



**Livestock Transport and Trading Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)
and the review report for the nine month period ended 30 September 2014**



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and its Subsidiaries
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and the review report for the nine month period ended 30 September 2014**

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**The Board of Directors
Livestock Transport and Trading Company K.P.S.C.
State of Kuwait**

Report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2014 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month 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 ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

Except for the effect of the matter described in the "Basis for Qualified Conclusion" paragraph below, 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.

Basis for Qualified Conclusion


As disclosed in notes (9 and 15) to the interim condensed consolidated financial information, the balance of the Governmental subsidy due from the Ministry of Commerce and Industry, amounted to KD 16,330,630 as at 30 September 2014 (31 December 2013: KD 16,330,630 and 30 September 2013: KD 16,330,630). The Ministry of Commerce and Industry did not approve the subsidy amount. The provision of this subsidy amounted to KD 12,064,919 as at 30 September 2014 (31 December 2013: KD 12,064,919 and 30 September 2013: KD 7,799,919) in light of management's estimate of the collectible amount. We were unable to review the underlying assumptions and estimations of this provision. Had information been available to enable us to review the provision of the Governmental subsidy amount, other matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified Conclusion

Based on our review, except for the effect of possible adjustments to the interim condensed consolidated financial information that would have come to our attention had the situation not as described in the "Basis for Qualified Conclusion" paragraph, 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 IAS 34.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any contravention of the Companies Law No. 25 of 2012, as amended, its Executive Regulations, or of the Articles and Memorandum of Association of the Parent Company, as amended, during the nine month period ended 30 September 2014 that might have had a material effect on the business or the financial position of the Group.



Qais M. Al Nisf
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Kuwait: 17 November 2014



**Interim condensed consolidated statement of financial position (Unaudited)
As at 30 September 2014**

(All amounts are in Kuwaiti Dinars)

	Notes	30 September 2014	31 December 2013 (Audited)	30 September 2013
Assets				
Non-current assets				
Property, plant and equipment	5	4,180,683	5,110,437	5,447,360
Investment properties		-	-	68,706
Investments in associates	6	529,721	435,899	521,767
Available for sale investments	7	1,434,463	1,612,682	1,541,917
		<u>6,144,867</u>	<u>7,159,018</u>	<u>7,579,750</u>
Current assets				
Inventories	8	9,282,539	6,579,280	6,907,088
Trade and other receivables	9	11,647,265	8,728,195	14,529,963
Investments at fair value through profit and loss	10	9,666,708	8,619,143	9,465,308
Cash and cash equivalents	11	5,113,213	13,707,089	9,033,170
		<u>35,709,725</u>	<u>37,633,707</u>	<u>39,935,529</u>
Total assets		<u>41,854,592</u>	<u>44,792,725</u>	<u>47,515,279</u>
Equity and liabilities				
Equity				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	12	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		10,758,595	10,758,595	10,758,595
Other reserves	13	436,477	377,202	392,873
Accumulated losses		(13,231,196)	(10,494,588)	(6,695,817)
		<u>34,769,172</u>	<u>37,446,505</u>	<u>41,260,947</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,862,269	1,759,662	1,911,924
Current liabilities				
Trade and other payables	14	5,223,151	5,586,558	4,342,408
Total liabilities		<u>7,085,420</u>	<u>7,346,220</u>	<u>6,254,332</u>
Total equity and liabilities		<u>41,854,592</u>	<u>44,792,725</u>	<u>47,515,279</u>

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.


Bader N. Al Subaiee
Chairman


Mohammed Hamad Hassan Al Ibrahim
Vice Chairman


Osama Khaled Bodai
Chief Executive Officer



**Interim condensed consolidated statement of income (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
Operating revenues		16,018,418	10,021,217	41,756,071	39,229,627
Operating costs		(17,722,756)	(8,191,707)	(43,079,356)	(32,580,237)
Gross (loss)/profit		(1,704,338)	1,829,510	(1,323,285)	6,649,390
Other operating income		144,957	68,086	294,237	334,695
Marketing expenses		(382,798)	(339,777)	(1,073,997)	(1,047,704)
General and administrative expenses		(646,260)	(506,181)	(1,894,074)	(1,440,198)
Other operating expenses		-	(27,913)	(200,000)	(27,913)
Operating (loss)/profit		(2,588,439)	1,023,725	(4,197,119)	4,468,270
Investments gain	16	1,120,043	429,440	893,118	1,761,446
Group's share in associates' results		8,593	1,228	124,730	95,944
Foreign currency exchange gain/(loss)		241,895	(76,315)	539,634	(147,131)
(Loss)/profit before subsidiaries' tax and deductions		(1,217,908)	1,378,078	(2,639,637)	6,178,529
Income tax on subsidiaries		(10,591)	(3,148)	(54,971)	(52,149)
(Loss)/profit after subsidiaries' tax and before deductions		(1,228,499)	1,374,930	(2,694,608)	6,126,380
National Labor Support Tax		-	(37,989)	-	(154,519)
Zakat		-	(15,196)	-	(61,807)
Board of Directors' remuneration		(14,000)	(7,000)	(42,000)	(21,000)
(Loss)/profit for the period		(1,242,499)	1,314,745	(2,736,608)	5,889,054
Basic and diluted (loss)/earnings per share (fils)	17	(5.94)	6.28	(13.08)	28.15

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.



**Interim condensed consolidated statement of comprehensive income (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
(Loss)/profit for the period		(1,242,499)	1,314,745	(2,736,608)	5,889,054
Other comprehensive income items:					
<i>Items that may be reclassified subsequently to statement of income:</i>					
Available for sale investments:					
- Change in fair value	13	9,262	22,036	(178,219)	3,636
- Transferred to the interim condensed consolidated statement of income on impairment loss		-	-	235,086	-
Foreign currency translation difference	13	(40,000)	12,215	2,408	(272,417)
Other comprehensive (loss)/income for the period		(30,738)	34,251	59,275	(268,781)
Total comprehensive (loss)/income for the period		(1,273,237)	1,348,996	(2,677,333)	5,620,273

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

**Livestock Transport and Trading Company K.P.S.C.
and its Subsidiaries
State of Kuwait**



**Interim condensed consolidated statement of changes in equity (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 13)	Accumulated losses	Total
At 1 January 2014	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	377,202	(10,494,588)	37,446,505
Loss for the period	-	-	-	-	-	-	(2,736,608)	(2,736,608)
Other comprehensive income	-	-	-	-	-	59,275	-	59,275
At 30 September 2014	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	436,477	(13,231,196)	34,769,172
At 1 January 2013	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	661,654	(12,584,871)	35,640,674
Profit for the period	-	-	-	-	-	-	5,889,054	5,889,054
Other comprehensive loss	-	-	-	-	-	(268,781)	-	(268,781)
At 30 September 2013	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	392,873	(6,695,817)	41,260,947

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.



**Interim condensed consolidated statement of cash flows (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars)

	Notes	Nine months ended 30 September	
		2014	2013
Operating activities			
(Loss)/profit for the period		(2,736,608)	5,889,054
<i>Adjustments:</i>			
Depreciation	5	1,529,092	1,358,493
Interests on deposits and call accounts		(74,093)	(25,430)
Provision for doubtful debts		200,000	-
Group's share in associates' results		(124,730)	(95,944)
Investments gain		(893,118)	(1,761,446)
Employees' end of service benefits		141,260	148,399
		<u>(1,958,197)</u>	<u>5,513,126</u>
<i>Changes in working capital</i>			
Inventories		(2,703,259)	(1,618,538)
Trade and other receivables		(3,119,070)	(3,209,185)
Investments at fair value through profit and loss		83,047	(45,792)
Trade and other payables		<u>(363,407)</u>	<u>1,159,413</u>
Cash flows (used in) generated from operations		<u>(8,060,886)</u>	<u>1,799,024</u>
Employees' end of service benefits paid		<u>(38,653)</u>	<u>(58,782)</u>
Net cash flows (used in) generated from operating activities		<u>(8,099,539)</u>	<u>1,740,242</u>
Investing activities			
Purchase of property, plant and equipment	5	(614,909)	(824,826)
Proceeds from sale of property, plant and equipment	5	15,571	-
Dividends received from associates		30,908	67,668
Interest received on deposits and call accounts		<u>74,093</u>	<u>25,430</u>
Net cash flows used in investing activities		<u>(494,337)</u>	<u>(731,728)</u>
Net (decrease) increase in cash and cash equivalents		<u>(8,593,876)</u>	<u>1,008,514</u>
Cash and cash equivalents at the beginning of the period		<u>13,707,089</u>	<u>8,024,656</u>
Cash and cash equivalents at the end of the period	11	<u>5,113,213</u>	<u>9,033,170</u>

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.



**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the Memorandum of Association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973. On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly Meeting of the Parent Company. The head office of the Parent Company is located at Al-Salhia Complex, Al-Salhia, Kuwait. Kuwait Investment Authority is the principal shareholder of the Parent Company. The Parent Company is listed on Kuwait Stock Exchange.

The main activities of the Parent Company are as follows:

- Carrying out all operations of producing, transporting and trading all kinds of meat throughout the State of Kuwait and abroad including food industries and opening the related restaurants; the construction and purchase of farms, pastures, land and real estate necessary to achieve the Group's objectives within the State of Kuwait or abroad; the import, export and manufacturing of all cattle fodders and organic fertilizers; the possession, purchase and use of all means of marine and land transport necessary to achieve the Parent Company's objectives; the import and export of the related necessary equipment; and investment in portfolios managed by specialised entities for the Parent Company's interest.

The Group operates in three countries; Kuwait, United Arab Emirates ("UAE") and Australia, and transports and sells livestock to few countries in the Middle East.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries (together referred to as "the Group") as follows:-

<u>Name of the subsidiary</u>	<u>Shareholding interest (%)</u>	<u>Activity</u>	<u>Country of incorporation</u>
Rural Export and Trading (WA) PTY Ltd.	100	Trade in livestock and meat	Australia
Emirates Livestock and Meat Products Trading Company (under management)	100	Trade in livestock and meat	UAE

- The financial information of Rural Export and Trading (WA) PTY Ltd. has been consolidated based on financial information prepared by the subsidiary's management as at 30 September 2014.
- The total assets of the subsidiaries' amounted to KD 5,199,601 as at 30 September 2014 (KD 2,983,160 as at 31 December 2013, KD 2,753,453 as at 30 September 2013), and their respective total liabilities amounted to KD 704,980 as at 30 September 2014 (KD 438,857 as at 31 December 2013, KD 495,619 as at 30 September 2013). Their total revenues amounted to KD 3,771,615 for the nine month period ended 30 September 2014 (KD 3,401,616 for the nine month period ended 30 September 2013), and their net profit or (loss) amounted to KD (139,853) for the nine month period ended 30 September 2014 (KD 158,973 for the nine month period ended 30 September 2013).

The interim condensed consolidated financial information was authorised for issue by the Board of Directors of the Parent Company on 17 November 2014.



Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2. Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2014 are not necessarily indicative of results that may be expected for the year ending 31 December 2014. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2013.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the functional and presentation currency of the Parent Company.

2.1 New standards and amendments effective from 1 January 2014

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the audited consolidated financial statements for the year ended 31 December 2013, except the following:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit and loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries;
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

These amendments became effective on 1 January 2014. These amendments had no impact on the Group's interim condensed consolidated financial information.

IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendment to IAS 32 Financial Instruments: Presentation clarifies certain aspects because of diversity in application of the requirements on offsetting, focusing on the following aspects:

- the meaning of 'currently has a legally enforceable right of set-off';
- the application of simultaneous realisation and settlement;
- the offsetting of collateral amounts;
- the unit of account for applying the offsetting requirements.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group's interim condensed consolidated financial information.



Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2. Basis of preparation (Continued)

2.1 New standards and amendments effective from 1 January 2014 (continued)

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendment to IAS 36 Impairment 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.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group's interim condensed consolidated financial information.

IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

The amendment to IAS 39 Financial Instruments: Recognition and Measurement 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.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group's interim condensed consolidated financial information.

IFRIC 21 Levies

The interpretation provides guidance on when to recognise a liability for a levy imposed by a Government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time;
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

These amendments became effective on 1 January 2014. These amendments had no impact on the Group's interim condensed consolidated financial information.

2.2 New standards and amendments not yet effective

Standard or amendment	Title	Effective for annual periods beginning on or after
IAS 16 revised	Property, plant and equipment	1 July 2014
IAS 19 revised	Employee benefits	1 July 2014
IAS 38 revised	Intangible assets	1 July 2014
IFRS 9 revised	Financial instruments	1 January 2015
IFRS 15 (new standard)	Revenue from contracts and clients	1 January 2017



Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2. Basis of preparation (Continued)

2.2 New standards and amendments not yet effective (continued)

The management anticipates that the new standards and interpretations will be adopted in the Group's accounting policies for the period beginning on or after the effective date of the pronouncement, and those new standards and interpretations that have been issued are not expected to have a material impact on the Group's interim condensed consolidated financial information.

3. Judgment and estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, 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 judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended 31 December 2013.

4. Fair value estimation

The fair values of financial assets and liabilities are determined as follows:

- Level one: Quoted prices in active markets for financial instruments.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

The table below gives information about how the fair values of the financial assets are determined:

	Fair value as at			Valuation date	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs with fair value
	30 September 2014	31 December 2013 (Audited)	30 September 2013					
<i>Available for sale investments</i>								
Unquoted shares	1,207,055	1,385,274	1,314,509	30 September	Level 2	Technical valuation	N/A	N/A
<i>Investments at fair value through profit and loss</i>								
Quoted shares	3,550,089	3,296,677	3,309,850	30 September	Level 1	Bid prices	N/A	N/A
Unquoted shares	-	105,174	105,174	30 September	Level 3	Technical valuation	N/A	N/A
Investment Funds	6,116,619	5,217,292	6,050,284	30 September	Level 2	Declared net asset value	N/A	N/A

The carrying value of other financial assets and liabilities does not significantly differ from their fair values as at the financial information date.



Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014

(All amounts are in Kuwaiti Dinars unless otherwise stated)

5. Property, plant and equipment

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Net book value at the beginning of the period/year	5,110,437	6,175,768	6,175,768
Additions during the period/year	554,934	1,074,936	824,826
Net disposals during the period/year	(15,571)	(1,506)	-
Depreciation for the period/year	(1,529,092)	(1,871,925)	(1,358,493)
Foreign currency translation differences	59,975	(266,836)	(194,741)
Net book value at the end of the period/year	<u>4,180,683</u>	<u>5,110,437</u>	<u>5,447,360</u>

6. Investments in associates

	Country of Incorporation	Activity	Shareholding interest %	30 September 2014	31 December 2013 (Audited)	30 September 2013
Portland Pellet Suppliers (Partnership)	Australia	Livestock trading	50	467,578	375,419	460,708
Emirates Livestock and Meat Products Trading Company L.L.C	UAE	Livestock trading	49	62,142	60,479	61,058
National Tannery Company (K.S.C.C.)	Kuwait	Tannery and leather trading	40	<u>1</u>	<u>1</u>	<u>1</u>
				<u>529,721</u>	<u>435,899</u>	<u>521,767</u>

- The Group's share of results in the operation of Emirates Livestock and Meat Products Trading Company's (L.L.C.) and Portland Pellet Suppliers – Partnership (Associate of Rural Export and Trading –WA PTY Ltd), for the nine months ended 30 September 2014 and the nine months ended 30 September 2013 have been recognised based on financial information prepared by management of these associates.

7. Available for sale investments

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Unquoted local securities	651,824	645,783	639,508
Unquoted foreign securities	782,639	966,899	902,409
	<u>1,434,463</u>	<u>1,612,682</u>	<u>1,541,917</u>

- Available for sale investments include unquoted investments of KD 227,408 as at 30 September 2014 (KD 227,408 as at 31 December 2013, KD 227,408 as at 30 September 2013) carried at cost less impairment as its fair value cannot be reliably measured.
- Valuation techniques of available for sale investments are disclosed in Note 4.



**Notes to the interim condensed consolidated financial information (Unaudited)
for the nine month period ended 30 September 2014**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Inventories

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Livestock and meat (net)	5,997,849	1,544,421	2,751,851
Fodder	372,254	275,358	453,110
Intestine	28,226	45,326	73,115
Medicines, fertilisers and others	19,696	17,567	33,635
	<u>6,418,025</u>	<u>1,882,672</u>	<u>3,311,711</u>
Goods in transit	2,048,750	3,620,764	2,311,566
Production materials and spare parts	815,764	1,075,844	1,283,811
	<u>9,282,539</u>	<u>6,579,280</u>	<u>6,907,088</u>

9. Trade and other receivables

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Trade receivables	6,607,772	3,728,924	5,194,812
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>22,938,402</u>	<u>20,059,554</u>	<u>21,525,442</u>
Allowance for doubtful debts	(12,741,457)	(12,541,457)	(8,277,165)
	<u>10,196,945</u>	<u>7,518,097</u>	<u>13,248,277</u>
Advances to suppliers	834,741	616,653	571,159
Prepaid expenses	179,196	233,290	388,809
Refundable deposits	59,955	59,765	59,788
Deferred tax asset	37,379	37,348	45,668
Staff receivables	8,885	4,805	5,073
Accrued revenues	864	12,425	793
Others	329,300	245,812	210,396
	<u>11,647,265</u>	<u>8,728,195</u>	<u>14,529,963</u>

* Accrued Governmental subsidy represents amounts due from the Ministry of Commerce and Industry to support the Parent Company in meeting the increased prices of some foodstuffs and consumer goods, which is in accordance with the Council of Ministers' Resolution 1308 dated 11 September 2011 (Note 15). To date, the Group's calculation method of the subsidy has not been approved by the Ministry. The provision of this subsidy amounted to KD 12,064,919 as at 30 September 2014 (KD 12,064,919 as at 31 December 2013, KD 7,799,919 as at 30 September 2013).

10. Investments at fair value through profit and loss

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Quoted securities	3,550,089	3,296,677	3,309,850
Unquoted securities	-	105,174	105,174
Investment funds	6,116,619	5,217,292	6,050,284
	<u>9,666,708</u>	<u>8,619,143</u>	<u>9,465,308</u>

- Valuation techniques of investments at fair value through profit and loss are disclosed in Note 4.



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(All amounts are in Kuwaiti Dinars unless otherwise stated)

11. Cash and cash equivalents

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Cash on hand and at banks	2,645,360	1,814,142	2,343,353
Fixed deposits with three month maturity from placement date	2,166,304	11,670,317	6,402,785
Cash at investment portfolios	301,549	222,630	287,032
	<u>5,113,213</u>	<u>13,707,089</u>	<u>9,033,170</u>

The average effective interest rate on fixed deposits is 0.6% as at 30 September 2014 (1.35% as at 31 December 2013; 1.08% as at 30 September 2013).

12. Treasury shares

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Number of shares	7,377,383	7,377,383	7,377,383
Percentage to issued shares (%)	3.41%	3.41%	3.41%
Market value	1,416,458	1,829,591	1,711,553

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, pursuant to instructions of the relevant regulatory authorities.

13. Other reserves

	Change in fair value of available for sale investments	Foreign currency translation reserve	Total
Balance as at 1 January 2014	9,350	367,852	377,202
Change in fair value of available for sale investments	(178,219)	-	(178,219)
Impairment of available for sale investments	235,086	-	235,086
Foreign currency translation differences	-	2,408	2,408
Balance as at 30 September 2014	<u>66,217</u>	<u>370,260</u>	<u>436,477</u>
Balance as at 1 January 2013	(83,054)	744,708	661,654
Changes in fair value of available for sale investments	3,636	-	3,636
Foreign currency translation differences	-	(272,417)	(272,417)
Balance as at 30 September 2013	<u>(79,418)</u>	<u>472,291</u>	<u>392,873</u>



Notes to the interim condensed consolidated financial information (Unaudited)
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(All amounts are in Kuwaiti Dinars unless otherwise stated)

14. Trade and other payables

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Trade payables	2,151,322	1,968,811	899,588
Advances from customers	22,305	234,741	313,051
Dividends payable	130,860	150,283	160,876
Accrued expenses	2,545,467	2,578,323	2,355,252
Accrued leave	196,882	198,801	221,779
Refundable deposits	17,000	110,000	-
Due to related parties	56,853	-	56,390
Board of Directors' remuneration	42,000	56,000	21,000
National Labor Support Tax	-	163,702	154,519
Zakat	30	65,481	61,807
Other payables	60,432	60,416	98,146
	<u>5,223,151</u>	<u>5,586,558</u>	<u>4,342,408</u>

15. Governmental subsidy

In accordance with the Council of Ministers' Decree No. 1308 dated 11 September 2011, regarding the Parent Company's purchase and transport of livestock to Kuwait port (CIF) and selling the same to the State of Kuwait at cost plus a 15% profit margin, further, in accordance with the Ministerial Decree No. 409 dated 8 July 2012, about the Ministry of Commerce and Industry's financial support of KD 16.835 provided per head of sheep live or chilled or completely frozen, which is being entered to Kuwait from whatever source or means, and in effect until 1 November 2012. The total revenues recognised as a governmental subsidy in the consolidated statement of income for the years ended 31 December 2011 and 2012, in accordance to these decrees, amounted to KD 10,727,466 and 9,888,513 respectively.

The governmental subsidy revenues for the year ended 31 December 2012 includes KD 1,665,502 which represents the amount recorded by the management in excess of the amount stated in the Council of Ministerial Decree No.1308, dated 11 September 2011. As per management's opinion, this excess is to cover all costs incurred for clearance, transportation, medical care, nutrition, dead livestock, and transportation to slaughterhouse, selling and marketing expenses and other livestock expenses.

16. Investments gain

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
<i>Investments at fair value through profit and loss</i>				
Unrealised gain on fair value change	1,116,248	370,531	1,108,029	1,621,598
Realised gain on sale	3,795	58,909	20,175	104,601
	<u>1,120,043</u>	<u>429,440</u>	<u>1,128,204</u>	<u>1,726,199</u>
<i>Available for sale investments</i>				
Impairment loss	-	-	(235,086)	-
Dividends	-	-	-	35,247
	<u>-</u>	<u>-</u>	<u>(235,086)</u>	<u>35,247</u>
	<u>1,120,043</u>	<u>429,440</u>	<u>893,118</u>	<u>1,761,446</u>



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17. Basic and diluted (loss)/earnings per share (fils)

Basic and diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the period by the weighted average number of shares outstanding during the period, as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
(Loss)/profit for the period	(1,242,499)	1,314,745	(2,736,608)	5,889,054
Weighted average number of shares less treasury shares	209,213,192	209,213,192	209,213,192	209,213,192
(Loss)/earnings per share (fils)	(5.94)	6.28	(13.08)	28.15

The Parent Company has no likely diluted shares.

18. Contingent liabilities and capital commitments

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Letters of guarantee	1,309,559	1,309,229	987,730

19. Related party transactions

Related parties comprise of the Group's major shareholders, directors, key management personnel, their close family members, and entities controlled or significantly influenced by the Parent Company. In the normal course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 30 September 2014.

Details of significant related party balances and transactions are as follows:

	Nine months ended 30 September		
	2014	2013	2013
Related parties' transactions			
Management fees paid to associate companies	69,231	67,786	
Key management benefits	331,404	513,943	
Board of Directors' remuneration	42,000	21,000	
Related parties' balances			
	30 September 2014	31 December 2013 (Audited)	30 September 2013
Key management long term benefits	313,572	300,325	474,261
Key management short term benefits	17,832	20,683	39,682
Due to related parties	56,853	-	56,390
Board of Directors' accrued remuneration	42,000	56,000	21,000

All transactions with related parties are subject to the Shareholders' General Assembly approval. Amounts due to related parties are non-interest bearing and are payable on demand.



Notes to the interim condensed consolidated financial information (Unaudited)
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20. Operating segments

20.1. Geographical segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group conducts its activities through three main geographical segments:

- Commercial segment includes purchasing, transporting, ranching and selling the live and slaughtered sheep and all skins, intestines and fertilisers. Purchasing and selling fodder and also purchasing and selling chilled and frozen meat in wholesale and retail.
- Food processing segment includes meat processing and its classification in all products and selling it in wholesale.
- Investments segment include investment portfolios managed by specialised companies, and deposits.

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the geographical locations where the Group conducts its activities. The revenues, profits, assets and liabilities are measured as per the same accounting basis followed in preparing the consolidated financial information. The following is the segment analysis which is consistent with the internal reports submitted to the management:

20.1.1 Segments revenue

	Commercial segment		Food Processing segment		Investments segment		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
In Thousands Kuwaiti Dinars								
Kuwait	32,973	31,011	5,011	4,817	1,000	1,786	38,984	37,614
UAE	2,475	1,892	-	-	-	-	2,475	1,892
Australia	1,297	1,510	-	-	92	96	1,389	1,606
Total	36,745	34,413	5,011	4,817	1,092	1,882	42,848	41,112
Unallocated items:								
Miscellaneous revenues							759	310
Total revenue							43,607	41,422

20.1.2 Segments results

	Commercial segment		Food Processing segment		Investments segment		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
In Thousands Kuwaiti Dinars								
Kuwait	(1,464)	6,642	55	49	1,000	1,786	(409)	8,477
UAE	(121)	(282)	-	-	-	-	(121)	(282)
Australia	207	240	-	-	92	96	299	336
Total	(1,378)	6,600	55	49	1,092	1,882	(231)	8,531
Unallocated items:								
Unallocated other income							759	310
Unallocated other cost							(3,265)	(2,953)
Net (loss)/profit for the period							(2,737)	5,888



Notes to the interim condensed consolidated financial information (Unaudited)
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(All amounts are in Kuwaiti Dinars unless otherwise stated)

20. Operating segments (Continued)

20.1.3 Segmental distribution of assets and liabilities

	Commercial segment		Food processing segment		Investments segment		Total	
	30 September 2014	31 December 2013 (Audited)	30 September 2014	31 December 2013 (Audited)	30 September 2014	31 December 2013 (Audited)	30 September 2014	30 September 2013
Assets	22,098	17,558	4,345	4,896	15,412	22,339	41,855	47,515
Liabilities	6,725	6,852	360	494	-	-	7,085	6,254
					In Thousands Kuwaiti Dinars			
			4,670	4,670	19,754	19,754	44,793	47,515
			320	320	-	-	7,346	6,254



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(All amounts are in Kuwaiti Dinars unless otherwise stated)

20. Operating segments (Continued)

20.2 Geographical distribution of assets and liabilities

		30 September 2014			
		Kuwait	UAE	Australia	Total
		In Thousands Kuwaiti Dinars			
Assets		36,783	1,054	4,018	41,855
Liabilities		6,508	322	255	7,085

		31 December 2013 (Audited)			
		Kuwait	UAE	Australia	Total
		In Thousands Kuwaiti Dinars			
Assets		41,810	401	2,582	44,793
Liabilities		6,907	218	221	7,346

		30 September 2013			
		Kuwait	UAE	Australia	Total
		In Thousands Kuwaiti Dinars			
Assets		42,827	627	4,061	47,515
Liabilities		5,665	292	297	6,254