



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

Interim condensed consolidated financial information (Unaudited)
and review report for the three month period ended 31 March 2016



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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 31 March 2016, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The Parent Company's 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" ("IAS 34"). 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 the 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" ("IAS 34").

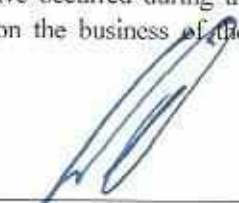
Report on review of other legal and regulatory requirements

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 violations of the Companies Law No. 1 of 2016, the Executive Regulation nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three month period ended 31 March 2016, that might have had a material effect on the business of the Group or its consolidated financial position.



Qais M. Al-Nisf
License No. 38-"A"
BDO Al Nisf & Partners

Kuwait: 4 May 2016



Khalid Ibrahim Al-Shatti
License No. 175A
PricewaterhouseCoopers
(Al-Shatti & Co.)

Interim condensed consolidated statement of financial position (Unaudited)

As at 31 March 2016

(All amounts are in Kuwaiti Dinar)

	Notes	31 March 2016	31 December 2015 (Audited)	31 March 2015
Assets				
Non-current assets				
Property, plant and equipment		3,970,620	3,866,863	3,806,631
Investments in associates		568,312	495,684	454,178
Available for sale investments	5	1,097,126	1,114,406	1,184,245
Held to maturity investments	6	800,000	-	-
		<u>6,436,058</u>	<u>5,476,953</u>	<u>5,445,054</u>
Current assets				
Inventories	7	5,803,009	5,852,976	4,863,983
Trade and other receivables	8	13,435,471	10,563,853	17,885,936
Investments at fair value through profit or loss	9	3,588,880	6,994,789	8,885,242
Cash and cash equivalents	10	14,655,658	14,236,479	5,939,821
		<u>37,483,018</u>	<u>37,648,097</u>	<u>37,574,982</u>
Total assets		<u>43,919,076</u>	<u>43,125,050</u>	<u>43,020,036</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	11	(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	12	31,556	38,952	251,055
Accumulated losses		(8,480,816)	(9,394,331)	(12,364,481)
Total equity		<u>39,114,631</u>	<u>38,208,512</u>	<u>35,450,465</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,441,381	1,386,567	1,657,670
Current liabilities				
Trade and other payables	13	3,363,064	3,529,971	5,911,901
Total liabilities		<u>4,804,445</u>	<u>4,916,538</u>	<u>7,569,571</u>
Total equity and liabilities		<u>43,919,076</u>	<u>43,125,050</u>	<u>43,020,036</u>

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


Muhammad H. Al-Ebraheem
Vice Chairman


Osama Khaled Bodai
Chief Executive Officer

Interim condensed consolidated statement of income (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 31 March	
		2016	2015
Operating revenues		9,299,976	13,637,619
Operating costs		(7,635,795)	(12,264,497)
Gross profit		1,664,181	1,373,122
Other operating income		144,990	69,054
Marketing expenses		(212,425)	(209,774)
General and administrative expenses		(499,476)	(530,144)
Other operating expenses		(108,698)	-
Operating profit		988,572	702,258
Net investment income		55,336	189,753
Group's share in associates' results		86,967	11,775
Foreign currency exchange (loss)/gain		(143,200)	94,595
Profit before subsidiaries' tax and deductions		987,675	998,381
Income tax on subsidiaries		(28,049)	-
Profit after subsidiaries' tax and before deductions		959,626	998,381
National Labour Support Tax ("NLST")		(24,365)	(24,542)
Zakat		(9,746)	(9,817)
Board of Directors' remuneration	16	(12,000)	(12,000)
Profit for the period		913,515	952,022
Basic and diluted earnings per share (fils)	14	4.37	4.55

The 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 three month period ended 31 March 2016
(All amounts are in Kuwaiti Dinar)

	Note	For the three months ended 31 March	
		2016	2015
Profit for the period		913,515	952,022
Other comprehensive income items:			
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>			
Available for sale investments:			
- Change in fair value	12	(17,280)	35,557
Foreign currency translation differences	12	9,884	(135,064)
Other comprehensive loss for the period		(7,396)	(99,507)
Total comprehensive income for the period		906,119	852,515

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

Interim condensed consolidated statement of changes in equity (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Total
At 1 January 2016								
January 2016	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	38,952	(9,394,331)	38,208,512
Profit for the period	-	-	-	-	-	-	913,515	913,515
Other comprehensive loss for the period	-	-	-	-	-	(7,396)	-	(7,396)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(7,396)	-	(7,396)
At 31 March 2016	<u>21,659,057</u>	<u>4,967,805</u>	<u>(1,647,126)</u>	<u>11,825,560</u>	<u>10,758,595</u>	<u>31,556</u>	<u>913,515</u>	<u>39,114,631</u>
At 1 January 2015								
January 2015	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	350,562	(13,316,503)	34,597,950
Profit for the period	-	-	-	-	-	-	952,022	952,022
Other comprehensive loss for the period	-	-	-	-	-	(99,507)	-	(99,507)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(99,507)	-	(99,507)
At 31 March 2015	<u>21,659,057</u>	<u>4,967,805</u>	<u>(1,647,126)</u>	<u>11,825,560</u>	<u>10,758,595</u>	<u>251,055</u>	<u>952,022</u>	<u>35,450,465</u>

The 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 three month period ended 31 March 2016
(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 31 March	
		2016	2015
OPERATING ACTIVITIES			
Profit for the period		913,515	952,022
<i>Adjustments for:</i>			
Depreciation		262,259	551,253
Interests on deposits and call accounts		(36,248)	(7,158)
Net investment income		(55,336)	(189,753)
Group's share in associates' results		(86,967)	(11,775)
Employees' end of service benefits		91,461	22,301
		<u>1,088,684</u>	<u>1,316,890</u>
<i>Changes in working capital:</i>			
Inventories		49,967	1,357,528
Trade and other receivables		(2,871,618)	(7,419,376)
Investments at fair value through profit or loss		3,461,245	(2,006,438)
Trade and other payables		(166,907)	91,205
Cash generated from/(used in) operations		<u>1,561,371</u>	<u>(6,660,191)</u>
Employees' end of service benefits paid		(38,560)	(18,131)
Net cash flows generated from/(used in) operating activities		<u>1,522,811</u>	<u>(6,678,322)</u>
INVESTMENT ACTIVITIES			
Purchase of property, plant and equipment		(310,202)	(129,883)
Dividends received from associates		34,345	52,200
Purchase of held to maturity investments	6	(800,000)	-
Interest received on deposits and call accounts		36,248	7,158
Net cash flows used in investing activities		<u>(1,039,609)</u>	<u>(70,525)</u>
Net foreign exchange differences		(64,023)	(69,630)
Net increase/(decrease) in cash and cash equivalents		<u>419,179</u>	<u>(6,818,477)</u>
Cash and cash equivalents at the beginning of the period		14,236,479	12,758,298
Cash and cash equivalents at the end of the period	10	<u>14,655,658</u>	<u>5,939,821</u>

The 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 three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar 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 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 in the Parent Company. The parent company is listed on Kuwait Stock Exchange.

The parent company's objectives are as follows:

1. To carry out all operations of producing, transporting and trading in all kinds of meat within the state of Kuwait and abroad.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the parent company's objectives within the State of Kuwait or abroad, especially barns mentioned in the memorandum of association and in the way stated therein.
3. To carry out all transportation operations deemed necessary for the company's business or for others similar businesses whether within the State of Kuwait or abroad.
4. To own, buy and utilize means of marine and land transportation necessary to achieve parent company's objectives. In addition, utilize air transport necessary for the same inside or outside the State of Kuwait.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade within the State of Kuwait or abroad.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores deemed necessary to achieve parent company's objectives.
7. To import and export marine equipment necessary for parent company's vessels.
8. To import, export and manufacture all kinds of fodder.
9. The parent company may conduct all transactions and all other actions necessary to facilitate achieving its objectives. In addition, the parent company may have an interest or establish, own, contribute or participate in any way with other entities that practice business activities similar to its own or which may help the Company in achieving its objectives inside and outside Kuwait, the Company has the right to buy such entities or affiliate the same to it.

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

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (CONTINUED)

<u>Name of subsidiaries</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 the subsidiaries has been consolidated based on financial information prepared by management as at 31 March 2016.

- The total assets of subsidiaries amounted to KD 5,206,330 as at 31 March 2016 (31 December 2015: KD 5,121,108 and 31 March 2015: KD 3,595,082) and their respective total liabilities amounted KD 546,744 as at 31 March 2016 (31 December 2015: KD 732,311 and 31 March 2015: KD 549,822). Their total profit amounted to KD 559,597 for the three month period ended 31 March 2016 (31 March 2015: KD 496,876). Their total profit/(losses) amounted to KD 16,883 for the three month period ended 31 March 2016 (31 March 2015: KD (96,812)).

The interim condensed consolidated financial information were authorised for issue by Parent Company's Board of Directors' on 4 May 2016

The Annual General Assembly for the year ended 31 December 2015 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2015 have not yet been approved. The interim condensed consolidated financial information for the three month period ended 31 March 2016 does not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2015.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the three month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2015.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information for this financial interim period are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and amendments effective as of 1 January 2016. New standards and amendments apply for the first time in 2016. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

The following is an explanation of new standards and amendments applicable as of 1 January 2016, as well as clarification of standards issued but not effective yet:

a) New standards and amendments effective from 1 January 2016

Certain new and amended standards have been effective for the current period. However, the Group does not have to change its accounting policy or make adjustments retroactively as a result of adoption of these standards:

- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27 – Equity method in separate financial statements
- Amendments to IFRS 10, IFRS 12, and IAS 28 – Investment Entities: Applying the Consolidated Exception
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations
- IFRS 14 – Regulatory Deferral Accounts
- Annual Improvements to IFRSs 2012–2014 Cycle

b) Standards and interpretations issued but not effective

The following new IASB Standards have been issued but are not yet effective, and have not been adopted by the group:

IFRS 9 Financial Instruments

The standard, effective for annual periods beginning on or after 1 January 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 specifies how an entity should classify and measure its financial instruments and includes a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Group's management anticipates that the application of IFRS 9 in the future may not have a material impact on amounts reported in respect of the Group's consolidated financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group management undertakes a detailed review.

IFRS 15 - Revenue from contracts with customers

The standard, effective for annual periods beginning on or after 1 January 2018, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the following existing standards and interpretations upon its effective date:

- IAS 18 – Revenue,
- IAS 11 – Construction Contracts,
- IFRIC 13 – Customer Loyalty Programs,
- IFRIC 15 – Agreements for the Construction of Real Estate,

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (CONTINUED)

b) Standards and interpretations issued but not effective (continued)

IFRS 15 - Revenue from contracts with customers(continued)

- IFRIC 18 – Transfers of Assets from Customers, and,
- SIC 31 – Revenue-Barter Transactions Involving Advertising Services

The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

c) Adoption of new accounting policies

Held to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity, other than those that the Group upon initial recognition designates at fair value through profit or loss, available for sale or those that meet the definition of loans and receivables, are classified as held to maturity.

Investments held to maturity are measured initially at their transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method, less impairment losses, if any.

3. JUDGEMENT AND ESTIMATES

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

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2015.

4. FAIR VALUE ESTIMATION

The fair values of financial assets and liabilities are estimated as follows.

- **Level 1:** Quoted prices in active markets for quoted financial instruments.
- **Level 2:** Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- **Level 3:** Inputs for the asset or liabilities that are not based on observable market data.

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (CONTINUED)

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

Financial assets	Fair value as at			Valuation date	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2016	31 December 2015 (Audited)	31 March 2015					
Available for sale investments								
Quoted securities	60,465	60,795	104,652	31 March	Level 1	Bid prices Technical valuation techniques	N/A	N/A
Unquoted securities	809,253	826,203	852,185	31 March	Level 2	Technical valuation techniques	N/A	N/A
Total	869,718	886,998	956,837					
Investments at fair value through profit or loss								
Quoted securities	841,182	2,015,335	3,220,397	31 March	Level 1	Bid prices Technical valuation techniques	N/A	N/A
Unquoted securities	99,699	105,133	105,174	31 March	Level 3	Technical valuation techniques Quoted net assets value of the fund	N/A	N/A
Investment funds	2,647,999	4,874,321	5,559,671	31 March	Level 2	Quoted net assets value of the fund	N/A	N/A
Total	3,588,880	6,994,789	8,885,242					

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses.

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

5. AVAILABLE FOR SALE INVESTMENTS

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Unquoted local securities	619,677	634,877	629,378
Unquoted foreign securities	416,984	418,734	450,215
Quoted local securities	60,465	60,795	104,652
	1,097,126	1,114,406	1,184,245

- Available for sale investments include unquoted local securities of KD 227,408 as of 31 December 2016 (31 December 2015: KD 227,408 and 31 March 2015: KD 227,408), are 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 three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. HELD TO MATURITY INVESTMENTS

	<u>31 March 2016</u>	<u>31 December 2015 (Audited)</u>	<u>31 March 2015</u>
Local bonds	800,000	-	-

During the period ended 31 March 2016, the Group purchased local bonds at fixed interest rates of 6.20% per annum accrued quarterly. Bonds are classified as non-current on the basis of their maturities.

7. INVENTORIES

	<u>31 March 2016</u>	<u>31 December 2015 (Audited)</u>	<u>31 March 2015</u>
Livestock and meat (net)	4,389,726	4,597,606	1,004,149
Fodder	129,862	249,966	412,698
Intestine	83,073	79,639	41,834
Medicines, fertilisers and others	33,817	43,162	12,357
	<u>4,636,478</u>	<u>4,970,373</u>	<u>1,471,038</u>
Goods in transit	55,273	2,462	2,225,021
Production materials and spare parts	1,111,258	880,141	1,167,924
	<u>5,803,009</u>	<u>5,852,976</u>	<u>4,863,983</u>

8. TRADE AND OTHER RECEIVABLES

	<u>31 March 2016</u>	<u>31 December 2015 (Audited)</u>	<u>31 March 2015</u>
Trade receivables	4,622,476	3,684,113	11,581,614
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>20,953,106</u>	<u>20,014,743</u>	<u>27,912,244</u>
Provision for doubtful debts	(13,127,317)	(13,165,254)	(13,122,573)
	<u>7,825,789</u>	<u>6,849,489</u>	<u>14,789,671</u>
Advances to suppliers	4,741,119	2,937,895	2,289,199
Prepaid expenses	211,408	395,364	224,026
Refundable deposits	10,827	10,886	63,810
Deferred tax assets	52,253	50,109	46,569
Staff advance	13,125	24,686	10,395
Others	580,950	295,424	462,266
	<u>13,435,471</u>	<u>10,563,853</u>	<u>17,885,936</u>

* By Council of Ministers resolution No. 1308 dated 11 September 2011 on the Parent Company's purchase and transfer of livestock to Kuwait port (CIF) and selling the same at cost plus 15% margin, further, the Ministerial Decree No. 409 was issued on 8 July 2012 regarding the Ministry of Commerce and Industry's financial support of KD 16.835 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.

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Government subsidy due from Ministry of Commerce and Industry as a result of the subsidy granted to the Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial Decrees' amounted to KD 16,330,630 as at 31 March 2016 (KD 16,330,630 as at 31 December 2015, KD 16,330,630 as at 31 March 2015) which includes KD 1,665,502 recognised by the Group in excess of the amount stated in the Council of Ministers' Decree No. 1308 dated 11 September 2011 for covering the costs incurred for clearance, transportation, medical care, nutrition, dead livestock, and transportation to slaughterhouse, selling and marketing expenses and other livestock expenses.

To date, the Group's calculation method of the subsidy has not been approved by the Ministry. Further, there are legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount. The provision for impairment formed for this balance amounted to KD 12,730,079 as at 31 March 2016 (KD 12,730,079 as at 31 December 2015, KD 12,730,079 as at 31 March 2015).

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Quoted securities	841,182	2,015,335	3,220,397
Unquoted securities	99,699	105,133	105,174
Investment Funds	2,647,999	4,874,321	5,559,671
	<u>3,588,880</u>	<u>6,994,789</u>	<u>8,885,242</u>

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

10. CASH AND CASH EQUIVALENTS

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Cash on hand and at banks	5,039,872	2,890,342	1,606,144
Time deposits maturing within 3 months from placement date	8,036,334	10,033,174	3,947,606
Cash at investment portfolios	1,579,452	1,312,963	386,071
	<u>14,655,658</u>	<u>14,236,479</u>	<u>5,939,821</u>

The annual average effective interest rate on deposits is 1.48% as at 31 March 2016 (31 December 2015: 1.1% and 31 March 2015: 1.024%).

11. TREASURY SHARES

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	959,060	944,305	811,512

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For the three month period ended 31 March 2016

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11. TREASURY SHARES (CONTINUED)

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 the relevant instructions of the regulatory authorities.

12. OTHER RESERVES

	Change in fair value reserve of available for sale investments	Foreign currency translation reserve	Total
At 1 January 2016	24,619	14,333	38,952
Change in fair value of available for sale investments	(17,280)	-	(17,280)
Foreign currency translation differences	-	9,884	9,884
31 March 2016	7,339	24,217	31,556
At 1 January 2015			
Change in fair value of available for sale investments	58,902	291,660	350,562
Impairment of available for sale investments	35,557	-	35,557
Foreign currency translation differences	-	(135,064)	(135,064)
31 March 2015	94,459	156,596	251,055

13. TRADE AND OTHER PAYABLES

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Trade payables	1,033,330	746,135	2,977,407
Advances from customers	40,513	-	16,219
Dividends payable to shareholders (Note 16)	125,655	125,670	128,405
Accrued expenses	1,202,104	1,275,167	1,946,074
Accrued bonus expenses	131,342	439,988	461,132
Accrued leave	183,292	153,305	181,659
Refundable deposits	20,000	20,000	27,000
Due to related parties (Note 16)	24,182	90,142	24,052
Board of Directors' remunerations (Note 16)	132,000	120,000	60,000
National Labour Support Tax ("NLST")	127,256	102,891	24,542
Zakat	50,903	41,157	9,817
Other credit balances	292,487	415,516	55,594
	3,363,064	3,529,971	5,911,901

14. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net profit for the period by the weighted average number of shares outstanding (less treasury shares) during the period as follows:

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14. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

	Three months ended 31 March	
	2016	2015
Profit for the period	913,515	952,022
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192
Earnings per share (fiis)	4.37	4.55

The Parent Company had no outstanding dilutive shares.

15. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Letters of guarantee	433,783	1,248,382	1,346,178

As at 31 March 2016, the Group has capital commitments for manufacturing new equipment of KD 2,516,426 (31 December 2015: KD 1,998,966 and 31 March 2015: KD 878,784).

16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management transactions were made with such related parties during the period ended 31 March 2016.

Detail of the significant related party transactions and balances are as follows:

Transactions	Three months ended 31 March	
	2016	2015
Management fees paid to associates	24,181	24,052
Key management benefits	28,077	7,251
Board of Directors' remuneration	12,000	12,000

Balances	31 March 2016	31 December 2015 (Audited)	31 March 2015
	Key management long term balances	95,179	98,551
Key management short term balances	19,682	20,410	15,040
Dividends payable to shareholders (Note 13)	125,655	125,670	128,405
Due to related parties (Note 13)	24,182	90,142	24,052
Board of Directors' accrued remuneration (Note 13)	132,000	120,000	60,000

All transactions with related parties are subject to the approval of Shareholders General Assembly.

Amount due to related parties is interest free and will be settled on demand.

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17. OPERATING SEGMENTS

17.1 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 may earn revenues and incur expenses and 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 separate 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 fertilizers. 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 specialized 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. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of annual consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

17.1.1. Segments revenues

	Commercial segment		Food processing segment		Investments segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	KD 000's							
Kuwait	5,915	11,592	1,536	1,155	142	202	7,593	12,949
UAE	1,497	439	-	-	-	-	1,497	439
Australia	461	452	-	-	-	-	461	452
Total	7,873	12,483	1,536	1,155	142	202	9,551	13,840
Unallocated items:								
Miscellaneous revenues							36	163
Total revenue							9,587	14,003

17.1.2. Segments results

	Commercial segment		Food processing segment		Investments segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	KD 000's							
Kuwait	846	1,597	144	(96)	142	202	1,132	1,703
UAE	(80)	(100)	-	-	-	-	(80)	(100)
Australia	93	(28)	-	-	-	-	93	(28)
Total	859	1,469	144	(96)	142	202	1,145	1,575
Unallocated items:								
Other unallocated revenues							36	163
Other unallocated costs							(267)	(786)
Net profit for the period							914	952

Notes to the interim condensed consolidated financial information (Unaudited)

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17. OPERATING SEGMENTS (CONTINUED)

17.1.3. Segmental distribution of assets and liabilities

	Commercial segment		Food processing segment		Investments segment		Total	
	31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)	31 March 2016	31 December 2015 (Audited)
Assets	18,266	16,405	5,511	5,489	20,142	21,231	43,919	43,125
Liabilities	4,748	4,881	56	36	-	-	4,804	4,917
		21,649		5,362		16,009		43,030
		7,479		91		-		7,570

Notes to the interim condensed consolidated financial information (Unaudited)
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17. OPERATING SEGMENTS (CONTINUED)

17.1.4. Assets and liabilities geographic distribution

	31 March 2016			
	Kuwait	UAE	Australia	Total
	KD 000's			
Assets	38,425	2,330	3,164	43,919
Liabilities	4,132	368	304	4,804

	31 December 2015 (Audited)			
	Kuwait	UAE	Australia	Total
	KD 000's			
Assets	38,120	2,212	2,793	43,125
Liabilities	4,186	497	234	4,917

	31 March 2015			
	Kuwait	UAE	Australia	Total
	KD 000's			
Assets	39,134	790	3,096	43,020
Liabilities	7,020	207	343	7,570

18. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the current period's presentation. The reclassification has no effect on the previously reported profit and equity.