

SECURITIES GROUP COMPANY K.S.C. (PUBLIC)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED DECEMBER 31, 2015
(UNAUDITED)
WITH

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

SECURITIES GROUP COMPANY K.S.C. (PUBLIC)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Securities Group Company K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Public) (the Parent Company) and subsidiaries (the Group) as at December 31, 2015 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim 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 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.

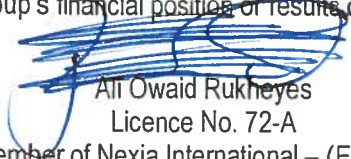
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.


Report on other Legal and Regulatory Requirements

Furthermore, the interim consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 25 of 2012, as amended and its Executive Regulations or of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine months period ended December 31, 2015 which might have materially affected on the Group's financial position or results of its operations.

We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended December 31, 2015, which might have materially affected on the Group's financial position or results of its operations.


Ali Owaid Rukh Hayes
Licence No. 72-A

Member of Nexia International – (England)
ALWaha Auditing Office


Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS AT DECEMBER 31, 2015
 (All amounts are in Kuwaiti Dinars)

	Note	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
ASSETS				
Cash on hand and at banks		9,023,671	8,782,588	8,073,780
Financial assets at fair value through profit or loss		59,549	61,830	60,293
Accounts receivable and other debit balances	3	1,283,936	6,916,912	6,743,247
Loans granted to others		358,009	512,372	512,372
Financial assets available for sale	4	40,453,664	46,055,047	46,436,579
Investment in associates	5	31,742,469	30,713,688	31,619,973
Investment in unconsolidated subsidiaries		907,862	1,067,862	1,067,862
Investment held to maturity		3,000,000	3,000,000	3,000,000
Investment properties	6	35,704,773	29,682,426	29,470,466
Total assets		122,533,933	126,792,725	126,984,572
LIABILITIES AND EQUITY				
Liabilities:				
Loans	7	64,923,700	68,185,000	67,385,000
Accounts payable and other credit balances		4,372,624	4,107,808	4,441,160
Total liabilities		69,296,324	72,292,808	71,826,160
Equity:				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	8	(87,765)	(87,765)	(87,765)
Share premium		3,046,592	3,046,592	3,046,592
Statutory reserve		12,764,186	12,764,186	12,764,186
Voluntary reserve		4,405,892	4,405,892	4,405,892
Foreign currency translation adjustments		597,124	499,110	423,249
Cumulative changes in fair value		(2,572,093)	(11,668,683)	(11,460,926)
Retained earnings		9,489,798	19,946,542	20,473,020
Equity attributable to the shareholders of the Parent Company		53,172,106	54,434,246	55,092,620
Non-controlling interests		65,503	65,671	65,792
Total equity		53,237,609	54,499,917	55,158,412
Total liabilities and equity		122,533,933	126,792,725	126,984,572
Memorandum accounts off the consolidated statement of financial position	11	1,696,842,684	1,713,440,392	1,745,992,109

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

Khaled S. Al - Ali
 Chairman


 Ali Y. Al - Awadi
 Vice Chairman and CEO

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2015
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2015	2014	2015	2014
Revenues:					
Net investment income (loss)	9	45,352	160,133	(307,928)	1,637,728
Fees and commission income		389,839	567,411	1,406,538	2,035,032
Interest income		47,750	44,362	136,340	133,230
Rental income		319,668	309,447	937,527	820,519
Group's share of results from associates		309,025	337,810	3,862,213	1,028,263
Gain on sale of investment property		37,975	16,655	37,975	16,655
Other income		1,597	4,686	278,011	160,333
Foreign exchange (loss) gain		(6,682)	405,105	379,571	395,926
		<u>1,144,524</u>	<u>1,845,609</u>	<u>6,730,247</u>	<u>6,227,686</u>
Expenses and other charges:					
General and administrative expenses		(308,636)	(335,692)	(1,249,043)	(1,305,528)
Finance charges		(373,555)	(400,305)	(1,140,629)	(1,134,933)
Impairment loss on financial assets available for sale	4	(10,876,857)	(347,327)	(12,248,163)	(347,327)
		<u>(11,559,048)</u>	<u>(1,083,324)</u>	<u>(14,637,835)</u>	<u>(2,787,788)</u>
(Loss) profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		(10,414,524)	762,285	(7,907,588)	3,439,898
Contribution to KFAS		-	(928)	-	(24,110)
NLST		36,692	(8,105)	-	(71,160)
Zakat		-	(1,191)	-	(20,053)
Net (loss) profit for the period		<u>(10,377,832)</u>	<u>752,061</u>	<u>(7,907,588)</u>	<u>3,324,575</u>
Attributable to:					
Shareholders of the Parent Company		(10,377,800)	752,139	(7,907,420)	3,325,016
Non-controlling interests		(32)	(78)	(168)	(441)
Net (loss) profit for the period		<u>(10,377,832)</u>	<u>752,061</u>	<u>(7,907,588)</u>	<u>3,324,575</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
(Loss) earnings per share attributable to the shareholders of the Parent Company	10	<u>(40.71)</u>	<u>2.95</u>	<u>(31.02)</u>	<u>13.04</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2015
(All amounts are in Kuwaiti Dinars)

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Net (loss) profit for the period	<u>(10,377,832)</u>	<u>752,061</u>	<u>(7,907,588)</u>	<u>3,324,575</u>
Other comprehensive income (loss):				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Related to financial assets available for sale:				
Changes in fair value of financial assets available for sale	157,463	(2,245,233)	(429,328)	(2,878,394)
Reversal due to sale of financial assets available for sale	-	-	1,022,472	(113,683)
Reversal due to impairment of financial assets available for sale	<u>7,571,552</u>	<u>-</u>	<u>8,504,060</u>	<u>-</u>
	<u>7,729,015</u>	<u>(2,245,233)</u>	<u>9,097,204</u>	<u>(2,992,077)</u>
Share of other comprehensive income of associates	-	1,416	1,787	1,719
Exchange differences on translating foreign operations	<u>19,167</u>	<u>143,684</u>	<u>95,613</u>	<u>337,815</u>
Other comprehensive income (loss) for the period	<u>7,748,182</u>	<u>(2,100,133)</u>	<u>9,194,604</u>	<u>(2,652,543)</u>
Total comprehensive (loss) income for the period	<u>(2,629,650)</u>	<u>(1,348,072)</u>	<u>1,287,016</u>	<u>672,032</u>
Attributable to:				
Shareholders of the Parent Company	(2,629,618)	(1,347,994)	1,287,184	672,473
Non-controlling interests	<u>(32)</u>	<u>(78)</u>	<u>(168)</u>	<u>(441)</u>
Total comprehensive (loss) income for the period	<u>(2,629,650)</u>	<u>(1,348,072)</u>	<u>1,287,016</u>	<u>672,032</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2015
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company										
	Capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation adjustments	Cumulative changes in fair value	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as at March 31, 2015	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	499,110	(11,668,683)	19,946,542	54,434,246	65,671	54,499,917
Total comprehensive income (loss) for the period	-	-	-	-	-	98,014	9,096,590	(7,907,420)	1,287,184	(168)	1,287,016
Cash dividends (Note 15)	-	-	-	-	-	-	-	(2,549,324)	(2,549,324)	-	(2,549,324)
Balance as at December 31, 2015	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>597,124</u>	<u>(2,572,093)</u>	<u>9,489,798</u>	<u>53,172,106</u>	<u>65,503</u>	<u>53,237,609</u>
Balance as at March 31, 2014 (as previously reported)	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	83,715	(8,371,934)	22,607,922	59,976,980	66,233	60,043,213
Adjustment on correction of errors (Note 13)	-	-	-	-	-	-	(96,915)	(2,910,594)	(3,007,509)	-	(3,007,509)
Balance as at March 31, 2014 (Restated)	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>83,715</u>	<u>(8,468,849)</u>	<u>19,697,328</u>	<u>56,969,471</u>	<u>66,233</u>	<u>57,035,704</u>
Total comprehensive income (loss) for the period	-	-	-	-	-	339,534	(2,992,077)	3,325,016	672,473	(441)	672,032
Cash dividends (Note 15)	-	-	-	-	-	-	-	(2,549,324)	(2,549,324)	-	(2,549,324)
Balance as at December 31, 2014	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>423,249</u>	<u>(11,460,926)</u>	<u>20,473,020</u>	<u>55,092,620</u>	<u>65,792</u>	<u>55,158,412</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2015
(All amounts are in Kuwaiti Dinars)

	Nine months ended December 31,	
	2015	2014
Cash flow from operating activities:		
(Loss) profit for the period before contribution to KFAS, NLST and Zakat	(7,907,588)	3,439,898
Adjustments for:		
Net investment loss (income)	307,928	(1,637,728)
Interest income	(136,340)	(133,230)
Group's share of results from associates	(3,862,213)	(1,028,263)
Gain on sale of investment property	(37,975)	(16,655)
Gain on sale of investment in unconsolidated subsidiaries	(6,429)	-
Foreign exchange gain	(379,571)	(395,926)
Finance charges	1,140,629	1,134,933
Impairment loss on financial assets available for sale	12,248,163	347,327
	<u>1,366,604</u>	<u>1,710,356</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	618,324	13,952,468
Loans granted to others	154,363	-
Accounts payable and other credit balances	(131,735)	(371,914)
Net cash generated from operating activities	<u>2,007,556</u>	<u>15,290,910</u>
Cash flow from investing activities:		
Purchase of financial assets available for sale	(2,759,352)	(825,910)
Proceeds from sale of financial assets available for sale	3,790,696	1,559,696
Paid for investment in an associate	-	(5,686,920)
Proceeds from capital reduction of investment in an associate	2,508,147	-
Proceeds from sale of investment in unconsolidated subsidiaries	166,429	-
Paid for investment properties	(672,316)	(16,559,165)
Proceeds from sale of investment properties	186,095	570,000
Interest received	136,340	133,230
Dividends received	1,456,053	1,719,435
Net cash generated from (used in) investing activities	<u>4,812,092</u>	<u>(19,089,634)</u>
Cash flows from financing activities:		
Loans	(3,261,300)	8,235,000
Cash dividends paid	(2,568,222)	(2,503,900)
Finance charges paid	(749,043)	(745,919)
Net cash (used in) generated from financing activities	<u>(6,578,565)</u>	<u>4,985,181</u>
Net increase in cash on hand and at banks	241,083	1,186,457
Cash on hand and at banks at the beginning of the period	8,782,588	6,887,323
Cash on hand and at banks at the end of the period	<u>9,023,671</u>	<u>8,073,780</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
DECEMBER 31, 2015

(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

Securities Group Company K.S.C. (Public) (the Parent Company) is a Kuwaiti Public Shareholding Company incorporated by agreement no. 786 / Vol. 2 dated October 24, 1981 and the latest amendment on July 22, 2015. The Parent Company is listed in the Kuwait Stock Exchange. The Parent Company's registered office is P.O. Box 26953, Safat 13130, State of Kuwait.

The principal activities of the Parent Company include:

- Trading in securities listed in Kuwait and the GCC
- Acting as custodian and managers of funds
- Conducting research and studies
- Providing financial and investment services
- Obtaining loans from the financial market, granting to others and acting as an intermediary in the lending and borrowing process
- Establishing and managing real estate portfolios for its clients inside and outside Kuwait
- Investment in real estate.

The Parent Company is under the supervision of the Capital Markets Authority according to Law No. 7/2010 for investment companies.

The interim consolidated financial information was authorized for issue by the Board of Directors on February 16, 2016.

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended March 31, 2015.

Annual improvements for 2010 - 2012 and 2011 - 2013 cycle which are effective for annual periods beginning on or after July 1, 2014 are not expected to have a material impact on the Group.

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

The interim consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with 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 in the accompanying interim consolidated financial information. Operating results for the nine months period ended December 31, 2015 are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2016. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended March 31, 2015.

The policy of the Group for calculation of the impairment provisions for loans granted to others complies in all material respects with the specific provision requirement of the Central Bank of Kuwait in addition and in accordance with central bank of Kuwait instructions, the Group provides a minimum general provision of 1% on cash credit facilities not subject to specific provision and net of certain categories of collateral and 0.5% on non cash credit facilities.

3. Accounts receivable and other debit balances

During the period, the remaining receivable from the sale of an investment property, located in the Kingdom of Saudi Arabia, through a public auction amounting to KD 5,410,746 was settled through the acquisition of investment properties (Note 6). The Group has completed all the legal procedures with the governmental authorities in the Kingdom of Saudi Arabia pertaining to the public auction and settlement of receivable.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 DECEMBER 31, 2015
 (All amounts are in Kuwaiti Dinars)

4. Financial assets available for sale

	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
Quoted securities	29,290,747	34,879,871	35,255,446
Unquoted securities	11,132,346	11,144,605	11,150,562
Funds	30,571	30,571	30,571
	<u>40,453,664</u>	<u>46,055,047</u>	<u>46,436,579</u>

Quoted securities with a carrying value of KD 14,327,325 were pledged with a local bank against a loan (Note 7) (March 31, 2015 – KD 18,052,430; December 31, 2014 – KD 18,052,430).

Impairment loss recognized on financial assets available for sale for the period ended December 31, 2015 amounted to KD 12,248,163 (December 31, 2014 - KD 347,327)

5. Investment in associates

Name of the associate	Country of incorporation	Percentage of holding	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	15,172,819	14,170,617	14,018,353
Future Communication Co. K.S.C.P.	Kuwait	28.19%	7,790,749	7,924,334	7,883,368
Kuwait Qatari Co. for Real Estate Development K.S.C.C.	Kuwait	40.72%	833,744	738,116	1,859,373
Al Madar Al Thahabia Co. W.L.L.	KSA	24%	5,672,879	5,686,920	5,694,463
Al-Jazeera Real Estate Development Co. K.S.C. (Closed)	Kuwait	20%	1,515,030	1,452,000	1,350,529
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	751,018	735,471	807,657
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>31,742,469</u>	<u>30,713,688</u>	<u>31,619,973</u>

6. Investment properties

During the period, the Group acquired investment properties located in the Kingdom of Saudi Arabia for KD 6,083,062 (SAR 75,345,569) through the settlement of receivable (Note 3).

7. Loans

	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
Loans maturing within 3 months	25,815,000	-	25,815,000
Loans maturing from 3 months to one year	39,108,700	68,185,000	41,570,000
	<u>64,923,700</u>	<u>68,185,000</u>	<u>67,385,000</u>

Loans carry an annual interest rate ranging from 2.25% to 3.25% (March 31, 2015 – 2% to 3%; December 31, 2014 – 2% to 3%). Loan of KD 25,815,000 is secured by quoted securities (Note 4) and other loans are secured by promissory notes (March 31, 2015 – KD 25,815,000; December 31, 2014 – KD 25,815,000).

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 DECEMBER 31, 2015
 (All amounts are in Kuwaiti Dinars)

8. Treasury shares

	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
Number of treasury shares	351,342	351,342	351,342
Percentage of ownership	0.14%	0.14%	0.14%
Market value (KD)	35,837	38,648	38,648
Cost (KD)	87,765	87,765	87,765

Based on Capital Markets Authority Resolution dated December 30, 2013, the Parent Company's management has allotted an amount, equal to treasury shares balance, from the available retained earnings as of the date of the interim consolidated financial information. Such amount won't be available for distribution during the treasury shares holding period. Treasury shares are not pledged.

9. Net investment income (loss)

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Unrealized loss from financial assets at fair value through profit or loss	(1,465)	(4,132)	(2,281)	(1,377)
Realized gain (loss) on sale of financial assets available for sale	37,306	6,443	(1,419,080)	823,970
Dividend income	9,511	157,822	1,113,433	815,135
	<u>45,352</u>	<u>160,133</u>	<u>(307,928)</u>	<u>1,637,728</u>

10. (Loss) earnings per share

There are no potential dilutive ordinary shares. (Loss) earnings per share is computed by dividing the net (loss) profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	Three months ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Net (loss) profit for the period attributable to shareholders of the Parent Company	<u>(10,377,800)</u>	<u>752,139</u>	<u>(7,907,420)</u>	<u>3,325,016</u>
Weighted average number of shares outstanding	<u>Shares</u> <u>254,932,376</u>	<u>Shares</u> <u>254,932,376</u>	<u>Shares</u> <u>254,932,376</u>	<u>Shares</u> <u>254,932,376</u>
(Loss) earnings per share attributable to shareholders of the Parent Company	<u>Fils</u> <u>(40.71)</u>	<u>Fils</u> <u>2.95</u>	<u>Fils</u> <u>(31.02)</u>	<u>Fils</u> <u>13.04</u>

11. Memorandum accounts off the consolidated statement of financial position

The Parent Company manages investment portfolios and funds for others amounting to KD 1,696,842,684 as at December 31, 2015 (March 31, 2015 – KD 1,713,440,392; December 31, 2014 – KD 1,745,992,109) to earn management fees. These investment portfolios are registered in the name of the Group and are not included in the accompanying interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 DECEMBER 31, 2015

(All amounts are in Kuwaiti Dinars)

12. Related party disclosures

The Group has entered into transactions with related parties in the normal course of its business. Prices and terms of payment are approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
(i) Interim condensed consolidated statement of financial position:			
Cash on hand and at banks	8,663,448	8,656,296	7,948,430
Accounts receivable and other debit balances	455,362	428,741	407,714
Loans granted to others	358,009	512,372	512,372
Loans	64,923,700	68,185,000	67,385,000
Accounts payable and other credit balances	673,915	841,504	834,850
	Three months ended December 31,	Nine months ended December 31,	
	2015	2014	2015
			2014
(ii) Interim condensed consolidated statement of profit or loss:			
Interest income	29	102	116
Finance charges	(373,555)	(400,305)	(1,140,629)
			363
			(1,134,933)
(iii) Compensation to key management personnel:			
Short-term benefits	77,507	70,642	232,522
Termination benefits	6,797	6,172	20,391
			244,650
			20,156

13. Correction of errors

The comparative consolidated statement of changes in equity for the year ended March 31, 2014 have been restated in accordance with IAS 8: "Accounting policies, changes in accounting estimates and errors" to correct the overstatement of the Group's investment in the associate, Kuwait Qatari Company for Real Estate Development K.S.C.C. ("KQRE"), arising from:

- a) Non-application of uniform accounting policy by the Group with respect to its investment properties.
- b) Not eliminating the gain on sale of investment property by KQRE to its associate – KQ for Leasing and Investment Co. K.S.C.C. ("KQLI").
- c) Unrecorded penalties in the books of account of KQLI due to non-compliance with the delivery terms in the contracts with a master developer.
- d) Other period specific adjustments on account of receipt of the audited financial statements of the associate for the years ended December 31, 2012 and December 31, 2013.

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15. General Assembly

The Shareholders' Annual General Assembly held on June 24, 2015 approved the distribution of cash dividends of 10 fils per share amounting to KD 2,549,324 for the financial year ended March 31, 2015.

The Shareholders' Annual General Assembly held on June 25, 2014 approved the distribution of cash dividends of 10 fils per share amounting to KD 2,549,324 for the financial year ended March 31, 2014.

16. Capital commitments and contingent liabilities

	December 31, 2015	(Audited) March 31, 2015	December 31, 2014
Letters of guarantee	100,000	200,000	200,000
Capital commitments	13,796	13,796	13,796
	<u>113,796</u>	<u>213,796</u>	<u>213,796</u>

17. Fair value measurement

The details of fair value measurement hierarchy are as follow:

Level 1: Quoted (unadjusted) market price in active markets for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial instruments that are measured at fair value:

<u>December 31, 2015</u>	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	59,549	-	59,549
Financial assets available for sale	29,290,747	2,361,498	31,652,245
	<u>29,350,296</u>	<u>2,361,498</u>	<u>31,711,794</u>
<u>March 31, 2015 (Audited)</u>	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	61,830	-	61,830
Financial assets available for sale	34,879,871	2,361,498	37,241,369
	<u>34,941,701</u>	<u>2,361,498</u>	<u>37,303,199</u>
<u>December 31, 2014</u>	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	60,293	-	60,293
Financial assets available for sale	35,255,446	2,367,456	37,622,902
	<u>35,315,739</u>	<u>2,367,456</u>	<u>37,683,195</u>

During the period ended December 31, 2015, there were no transfers between different levels of fair value measurement.