1 Adoption of new IASB Standards and Amendments issued during the period

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

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning on</i>
IAS 1 Presentation of Financial Statements – Amendment	1 July 2012
IAS 19 Employee Benefits (revised)	1 January 2013
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 Ventures	1 January 2013
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IFRS 7 Financial Instruments: Disclosures – Amendment	1 January 2013
Annual Improvements 2009-2011	1 January 2013

2.1.1 IAS 1 Presentation of Financial Statements - Amendment

The amendment to IAS 1 requires entities to group other comprehensive income items presented in the statement of comprehensive income based on those:

- Potentially re-classifiable to statement of income in a subsequent period, and
- That will not be re-classified to statement of income subsequently.

2.1.2 IAS 19 Employee Benefits (revised)

The numerous amendments to IAS 19 have been issued by IASB and range from fundamental changes such as removing the corridor approach and the concept of expected returns on plan assets to simple clarifications and re-wordings.

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

2.1.3 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 only with separate financial statements.

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

2.1.4 IAS 28 Investments in Associates – Revised as IAS 28 Investments - 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.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.1 Adoption of new IASB Standards and Amendments issued during the period (continued)

2.1.5 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 percentage remain the same.

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

2.1.6 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 aims to provide transparency about the risks a company is exposed to through its interests in other entities.

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

2.1.7 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.

2.1.8 IFRS 7 Financial Instruments: Disclosures – Amendment

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 should be provided retrospectively.

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

2.1.9 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.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.1 Adoption of new IASB Standards and Amendments issued during the period (continued)

2.1.9 Annual Improvements 2009-2011 (continued)

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

- clarifies that additional financial statement information need not to 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.

Tax effect of distribution to holders of equity instruments:

- addresses a perceived inconsistency between IAS 12 'Income Taxes' (IAS 12) and IAS 32 'Financial Instruments: Presentation' (IAS 32) with regards to recognising the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.
- clarifies that the intention of IAS 32 is to follow the requirements in IAS 12 for accounting for income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction.

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: (1) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; (2) 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.

2.2 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 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 on or after the effective date of the new standard, amendment or interpretation. Management is yet to determine impact of these standards, amendments and interpretations on the consolidated financial statements. Information on new standards, amendments and interpretations that are expected to be relevant to the group's consolidated financial statements is provided below.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning on</i>
IAS 32 Financial Instruments: Presentation – Amendments	1 January 2014
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.2 IASB Standards issued but not yet effective (continued)

2.2.1 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 consolidated financial statements from these amendments.

2.2.2 IFRS 9 Financial Instruments: Classification and Measurement

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 where 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.

3 Subsidiary companies

The list of the consolidated subsidiary companies of the parent company is as follows:

Subsidiary companies	Percentage of ownership in subsidiary companies			Country of incorporation	Principal activity	Date of incorporation	Date of control
	31 March 2013 (Unaudited) %	31 Dec. 2012 (Audited) %	31 March 2012 (Unaudited) %				
Tamdeen Investment Company - KSC (Closed)	51.37	51.37	51.37	Kuwait	Investment	3 March 1997	11 January 2003
Manshar Real Estate Company - KSC (Closed)	75.685	75.685	75.685	Kuwait	Real estate	17 March 2007	17 March 2007
Tamdeen Housing Company - KSC (Closed)	45.41	45.41	45.41	Kuwait	Real estate	21 July 2008	21 July 2008
Al Adiyat International Real Estate Company - KSC (Closed) *	97.75	97.75	-	Kuwait	Real estate	25 June 2006	1 April 2012

* During the previous year, the parent company purchased the entire share amounting to 97.75% and which is owned by one of the subsidiary companies [Tamdeen Investment Company – KSC (Closed)] in Al Adiyat International Real Estate Company – KSC (Closed). No profit or loss resulted from this transaction and Al Adiyat International Real Estate Company – KSC (Closed) became a direct subsidiary of the parent company with the same share.

Notes to the interim condensed consolidated financial information (continued)

4 Net income from investments

	Three months ended 31 March 2013 (Unaudited) KD'000	Three months ended 31 March 2012 (Unaudited) KD'000
Net loss from sale of available for sale investments	-	(4)
Impairment in value of available for sale investments	-	(203)
Unrealised profit/(loss) from investments at fair value through profit or loss	69	(56)
Dividends income	4,813	3,556
Interest income	7	24
	4,889	3,317

5 Earnings per share attributable to the owners of the parent company

	Three months ended 31 March 2013 (Unaudited)	Three months ended 31 March 2012 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD'000)	2,792	2,217
Weighted average number of the outstanding shares (excluding treasury shares) (in thousand)	370,690	370,712
Earnings per share attributable to the owners of the parent company	7.5 Fils	6.0 Fils

6 Available for sale investments

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Local managed portfolios and funds	4,943	4,707	4,895
Participations in unquoted local companies shares	7,157	7,156	7,879
Participations in capital of companies located outside Kuwait	81,873	76,883	79,506
	93,973	88,746	92,280

Participations in capital of companies located outside Kuwait include the investments of one of the consolidated subsidiary companies [Tamdeen Investment Company – KSC (Closed)] in shares listed on foreign financial markets. These participations include investments with a total fair value of KD50,212 thousand (KD54,071 thousand at 31 December 2012 and KD68,054 thousand at 31 March 2012) mortgaged against term loans (Note 10) and bank facilities (Note 11).

Notes to the interim condensed consolidated financial information (continued)

7 Investments in associated companies

This item comprises the investments of the group in the following associated companies:

Company's name	Place of incorporation	31 March 2013 (Unaudited)		31 Dec. 2012 (Audited)		31 March 2012 (Unaudited)	
		Direct & indirect ownership %	Value KD'000	Direct & indirect ownership %	Value KD'000	Direct & indirect ownership %	Value KD'000
Ajmal Holding Company - BSC	Bahrain	29	10,251	29	9,489	29	9,855
Tamdeen Holding Co. - KSC (Holding Closed) *	Kuwait	51	19,279	51	17,665	43	14,259
Fucom for Central Markets - KSC (Closed)	Kuwait	25	282	25	228	25	292
Tamdeen Shopping Centers Company - KSC (Closed)	Kuwait	30	36,927	30	36,175	30	34,364
Tamdeen Franchises Holding Company - KSC (Holding Closed)	Kuwait	30	13,199	30	12,896	30	12,280
Tamdeen Resorts Company - WLL	Kuwait	25	133	25	133	25	133
Al Maysam Combined General Trading Company - WLL **	Kuwait	30	1,602	46	543	46	544
Gulf and Asia Holding Company - KSC (Holding Closed) ***	Kuwait	10	500	10	500	-	-
			82,173		77,629		71,727

Notes to the interim condensed consolidated financial information (continued)

7 Investments in associated companies (continued)

As follows, the group's share in the net assets and profit for the period/year of the associated companies in accordance with the latest financial statements available at the date of the interim condensed consolidated statement of financial position:

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Assets	122,545	123,293	118,743
Liabilities	(40,372)	(45,664)	(47,016)
Net assets	82,173	77,629	71,727
	Three months ended 31 March 2013 (Unaudited) KD'000	Year ended 31 Dec. 2012 (Audited) KD'000	Three months ended 31 March 2012 (Unaudited) KD'000
Profit for the period/year	1,855	3,480	1,208

* During the previous year, one of the subsidiary companies of the group [Tamdeen Investment Company – KSC (Closed)] purchased from a related party an additional share in Tamdeen Holding Co. – KSC (Holding Closed) for an amount of KD3,915 thousand, and thus the group's share in this associated company became 51%.

** During the period, the share capital of Al Maysam Combined General Trading Company – WLL was increased by an amount of KD3,000 thousand, but the group subscribed by part of its share in this increase, and this resulted in a decrease in the group's share in this associated company by a percentage of 16%.

*** During the previous year, the group has invested in 10% of Gulf and Asia Holding Company – KSC (Holding Closed) with a value of KD500 thousand, through one of its subsidiary companies [Tamdeen Investment Company – KSC (Closed)].

8 Properties under development

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Cost			
At beginning of period/year	35,095	33,914	33,914
Additions during period/year	384	2,497	1,039
Transferred to property, plant and equipment	-	(1,316)	-
At end of period/year	35,479	35,095	34,953
Impairment in value			
At beginning of period/year	123	623	623
Additions during period/year	856	420	-
Related to the transferred to property, plant and equipment	-	(920)	-
At end of period/year	979	123	623
Net book value			
At end of period/year	34,500	34,972	34,330

Notes to the interim condensed consolidated financial information (continued)

9 Accounts receivable and other debit balances

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Receivable from tenants	1,460	1,385	1,784
Staff receivable	53	32	64
Prepaid expenses	474	301	650
Due from related parties *	3,382	3,443	9,403
Accrued income **	4,812	19	3,617
Due from sale of investments in lands and real estate held for trading *	8,412	8,769	8,769
Other debit balances	717	845	1,400
	19,310	14,794	25,687
Provision for doubtful debts	(1,128)	(1,265)	(1,304)
	18,182	13,529	24,383

* The balances due above are mainly represented by the amounts that resulted from the sale transaction performed by the group during the year 2011 for some of its real estate plots which have been invested in for trading purpose to related parties for an amount of KD9,103 thousand and other third parties for an amount of KD10,030 thousand. The group collected part of these due balances during the current period and the previous year.

** The balance of accrued income at the end of the current period is represented by the accrued dividends from investments owned by subsidiary companies [Tamdeen Investment Company – KSC (Closed) and Manshar Real Estate Company – KSC (Closed)] for an amount of KD4,811 thousand.

10 Term loans

The term loans are due for repayment as follows:

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Within one year	32,500	32,500	50,000
From one to five years	61,250	60,500	60,500
	93,750	93,000	110,500

All the term loans are granted to the group by local banks. These loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 1.75% to 2.5% (2% to 2.25% at 31 December 2012 and 2% to 2.5% at 31 March 2012) over the discount rate announced by the Central Bank of Kuwait. The total amount of the instalments relating to the loans which are due to be repaid within twelve months from the date of the interim condensed consolidated statement of financial position is shown as a current liability.

The loans granted to the subsidiary companies are against the mortgage of investments in shares with a fair value of KD50,212 thousand (KD54,071 thousand at 31 December 2012 and KD68,054 thousand at 31 March 2012) (Note 6) and mortgage of investment properties and properties under development.

Notes to the interim condensed consolidated financial information (continued)

11 Bank facilities

The bank facilities represent the balances of overdraft facilities which are granted to the group by local banks to finance the working capital and the real estate activities. They are completely repayable on demand with annual floating interest rate which is equal to the current interest rate in the market. The bank facilities are granted to one of the subsidiary companies against the mortgage of available for sale investments (Note 6).

12 Cash and cash equivalents

Cash and cash equivalents which are shown in the interim condensed consolidated statement of cash flows comprise of the following:

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Cash and bank balances	1,823	1,979	1,824
Short term deposits (mature within three months)	1,743	1,753	6,135
	3,566	3,732	7,959

13 Segmental analysis

The activities of the group are principally carried out within the State of Kuwait. With the exception of participations in capital of companies located outside Kuwait (Note 6), all of the assets and liabilities are located inside Kuwait.

The segmental analysis of gross income, (loss)/profit for the period/year attributable to the owners of the parent company, total assets, total liabilities, non-controlling interests and net assets employed is as follows:

	Real estate KD'000	Investment KD'000	Total KD'000
Period ended at 31 March 2013 (Unaudited)			
Gross income	1,722	5,925	7,647
(Loss)/profit for the period attributable to the owners of the parent company	(73)	2,865	2,792
Total assets	81,951	185,452	267,403
Total liabilities	(82,673)	(34,523)	(117,196)
Non-controlling interests	-	(48,158)	(48,158)
Net assets employed	(722)	102,771	102,049

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Real estate KD'000	Investment KD'000	Total KD'000
Year ended at 31 December 2012 (Audited)			
Gross income	6,105	10,686	16,791
(Loss)/profit for the year attributable to the owners of the parent company	(1,322)	5,381	4,059
Total assets	82,811	170,785	253,596
Total liabilities	(82,243)	(33,131)	(115,374)
Non-controlling interests	-	(42,944)	(42,944)
Net assets employed	568	94,710	95,278
Period ended at 31 March 2012 (Unaudited)			
Gross income	1,660	5,002	6,662
(Loss)/profit for the period attributable to the owners of the parent company	(88)	2,305	2,217
Total assets	80,674	189,461	270,135
Total liabilities	(77,914)	(47,372)	(125,286)
Non-controlling interests	-	(45,839)	(45,839)
Net assets employed	2,760	96,250	99,010

14 Dividends

The general assembly of shareholders did not convene to approve the directors' proposal to distribute cash dividends of 8% or equivalent to 8 Kuwaiti Fils per share from the paid-up share capital to the shareholders for the year ended 31 December 2012 (approved to distribute cash dividends of 8% or equivalent to 8 Kuwaiti Fils per share from the paid-up share capital to the shareholders for the year ended 31 December 2011).

15 Related party transactions

Included in the transactions carried out by the group during the period, there are certain transactions with related parties within the normal activities of the group involving shareholders who are represented in the board of directors, in addition to other major shareholders. These transactions were incorporated in the interim condensed consolidated financial information as follows:

	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Interim condensed consolidated statement of financial position			
Accounts receivable and other debit balances	3,382	3,443	9,403
Accounts payable and other credit balances	1,969	1,763	250

Notes to the interim condensed consolidated financial information (continued)

15 Related party transactions (continued)

	Three months ended 31 March 2013 (Unaudited) KD'000	Year ended 31 Dec. 2012 (Audited) KD'000	Three months ended 31 March 2012 (Unaudited) KD'000
Interim condensed consolidated statement of income			
Management fees income and consultancies	96	408	94
General and administrative expenses (top management salaries and remunerations)	138	512	126
Operational expenses	151	519	112
	31 March 2013 (Unaudited) KD'000	31 Dec. 2012 (Audited) KD'000	31 March 2012 (Unaudited) KD'000
Contra accounts - off interim condensed consolidated statement of financial position items			
Net book value of customers' portfolios (major shareholders)	64,644	62,027	40,398

16 Commitments and contingent liabilities

At the date of the interim condensed consolidated statement of financial position, the parent company had commitments against letters of guarantee issued in favour of third parties of amount KD2,271 thousand (KD2,271 thousand at 31 December 2012 and KD2,129 thousand at 31 March 2012).

17 Summary of financial assets and liabilities by category

The group adopted IFRS13 Fair Value Measurement and consequential amendments to IAS 34 effective from 1 January 2013. In the first year of adoption, there was no need to present comparative information for the required disclosures. Accordingly, the disclosure for the fair value hierarchy is only presented for the period ended 31 March 2013.

17.1 Categories of financial assets and liabilities

The carrying amounts of the group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are categorized as follows:

	31 March 2013 (Unaudited) KD '000
Financial assets	
Cash and cash equivalents	3,566
Investments at fair value through profit or loss	744
Accounts receivable and other debit balances	18,182
Available for sale investments	93,973
	116,465
Financial liabilities	
Accounts payable and other credit balances	12,082
Term loans	93,750
Bank facilities	9,519
	115,351

Notes to the interim condensed consolidated financial information (continued)

17 Summary of financial assets and liabilities by category (continued)

17.1 Categories of financial assets and liabilities (continued)

Fair value represents amounts at which an asset could be exchanged or a liability settled on an arm's length basis. In the opinion of the parent company's management, the carrying amounts of financial assets and liabilities as at 31 March 2013 approximate their fair values.

17.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

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

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

The level within which the financial assets are classified is determined based on the lowest level of significant inputs which lead to the fair value measurement.

The financial assets measured at fair value in the interim condensed consolidated statement of financial position according to the fair value hierarchy are as follows:

31 March 2013 (Unaudited)

	Note	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
Assets at fair value					
Investments at fair value through profit or loss:					
- Local managed portfolios	a	744	-	-	744
Available for sale investments:					
- Local managed portfolios and funds	a	4,943	-	-	4,943
- Participations in unquoted local companies shares	b	-	7,117	40	7,157
- Participations in capital of companies located outside Kuwait	c	74,846	7,027	-	81,873
		80,533	14,144	40	94,717

Notes to the interim condensed consolidated financial information (continued)

17 Summary of financial assets and liabilities by category (continued)

17.2 Fair value hierarchy for financial instruments measured at fair value (continued)

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are as follows:

a) Local managed portfolios and funds

The underlying investments in local managed portfolios and funds represent quoted bonds and quoted and unquoted securities. They are valued based on latest reports received from the managers of these portfolios and funds.

b) Participations in unquoted local companies shares

These represent participations in unquoted local companies shares which are measured at fair value. Fair value is estimated based on the average of recent transaction prices for these investments and other valuation techniques including discounted cash flows.

c) Participations in capital of companies located outside Kuwait

These investments represent the group's participations in capital of quoted and unquoted companies in the stock exchange markets outside the State of Kuwait. The quoted investments represent all the quoted shares which are generally exchanged in the stock exchange markets, and its fair value has been determined by reference to the latest bid prices at the reporting date. The fair value of the unquoted investments has been determined by using other valuation methods such as the discounted cash flows.

18 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation of the interim condensed consolidated financial information. This reclassification has no effect on the consolidated financial statements for the previous year and the interim condensed consolidated financial information for the previous period including equity, net profit and cash and cash equivalents.