Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
And its Subsidiaries
State of Kuwait

Consolidated Financial Statements
And Independent Auditors' report
For the year ended 31 December 2013

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Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
State of Kuwait

INDEPENDENT AUDITORS' REPORTS TO THE SHAREHOLDERS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Livestock Transport & Trading Company (K.P.S.C.), "the Company" and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As disclosed in notes (9 & 19) to the consolidated financial statements, the balance of accrued governmental subsidy due from Ministry of Commerce and Industry outstanding from prior years amounted to KD 16,330,630 as at 31 December 2013. The Ministry did not approve the amount of the subsidy. The provision made for this balance based on the management's estimates of the amounts that can be collected is KD 12,064,919 as at 31 December 2013 (KD 7,799,919 as at 31 December 2012). We were unable to obtain sufficient appropriate audit evidence about the carrying amount of this balance and the formed provision thereof because we did not obtain detailed studies for the management's estimates of the recoverable amounts. Consequently, we were not able to determine whether any significant adjustments to these amounts are necessary.

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
State of Kuwait

Independent Auditors' Reports to the Shareholders (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, except for what is discussed in the Basis for Qualified Opinion paragraph, we obtained the information that we deemed necessary for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law no. 25 of 2012, as amended and by the Company's Memorandum and Articles of Association, that an inventory was duly carried out and that to the best of our knowledge and belief, no violations of the Companies Law no. 25 of 2012, as amended or by the Company's Memorandum and Articles of Association have occurred during the financial year ended 31 December 2013 that might have had a material effect on the business of the Group or on its consolidated financial position.

Bader A. Al-Wazzan
Licence No. 62A
Deloitte & Touche
Al Wazzan & Co.

Dr. Saud Hamad Al-Humaidi
License No. 51 A
Of Dr. Saud Hamad Al-Humaidi & Partners
Member of Baker Tilly International

Kuwait, 30 March 2014

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
and its Subsidiaries
State of Kuwait

Consolidated Statement of Financial Position as at 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Assets			
Non- current assets			
Property, plants and equipment	5	5,110,437	6,175,768
Investment properties		-	68,706
Investments in associates	6	435,899	505,567
Available for sale investments	7	1,612,682	1,538,281
		7,159,018	8,288,322
Current assets			
Inventories	8	6,579,280	5,288,550
Trade and other receivables	9	8,728,195	11,351,131
Investments at fair value through profit or loss	10	8,619,143	7,693,317
Cash and cash equivalents	11	13,707,089	8,024,656
		37,633,707	32,357,654
Total assets		44,792,725	40,645,976
Equity and liabilities			
Equity			
Share capital	12	21,659,057	21,659,057
Treasury shares	13	(1,647,126)	(1,647,126)
Share premium		4,967,805	4,967,805
Statutory reserve	14	11,825,560	11,825,560
Voluntary reserve	15	10,758,595	10,758,595
Other reserves	16	377,202	661,654
Accumulated losses		(10,494,588)	(12,584,871)
Total equity		37,446,505	35,640,674
Liabilities			
Non-current liabilities			
Post-employment benefits		1,759,662	1,822,307
Current liabilities			
Trade and other payables	17	5,586,558	3,182,995
Total liabilities		7,346,220	5,005,302
Total equity and liabilities		44,792,725	40,645,976

The accompanying notes form an integral part of these consolidated financial statements.

Bader N. AlSubaiee
Chairman

Mohammed Hamad Hassan Al Ibrahim
Vice Chairman

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
and its Subsidiaries
State of Kuwait

Consolidated Statement of Income for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Operating revenues	18	51,066,768	39,780,594
Operating costs		(43,250,846)	(42,882,528)
Gross loss		7,815,922	(3,101,934)
Government subsidy	19	-	9,888,513
Other income		418,496	422,681
Marketing expenses		(1,396,781)	(1,373,187)
General and administrative expenses		(1,941,397)	(1,886,847)
Other operating expenses	20	(4,335,962)	(10,016,104)
Operating profit/ (loss)		560,278	(6,066,878)
Investment profit	21	1,936,484	409,696
Group's share in associates' results		104,674	79,102
Losses from changes in fair value of investment property		-	(105,630)
Gain from sale of investment properties		15,917	-
Foreign exchange differences		(179,679)	295,434
Net profit/ (loss) before subsidiaries tax and deductions		2,437,674	(5,388,276)
Income tax on subsidiaries		(62,208)	(37,439)
Net profit/ (loss) after subsidiaries tax and before deductions		2,375,466	(5,425,715)
National Labour Support Tax		(163,702)	(59,850)
Zakat		(65,481)	(23,940)
Board of Directors' remuneration		(56,000)	(28,000)
Net profit/ (loss) for the year		2,090,283	(5,537,505)
Earnings per share (fils)	22	9.99	(26.46)

The accompanying notes form an integral part of these consolidated financial statements.

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
and its Subsidiaries
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Consolidated Statement of Comprehensive Income for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	2013	2012
Loss for the year	2,090,283	(5,537,505)
Other comprehensive income items:		
Items that may be reclassified subsequently to statement of income:		
Changes in fair value of available for sale investments	74,401	(3,122)
Impairment of available for sale investments	18,003	39,956
Transferred to income statement from sale of available for sale investments	-	83,295
Changes in associates' reserves	-	(581,414)
Foreign currency translation reserve	(376,856)	119,592
Total other comprehensive income items	(284,452)	(341,693)
Total comprehensive income/ (loss) for the year	1,805,831	(5,879,198)

The accompanying notes form an integral part of these consolidated financial statements.

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
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Consolidated Statement of Changes in Equity for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Share capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Other reserves (Note 16)	Accumulated losses	Total
Balance as at 1 January 2012	21,659,057	(1,574,143)	4,967,805	11,825,560	10,758,595	1,003,347	(7,047,366)	41,592,855
Net loss for the year	-	-	-	-	-	-	(5,537,505)	(5,537,505)
Other comprehensive income items	-	-	-	-	-	(341,693)	-	(341,693)
Purchase of treasury shares	-	(72,983)	-	-	-	-	-	(72,983)
Balance as at 31 December 2012	21,659,057	(1,647,126)	4,967,805	11,825,560	10,758,595	661,654	(12,584,871)	35,640,674
Balance as at 1 January 2013	21,659,057	(1,647,126)	4,967,805	11,825,560	10,758,595	661,654	(12,584,871)	35,640,674
Net profit for the year	-	-	-	-	-	-	2,090,283	2,090,283
Other comprehensive income items	-	-	-	-	-	(284,452)	-	(284,452)
Balance as at 31 December 2013	21,659,057	(1,647,126)	4,967,805	11,825,560	10,758,595	377,202	(10,494,588)	37,446,505

The accompanying notes form an integral part of these consolidated financial statements.

Livestock Transport & Trading Company
Kuwaiti Public Shareholding Company
and its Subsidiaries
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Consolidated Statement of Cash Flows for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	2013	2012
Cash flows from operating activities		
Net profit/ (loss) before adjustments	2,090,283	(5,537,505)
Adjustments:		
Depreciation of property, plant and equipment	1,871,925	2,287,601
Interests on deposits and call accounts	(49,742)	(84,722)
Group's share in associates' results	(104,674)	(79,102)
Provision for doubtful debts	4,265,000	7,799,919
(Gain)/ loss from property, plant and equipment	(5,171)	465,543
Gain from sale of investment properties	(15,917)	-
Losses from changes in fair value of investment property	-	105,630
Investments profit	(1,936,484)	(409,696)
Post-employment benefits	182,799	217,886
Operating profit before changes in working capital	6,298,019	4,765,554
Inventories	(1,290,730)	(183,544)
Trade and other receivables	(1,678,485)	(5,109,612)
Investment at fair value through profit or loss	975,411	(223,750)
Trade and other payables	2,414,156	(671,118)
Cash generated from/ (used in) operating activities	6,718,371	(1,422,470)
Post-employment benefits paid	(239,934)	(198,095)
Net cash generated from/ (used in) operating activities	6,478,437	(1,620,565)
Cash flows from investment activities		
Purchase of property, plants and equipment	(1,074,936)	(1,626,238)
Proceeds from sale of property, plants and equipment	5,420	1,746,201
Proceeds from sale of available for sale investments	-	226,182
Proceeds from sale of investment properties	84,623	-
Dividends received	149,740	204,613
Interest received on deposits and call accounts	49,742	84,722
Net cash (used in) / generated from investing activities	(785,411)	635,480
Cash flows from financing activities		
Purchase of treasury shares	-	(72,983)
Dividends paid	(10,593)	(14,066)
Net cash used in financing activities	(10,593)	(87,049)
Net increase/ (decrease) in cash and cash equivalents	5,682,433	(1,072,134)
Cash and cash equivalents at the beginning of the period	8,024,656	9,096,790
Cash and cash equivalents at the end of the period (note 11)	13,707,089	8,024,656

The accompanying notes form an integral part of these consolidated financial statements.

1. Incorporation and activities

Livestock Transport and Trading Co. K.P.S.C. (the Company) was incorporated as per association contract registered with Real Estate Authentication and Registration Department of the Ministry of Justice under Ref. No. 70/D volume 2 on 24 November 1973. The founder's general assembly meeting held on 20 January 1974 formally declared the formation of the Company.

The Company's registered head office is at Al-Salhiya Complex - Al Salhyia - Kuwait.

The principal shareholder of the Company is Kuwait investment authority in the State of Kuwait.

The main objectives of the Company are as follow:

Carrying out all operations of producing transporting and trading in 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 Company's objectives within the State of Kuwait or abroad; the import, export and manufacture of all cattle fodders and organic fertilizers; the possession, purchase and use of all means of marine and land transport necessary to achieve the Company's objectives; the import and export of the related necessary equipment; and investment in portfolios managed by specialized entities for the Company's interest.

The Group operates in three countries; Kuwait, United Arab Emirates and Australia, and transports and sells livestock to some countries in the Middle East.

The consolidated financial statements include the financial statements of the Company and its wholly owned Subsidiaries (referred together as "Group").

Company	Country	Activity	Share percentage
Rural Export and Trading (WA) PTY Ltd.	Australia	Trade in livestock and meat	100%
Emirates Livestock and Meat Products Trading Company (under management)	UAE	Trade in livestock and meat	100%

- The subsidiaries' total assets amounted to KD 2,983,160 as at 31 December 2013 (KD 3,758,567 as at 31 December 2012).
- The subsidiaries' revenue and net losses amounted to KD 3,203,753 and KD 102,233 respectively for the year ended 31 December 2013 (KD 2,154,218 and KD 252,718 respectively for the year ended 31 December 2012).

The consolidated financial statements for the year ended 31 December 2013 were authorized for issuance by the Board of Directors of the Company on 30 March 2014.

2. Basis of preparation and Significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values, as explained in the accounting policies below.

2.2 New and revised standards

New and revised IFRSs issued and effective

In the current year, the Group has applied a number of new and revised IFRSs that are issued and effective for accounting periods that begin on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement to similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and of SIC-12 Consolidation – Special Purpose Entities.

Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 "Interests in Joint Ventures". The standard removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Under IFRS 11, there are only two types of joint arrangements (a) joint ventures and (b) joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is joint arrangements whereby that have joint control of the arrangement have rights to the net assets of arrangement. Investment in joint ventures are accounted for using the equity method whereas investment in joint operations are accounted as such that each joint operator recognizes its assets (including its share of assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from sale of the output by the operation) and its expenses (including its share of expenses incurred jointly). Each joint operator accounts for its assets and liabilities, as well as revenues and expenses, relating to its interest in joint operation in accordance with the applicable Standards. The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

IFRS 12 Disclosure of Involvement with Other Entities

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of this standard resulted in more extensive disclosures in the consolidated financial statements (note 6).

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under this standard is an exit price regardless of whether price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements (note 3.3)

Other than the additional disclosures, the application of the standard has not had any material impact on the amounts recognised in the consolidated financial statements.

IAS 1 Presentation of Financial Statement

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.
The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendments have been applied retrospectively, and hence the presentation of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the adoption of this standard has not resulted in any impact on statement of income and other comprehensive income.

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2014

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

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The Directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.
IAS 32 "Financial Instruments – Presentation"

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off'.

The Group does not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

For annual periods beginning on or after 1 January 2015

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. The Group anticipates that the application of IFRS 9 in the future may have impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

2.3 Significant Accounting Policies

2.3.1 Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affects its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control over subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date the Company gains control until the date when Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting police.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of

the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in consolidated profit or loss in the period in which the investment is acquired.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalized.

Depreciation is calculated based on estimated useful life of the applicable assets except for the land on a straight line basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains or losses on disposals are determined by the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement.

2.3.3 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Impairment losses are recognised in the income statement for the period in which they arise. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in consolidated income statement.

2.3.4 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets or financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated income statement.

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), held to maturity, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. The Group has determined the classification of its financial assets as follows:

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in consolidated income statement. The net gain or loss recognised in consolidated income statement incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in (note 3.3).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash at banks) are measured at amortised cost using the effective interest method, less any impairment.

Available for sale (AFS)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The financial assets available for sale are re-measured at fair value. The fair value is determined in the manner described in (note 3.3).

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of changes in fair value reserve. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to income statement.

AFS equity 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 at the end of each reporting period.

Dividends on AFS equity instruments are recognised in consolidated income statement when the Group's right to receive the dividends is established. Foreign exchange gains and losses are recognised in other comprehensive income.

Impairment in value

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to consolidated income statement in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are recognised initially at fair value, net of transaction costs incurred subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.3.5 Inventories

Inventory is stated at the lower of cost and net realizable value. Cost is determined based on the first in first-out method. Livestock cost is determined based on the cost of acquisition plus costs of raising. The cost of finished goods includes raw materials, wages and overheads incurred. Net realizable value is based on the selling price less the estimated cost till completion and sale of inventory.

2.3.6 Post-employment benefits

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment, regarding the labour in other countries; the indemnity is calculated based on law identified in these countries. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of all employees on the balance sheet date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2.3.7 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.3.8 Treasury shares

Treasury shares represent the Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity when the treasury shares are disposed; gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account in the limit of its credit balance, any additional losses are charged to retained earnings and then to reserves. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

2.3.9 Dividends

The dividends attributable to shareholders of the Company are recognized as liabilities in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.3.10 Taxes and deductions

Taxes and deductions are represented in the followings:

- Income taxes on subsidiaries.
- Contribution to Kuwait Foundation for Advancement of Science on the Company.
- Tax due from the Company in accordance with Law No. 19 of 2000 concerning Support and Encouragement of National Manpower to Work in Private Sector.
- Zakat in accordance with Law N0.46 of 2006.

2.3.11 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and balances

Foreign currency transactions are translated at the exchange rates to Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. Monetary items in foreign currencies are re-translated at the dates of the consolidated balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (except for companies which are operated in countries with very high inflation rates) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

2.3.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

- Revenues from sale of goods are recognized when the significant risks and rewards of ownership have been transferred to the buyer. These risks and rewards are transferred to the buyer on delivery.
- Services revenues are recognized when the service is rendered.
- Dividend income is recognized when the right to receive payments is established.
- Interest income from deposits is recognized on a time proportion basis using the effective interest method.

3. Financial risk management

3.1 Financial risk factors

The activities of the Group expose it to a variety of financial risks: market risk, credit risk and liquidity risks.

The Group is managing these financial risks by focusing on a continuous evaluation of market conditions and its trends and the management's assessments of the changes for long and short-term market factors.

Market risk

Market risk includes foreign currency risk, fair value risk resulting from changes in interest rates, the risk of fluctuations in cash flows resulting from changes in interest rates and market price risks.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates that affects the Group's cash flows or the valuation of the monetary assets and liabilities denominated in foreign currency.

The Group is exposed to foreign currency risks resulted mainly from the Group's dealings in financial instruments denominated in foreign currency.

The group has set policies for the management of foreign exchange risk which require each company in the group to manage the foreign risk against its currency of operation. The Group tracks and manages these risks by:

- Monitoring the changes in foreign currency exchange rates on regular basis.
- Set up tide limits for dealing in foreign currencies for the basic objectives of the Group's activities.

The following is net foreign currencies positions as at the date of the consolidated financial statements:

	2013	2012
Australian Dollars	5,142	6,369
US Dollars	6,148,510	4,629,759
Emirates Dirham	101,110	(230,614)
	6,254,762	4,405,514

The following is the effect on the consolidated financial statements in case of change in the exchange rate of US Dollar against the Kuwaiti Dinar by 10%:

	2013	2012
Net profit	465,630	331,882
Equity	149,221	131,093

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is exposed to this risk as the Group owns investments classified in the consolidated financial position as available for sale investments and investments at fair value through profit or loss.

The Group's management monitors and manages these risks through: -

- Manage the Group's investments through portfolios managed by specialized portfolio managers.
- Invest in companies' shares that have good financial positions that generate high operating income and

dividends and with well performing investment funds.
- Periodic tracking of changes in market prices.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The risk of cash flows of a financial instrument will fluctuate because of changes in interest rates is managed by the Group through investing in deposits with fixed interest rates to prevent changes in interest rates, The Group study in regular basis all the income data related to the interest rate to determine the probability of changes in interest rates and the effect of such changes in the cash flow of the Group and the net profit in order to take the necessary actions in the timely manner.

The Group is not exposed to the cash flow risk as the interest rate is fixed, also there are no loans or bank facilities.

Credit risks

The credit risk is the risk that the group will incur a loss as a result of its customers' or, counterparties' failure to discharge their contractual obligation. Credit risk is managed on a group level by monitoring the credit policy continuously.

Receivables, cash and cash equivalent are considered the most of the assets exposed to credit risk.

The Group monitors and manages credit risk of cash and cash equivalent by transacting with financial institutions with high credit reputation.

For credit risk of trade receivables the Group transacting with customers with good reputation and strong financial positions, also the Group doing the following:

- Transacting with customers with good reputation and strong financial positions and with government parties.
- Diversifying its customer base and avoiding centralization of customers.
- Focusing on cash sales. The credit sales are held only for the contractual agreements and external sales with obtaining a bank guarantee from the customers issued from high credit reputation banks, as well as obtaining an irrevocable letters of credit and tangible warranties.
- Transacting with financial institutions with high credit reputation.

The Group Management's opinion is that the maximum credit risk as at 31 December is as follows:

	2013	2012
Trade receivables and accrued government subsidy (note 9)	20,059,554	19,056,098
Cash and cash equivalents	13,543,877	7,943,089

Liquidity risks

The liquidity risk is the risk that the Group becomes unable to settle its liabilities when due.

The management of liquidity risk is mainly to maintain sufficient balance of cash, highly liquid financial instruments and financial resources are made available to meet the needs of liquidity.

The Group's financial obligations as at 31 December 2013 and 2012 mature within one year and accordingly equal their cash value as at that date as the impact of discounting is not significant.

The Group's management facilitates the funding transactions by making available credit facilities through credit commitments with banks. The management also monitors the liquidity surplus in the Group through the expected cash flows.

3.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group monitors capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including facilities and other creditors as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity (as shown in the consolidated balance sheet) plus net debt.

3.3 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 included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly.
- 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.

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/12/2013	31/12/2012					
Available for sale investments							
- Unquoted Shares	1,385,274	1,310,873	31 December	2	Technical evaluation	N/A	N/A
Investments at fair value through profit or loss							
- Quoted Shares	2,427,879	2,107,505	31 December	1	Last bid price	N/A	N/A
- Unquoted shares	979,706	852,566	31 December	2	Technical evaluation	N/A	N/A
- Funds	5,211,558	4,733,246	31 December	2	Net assets value	N/A	N/A

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 fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

4. Significant accounting judgments and estimates

In the application of the Group's accounting policies, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years:

Fair value measurement and valuation techniques

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's management determines the appropriate valuation techniques and input for fair value measurement. In estimating the fair value of an asset or a liability, the management uses market observable data to the extent it is available. In case no market observable data are available, the Group shall assign an external qualified valuer to carry out the valuation process. Information about valuation techniques and input used in determining the fair value of various assets and liabilities are disclosed in note (3.3).

Impairment of tangible assets

The Group reviews tangible assets on a continuous basis to determine whether a provision for impairment should be recorded in the consolidated statement of income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required.

Evidence of impairment of investments

Management determines the impairment in equity instruments classified as available for sale when there is a significant or prolonged decline in the fair value of these investments. Determination of what is significant or prolonged requires judgment from management. The Group evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments, impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of receivables

The Group's management determines impairment of receivables in the light of the Group's previous experience about collectability, overdue period, change in global and local economies which led the customers to default in payment. Impairment of receivables is recorded for receivables when there is a certainty that these other parties will not be able to pay according to the contractual agreement.

5. Property, plant and equipment

	Vessels	Land, constructions and buildings	Machinery and equipment	Vehicles	Other assets	Assets of subsidiary companies	Projects in progress	Total
Cost								
Balance as at 1 January 2012	48,349,447	7,827,114	2,878,968	1,934,055	842,245	4,920,608	474,434	67,226,871
Foreign currency translation differences	-	-	-	-	-	160,340	-	160,340
Additions	-	22,424	77,641	18,755	30,853	60,367	1,416,198	1,626,238
Disposals	(23,496,152)	-	(148,603)	(115,631)	(62,624)	(16,953)	(95,912)	(23,935,875)
Balance as at 31 December 2012	24,853,295	7,849,538	2,808,006	1,837,179	810,474	5,124,362	1,794,720	45,077,574
Foreign currency translation differences	-	-	-	-	-	(499,375)	-	(499,375)
Additions	-	49,320	38,442	130,630	23,296	28,718	804,530	1,074,936
Disposals	-	-	(8,988)	-	(31,998)	(91,032)	(1,046)	(133,064)
Transferred from project in progress	1,887,428	-	-	-	-	-	(1,887,428)	-
Balance as at 31 December 2013	26,740,723	7,898,858	2,837,460	1,967,809	801,772	4,562,673	710,776	45,520,071
Accumulated depreciation and impairment								
Balance as at 1 January 2012	42,786,374	6,996,549	2,603,698	1,712,598	771,306	3,304,866	-	58,175,391
Foreign currency translation differences	-	-	-	-	-	82,253	-	82,253
Depreciation for the year	1,752,373	186,259	60,086	99,166	39,126	150,591	-	2,287,601
Disposals	(21,314,244)	-	(137,732)	(115,626)	(60,256)	(15,581)	-	(21,643,439)
Balance as at 31 December 2012	23,224,503	7,182,808	2,526,052	1,696,138	750,176	3,522,129	-	38,901,806
Foreign currency translation differences	-	-	-	-	-	(232,539)	-	(232,539)
Depreciation for the year	1,354,451	187,979	69,956	88,035	34,799	136,705	-	1,871,925
Disposals	-	-	(8,952)	-	(31,575)	(91,031)	-	(131,558)
Balance as at 31 December 2013	24,578,954	7,370,787	2,587,056	1,784,173	753,400	3,335,264	-	40,409,634
Net book value								
As at 31 December 2013	2,161,769	528,071	250,404	183,636	48,372	1,227,409	710,776	5,110,437
As at 31 December 2012	1,628,792	666,730	281,954	141,041	60,298	1,602,233	1,794,720	6,175,768
Useful lives / year	12-15	5-20	3-10	3-5	2-5			

Building and construction are on land leased from State of Kuwait for 20 years ending in November 2022.

6. Investments in associates

	Country of Incorporation	Activity	Contribution rate %	2013	2012
Portland Pellet Suppliers (Partnership)	Australia	Livestock trading	50	375,419	445,043
Emirates Livestock and Meat Products Trading Company L.L.C	UAE	Livestock trading	49	60,479	60,523
National Tannery Co. (K.S.C.C.)	Kuwait	Tanning and leather trade	40	1	1
				435,899	505,567

The following is a summary of the associate's financial information as per the last financial statements of such associate:

Portland Pellet Suppliers (Partnership)	**2013**	**2012**
Current assets	621,663	816,547
Non-current assets	239,717	278,574
Current liabilities	(110,542)	(205,603)
Non-current liabilities	-	-

	2013	**2012**
Revenues	1,488,363	1,467,990
Profit for the year	145,024	92,982
Cash dividends received from associate during the year	81,920	172,490

7. Available for sale investments

	2013	2012
Investment in unquoted local securities	645,783	637,437
Investment in unquoted foreign securities	966,899	900,844
	1,612,682	1,538,281

- Available for sale investments are valuated based on valuation techniques disclosed in (note 3.3).
- Available for sale investments include unquoted securities investments by KD 227,408 as of 31 December 2013 and 2012 represent investments carried at cost less impairment as its fair value cannot reliably measured.

8. Inventories

	2013	2012
Livestock and meat (net)	1,544,421	1,533,972
Fodder	275,358	140,468
Intestine	45,326	74,119
Medicines, fertilizers and others	17,567	27,172
	1,882,672	1,775,731
Goods in transit	3,620,764	2,429,393
Production materials and spare parts	1,075,844	1,083,426
	6,579,280	5,288,550

The cost of the goods that have been recognized as an expense during the current year KD 41,470,786 (KD 40,954,285 – 2012)

9. Trade and other receivables

	2013	2012
Trade receivables	3,728,924	2,725,468
Governmental subsidy receivable	16,330,630	16,330,630
	20,059,554	19,056,098
Provision for doubtful debts	(12,541,457)	(8,275,678)
	7,518,097	10,780,420
Advance payments to suppliers	616,653	71,454
Prepaid expenses	233,290	181,652
Accrued income	12,425	1,202
Refundable deposits	59,765	58,469
Deferred tax - asset	37,348	45,601
Staff receivable	4,805	3,965
Others	245,812	208,368
	8,728,195	11,351,131

- Governmental subsidy receivable represents a balance due from the Ministry of Commerce & Industry as subsidy to support the Company to meet the increasing prices of some foodstuffs and consumer goods, in accordance to the Council of Ministers Resolution 1308 dated 11 September 2011 (note 19). To the date, the Group's calculation of the subsidy has not been approved by the Ministry. The provision provided for this due balance amounted to KD 12,064,919 as at 31 December 2013 (KD 7,799,919 - 2012).
- As at 31 December 2013, trade receivables which are not matured amounted to KD 982,645 (KD 715,920 as at 31 December 2012).
- As at 31 December 2013, trade receivables which are not matured and not collected and not impaired amounted to KD 903,470 (KD 1,05 6,219 as at 31 December 2012).
- As at 31 December 2013, impaired trade receivables amounted to KD 18,173,439 (KD 17,283,959 as at 31 December 2012).
- Following is the movement of provision of doubtful debts during the year:

	2013	2012
Balance as at 1 January	8,275,678	470,625
Provided during the year (note 20)	4,265,000	7,799,919
Financial statements translation differences	779	5,134
Balance as at 31 December	12,541,457	8,275,678

10. Investments at fair value through profit or loss

	2013	2012
Quoted investments	2,427,879	2,107,505
Unquoted investments	979,706	852,566
Investment Funds	5,211,558	4,733,246
	8,619,143	7,693,317

Investments at fair value through profit or loss are valuated based on valuation techniques disclosed in (note 3.3).

11. Cash and cash equivalents

	2013	2012
Cash on hand and at banks	1,814,142	1,928,046
Time deposits	11,670,317	5,787,566
Cash at investment portfolios	222,630	309,044
	13,707,089	8,024,656

The actual average interest rate on deposits was 1.35% as at 31 December 2013 (0.65% as at 31 December 2012).

12. Share capital

The Company's authorized, issued and fully paid share capital of is KD 21,659,057 divided into 216,590,575 shares with a nominal value of 100 Fils each.

13. Treasury shares

	2013	2012
Number of shares (share)	7,377,383	7,377,383
Percentage to issued shares (%)	%3.41	%3.41
Market value	1,829,591	1,195,136

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

14. Statutory reserve

In accordance with the Company's law & Company's Memorandum of Association, 10% of the net profit before KFAS, National Labor Support Tax, Board of Directors' remuneration and Zakat expense for the year is required to be transferred to statutory reserve. The General Assembly may resolve to discontinue such annual transfers when the statutory reserve reaches 50% of the Company's paid up capital. Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend of 5% of paid up capital to be made in years when accumulated profits are not sufficient for the payment of such dividend. In according to the resolution of the Ordinary General Assembly meeting held on 31 March 2010 the transfer to the statutory reserve was ceased because its exceeded 50% of the Company's capital .

15. Voluntary reserve

As required by the Company's memorandum of association, a percentage of the net profit for the year proposed by the Board of Director and approved by the General Assembly is transferred to the voluntary reserve. The General Assembly may resolve to discontinue such transfer based on a recommendation by the Board of Directors on 31 March 2010 the transfer to the voluntary reserve was ceased because its exceeded 50% of the Company's capital.

16. Other reserves

	Changes in fair value reserve	Foreign currency translation reserve	Changes in associates' reserves	Total
Balance as at 1 January 2012	(203,183)	625,116	581,414	1,003,347
Changes in fair value of available for sale investments	(3,122)	-	-	(3,122)
Impairment of available for sale investments	39,956	-	-	39,956
Transferred to income statement from sale of available for sale investments	83,295	-	-	83,295
Changes in an associate's reserve	-	-	(581,414)	(581,414)
Foreign currency translation differences	-	119,592	-	119,592
Balance as at 31 December 2012	(83,054)	744,708	-	661,654
Balance as at 1 January 2013	(83,054)	744,708	-	661,654
Changes at fair value of available for sale investments	74,401	-	-	74,401
Impairment of available for sale investments	18,003	-	-	18,003
Foreign currency translation differences	-	(376,856)	-	(376,856)
Balance as at 31 December 2013	9,350	367,852	-	377,202

17. Trade and other payables

	2013	2012
Trade payables	936,270	667,492
Dividends payable to shareholders	150,283	278,385
Accrued expenses	3,845,605	1,599,573
Accrued leave	198,801	198,733
Refundable deposits	110,000	115,048
Due to related parties	-	87,457
Board of Directors' remuneration	56,000	28,000
National Labour Support Tax	163,702	59,850
Zakat	65,481	23,940
Others	60,416	124,517
	5,586,558	3,182,995

18. Operating income

	2013	2012
Sales	49,570,071	38,992,074
Transportation revenue	1,496,697	788,520
	51,066,768	39,780,594

19. Governmental Subsidy

By Council of Ministers resolution No. 1308 dated 11 September 2011 on the Company's purchase and transfer of sheep to the port of Kuwait (CIF) and sold to the state at their cost plus 15% profit margin.

In addition to the Ministerial Decree No. 409, issued on 8 July 2012 on the submission of the Ministry of Commerce and Industry of financial support KD 16.835 per head of sheep live or chilled or frozen complete freeze enter to Kuwait from whatever source or means, and in effect until the date of 1 November 2012.

Management has to prove income in the income statement for the year ended 31 December 2013 and 2012 of KD 10,727,466 and 9,888,513 respectively as governmental subsidy.

Governmental subsidy revenue for the year ended 31 December 2012 included an amount of KD 1,665,502 represents what has been proved by the management over what stated by Council of Ministers 1308 on 11 September 2011, this increase in accordance to the opinion of management, are against the clearance, transport, medical care, feed, dead, transport for slaughter-houses, selling and marketing expenses and other expenses for sheep.

The management didn't prove any subsidy revenue for the year ended 31 December 2013 for the expiration of the Ministerial Decree No. 409.

20. Other operating expenses

	2013	2012
Vessel expenses during the stoppage and repair durations	70,962	1,750,642
Loss on sale of property, plants and equipment	-	465,543
Provision of doubtful debts (note 9)	4,265,000	7,799,919
	4,335,962	10,016,104

21. Investments Profit

	2013	2012
Investment at fair value through profit or loss		
Profit from changes in fair value	1,564,244	490,615
Net trading profit/ (loss)	356,934	(12,015)
Dividends and interest	73,741	80,264
Portfolios management fees	(40,432)	(41,119)
	1,954,487	517,745
Available for sale investments		
Loss on sale of available for sale investments	-	(68,093)
Impairment losses	(18,003)	(39,956)
	(18,003)	(108,049)
	1,936,484	409,696

22. Profit/ (loss) per share

Basic loss per share is calculated based on dividing the net profit/ (loss) of the year by the weighted average number of common shares outstanding during the year as follows:

	2013	2012
Net profit/ (loss) for the year	2,090,283	(5,537,505)
Weighted average number of outstanding shares	209,213,192	209,264,425
Profit/ (loss) per share (fils)	9.99	(26.46)

23. Staff costs

	2013	2012
Staff salaries and benefits	1,855,559	1,989,506
Post-employment benefits	158,031	217,886
Leaves	98,035	129,969
	2,111,625	2,337,361

24. Contingent liabilities

	2013	2012
Letters of guarantee	1,309,229	1,341,154

25. Related parties transactions

The Related Parties are represented in main shareholders, member of Board of Directors, senior management and associate companies.

In the ordinary course of business, the Group entered into transactions with related parties during the period. These transactions are detailed below as follows:

Transactions	**2013**	**2012**
Management fees paid to associate companies	90,393	89,700
Key management compensation	116,818	175,362
Board of Directors remuneration	56,000	28,000

Balances	**2013**	**2012**
Key management long term benefits	300,325	460,079
Key management short term benefits	20,683	33,879
Due to related parties	-	87,457

- All transactions with related parties are subject to the Shareholders' General Assembly approval.
- On 20 May 2013, the General Assembly of the Company's Shareholders approved the payment of Board of Directors remuneration for 2012.
- The Company's Board of Directors proposed Board of Directors' remuneration for 2013 amounted to KD 56,000. This proposal is subject to the approval of the General Assembly of the shareholders.

26. Segmental financial information

26.1 Geographical and operating segments for the revenues and results

The Group conducts its activities through three main geographical segments:

- Commercial segment includes purchasing, transporting, caring 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. The revenues, profits, assets and liabilities are measured as per the same accounting bases followed in preparing the consolidated financial statements. The following is the segment analysis which is consistent with the internal reports submitted to the management.

	Commercial segment		**Food processing segment**		**Investments segment**		**Total**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Revenues								
Kuwait	41,670,533	32,862,066	6,449,695	5,043,791	2,032,592	412,592	50,152,820	38,318,449
UAE	2,651,020	969,141	-	-	-	-	2,651,020	969,141
Australia	295,519	905,596	-	-	74,225	55,298	369,744	960,894
Total	44,617,072	34,736,803	6,449,695	5,043,791	2,106,817	467,890	53,173,584	40,248,484
Unallocated items								
Other income							368,755	633,393
Governmental subsidy							-	9,888,513
Total revenue							53,542,339	50,770,390

	Commercial segment		Food processing segment		Investments segment		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Segment results								
Kuwait	3,272,341	(11,963,755)	54	(725,091)	2,032,592	518,222	5,304,987	(12,170,624)
UAE	(82,000)	(225,896)	-	-	-	-	(82,000)	(225,896)
Australia	289,564	262,245	-	-	74,225	55,298	363,789	317,543
Total	3,479,905	(11,927,406)	54	(725,091)	2,106,817	573,520	5,586,776	(12,078,977)
Unallocated items:								
Unallocated other income							368,755	10,521,906
Unallocated other Cost							(3,865,248)	(3,980,434)
Net profit/ (loss) for the year							2,090,283	(5,537,505)

	Commercial segment		Food processing segment		Investments segment		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Assets	17,558,471	20,693,654	4,896,214	4,803,928	22,338,040	15,148,394	44,792,725	40,645,976
Liabilities	6,851,795	4,364,906	494,425	640,396	-	-	7,346,220	5,005,302

26.2 Geographical and operating segments for the assets and liabilities

	2013			
	Kuwait	UAE	Australia	Total
Assets				
Property, plants and equipment	3,341,822	110,648	1,657,967	5,110,437
Investments in associates	60,479	-	375,419	435,898
Available for sale investments	1,612,682	-	-	1,612,682
Inventories	6,488,902	63,784	26,594	6,579,280
Trade and other receivables	8,209,043	190,242	328,910	8,728,195
Investments at fair value through profit or loss	8,619,143	-	-	8,619,143
Cash and cash equivalents	13,477,494	36,529	193,067	13,707,090
Total assets	41,809,565	401,203	2,581,957	44,792,725
Liabilities				
Trade and other payables and post-employment benefits	6,907,364	218,073	220,783	7,346,220

	2012			
	Kuwait	UAE	Australia	Total
Assets				
Property, plants and equipment	4,032,329	123,182	2,020,257	6,175,768
Investment property	68,706	-	-	68,706
Investments in associates	60,524	-	445,044	505,568
Available for sale investments	1,538,281	-	-	1,538,281
Inventories	5,221,769	5,648	61,134	5,288,551
Trade and other receivables	10,875,548	135,481	340,101	11,351,130
Investments at fair value through profit or loss	7,693,317	-	-	7,693,317
Cash and cash equivalents	7,396,935	81,749	545,971	8,024,655
Total assets	36,887,409	346,060	3,412,507	40,645,976
Liabilities				
Trade and other payables and post-employment benefits	4,309,185	312,611	383,506	5,005,302