



**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 six month period ended 30 June 2015**



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

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and review report for the six month period ended 30 June 2014**

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## The Board of Directors

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

### Report on review of interim condensed consolidated financial information

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its Subsidiaries (together referred to as the "Group") as at 30 June 2015, and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six 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 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. 25 of 2012, as amended, and its Executive Regulations, or of the Parent Company's Memorandum and Articles of association, as amended, have occurred during the six month period ended 30 June 2015, that might have had a material effect on the business or the financial position of the Group.

  
Khaled Ibrahim Al-Shatti  
License No. 175 - A  
PricewaterhouseCoopers – Al-Shatti & Co.

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

16 August 2015  
Kuwait



**Interim condensed consolidated statement of financial position (Unaudited)**

**As at 30 June 2015**

*(All amounts are in Kuwaiti Dinar)*

	Note	30 June 2015	31 December 2014 (Audited)	30 June 2014
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		3,565,265	4,293,434	4,730,222
Investment in associates		485,436	494,603	541,157
Available for sale investments	5	1,182,206	1,148,689	1,425,201
		<u>5,232,907</u>	<u>5,936,726</u>	<u>6,696,580</u>
<b>Current assets</b>				
Inventories	6	4,317,570	6,221,511	3,710,288
Trade and other receivables	7	14,782,644	10,466,560	14,415,875
Investments at fair value through profit or loss	8	9,375,679	6,689,051	8,179,337
Cash and cash equivalents	9	8,674,263	12,758,298	9,064,297
		<u>37,150,156</u>	<u>36,135,420</u>	<u>35,369,797</u>
<b>Total assets</b>		<u>42,383,063</u>	<u>42,072,146</u>	<u>42,066,377</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	10	(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	11	279,359	350,562	467,215
Accumulated losses		(10,490,672)	(13,316,503)	(11,988,697)
		<u>37,352,578</u>	<u>34,597,950</u>	<u>36,042,409</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		1,495,659	1,653,500	1,841,122
<b>Current liabilities</b>				
Trade and other payables	12	3,534,826	5,820,696	4,182,846
<b>Total liabilities</b>		<u>5,030,485</u>	<u>7,474,196</u>	<u>6,023,968</u>
<b>Total equity and liabilities</b>		<u>42,383,063</u>	<u>42,072,146</u>	<u>42,066,377</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

  
Bader N. Al-Suhaiwe  
Chairman

  
Osama Khaled Bodai  
Chief Executive Officer



**Interim condensed consolidated statement of income (Unaudited)**  
**For the six month period ended 30 June 2015**  
*(All amounts are in Kuwaiti Dinar)*

	Note	Three months ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014
Operating revenues		13,586,036	16,850,152	27,223,655	25,737,653
Operating costs		(11,163,272)	(17,931,586)	(23,427,769)	(25,356,600)
<b>Gross profit / (loss)</b>		<b>2,422,764</b>	<b>(1,081,434)</b>	<b>3,795,886</b>	<b>381,053</b>
Other operating income		50,034	69,038	119,088	149,280
Marketing expenses		(348,666)	(346,654)	(558,440)	(691,199)
General and administrative expenses		(679,806)	(616,247)	(1,209,950)	(1,247,814)
Other operating expenses		(168,668)	-	(168,668)	(200,000)
<b>Operating profit / (loss)</b>		<b>1,275,658</b>	<b>(1,975,297)</b>	<b>1,977,916</b>	<b>(1,608,680)</b>
Net investment income		288,535	(447,750)	478,288	(226,925)
Group's share in associates' results		26,541	75,833	38,316	116,137
Foreign currency exchange gain		362,250	50,139	456,845	297,739
<b>Profit / (loss) before subsidiaries' tax and deductions</b>		<b>1,952,984</b>	<b>(2,297,075)</b>	<b>2,951,365</b>	<b>(1,421,729)</b>
Income tax on subsidiaries		-	(33,843)	-	(44,380)
<b>Profit / (loss) after subsidiaries' tax and before deductions</b>		<b>1,952,984</b>	<b>(2,330,918)</b>	<b>2,951,365</b>	<b>(1,466,109)</b>
National Labor Support Tax		(47,982)	27,990	(72,524)	-
Zakat		(19,193)	11,196	(29,010)	-
Board of Directors' remuneration		(12,000)	(14,000)	(24,000)	(28,000)
<b>Profit / (loss) for the period</b>		<b>1,873,809</b>	<b>(2,305,732)</b>	<b>2,825,831</b>	<b>(1,494,109)</b>
<b>Basic and diluted earnings per share (fils)</b>	13	<b>8.96</b>	<b>(11.02)</b>	<b>13.51</b>	<b>(7.14)</b>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.



**Interim condensed consolidated statement of comprehensive income (Unaudited)**  
**For the six month period ended 30 June 2015**  
*(All amounts are in Kuwaiti Dinar)*

	Note	Three months ended 30 June		Six month ended 30 June	
		2015	2014	2015	2014
<b>Profit / (loss) for the period</b>		<u>1,873,809</u>	<u>(2,305,732)</u>	<u>2,825,831</u>	<u>(1,494,109)</u>
<b>Other comprehensive income items:</b>					
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>					
Available for sale investments:					
- Change in fair value	11	(2,040)	(53,488)	33,517	(187,481)
- Transferred to interim condensed consolidated statement of income on impairment loss	11	-	76,139	-	235,086
Foreign currency translation differences	11	<u>30,344</u>	<u>(14,796)</u>	<u>(104,720)</u>	<u>42,408</u>
Other comprehensive income / (loss) for the period		<u>28,304</u>	<u>7,855</u>	<u>(71,203)</u>	<u>90,013</u>
<b>Total comprehensive income / (loss) for the period</b>		<u>1,902,113</u>	<u>(2,297,877)</u>	<u>2,754,628</u>	<u>(1,404,096)</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

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



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

As at 30 June 2015

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Total
<b>At 1 January 2015</b>	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	-	-	-	-	-	-	2,825,831	2,825,831
Other comprehensive loss for the period	-	-	-	-	-	(71,203)	-	(71,203)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(71,203)	2,825,831	2,754,628
<b>At 30 June 2015</b>	<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>279,359</u>	<u>(10,490,672)</u>	<u>37,352,578</u>
<b>At 1 January 2014</b>	21,659,057	4,967,805	(1,647,126)	11,825,560	10,758,595	377,202	(10,494,588)	37,446,505
Loss for the period	-	-	-	-	-	-	(1,494,109)	(1,494,109)
Other comprehensive income for the period	-	-	-	-	-	90,013	-	90,013
Total comprehensive income / (loss) for the period	-	-	-	-	-	90,013	(1,494,109)	(1,404,096)
<b>At 30 June 2014</b>	<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>467,215</u>	<u>(11,988,697)</u>	<u>36,042,409</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.





**Interim condensed consolidated statement of cash flows (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar)**

	Note	Six months ended 30 June	
		2015	2014
<b>Operating activities</b>			
Profit / loss for the period		2,825,831	(1,494,109)
<i>Adjustments:</i>			
Depreciation		1,090,164	987,029
Interests on deposits and call accounts		(17,384)	(58,008)
Provision for doubtful debts		-	200,000
Group's share in associates' results		(38,316)	(116,137)
Net investment income		(478,288)	226,925
Employees' end of service benefits		301,629	106,043
		<u>3,683,636</u>	<u>(148,257)</u>
<i>Changes in working capital</i>			
Inventories		1,903,941	2,868,992
Trade and other receivables		(4,274,631)	(5,978,022)
Trade and other payables		<u>(2,285,870)</u>	<u>(1,403,520)</u>
<b>Cash flows used in operations</b>		<u>(972,924)</u>	<u>(4,660,807)</u>
Employees' end of service benefits paid		<u>(459,663)</u>	<u>(26,716)</u>
<b>Net cash flows used in operating activities</b>		<u>(1,432,587)</u>	<u>(4,687,523)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(402,598)	(493,234)
Dividends received from available for sale investments		2,414	-
Dividends received from associates		52,200	32,182
Investments at fair value through profit or loss		(2,210,754)	447,967
Interest received on deposits and call accounts		17,384	58,008
<b>Net cash flows (used in) / from investing activities</b>		<u>(2,541,354)</u>	<u>44,923</u>
Net foreign exchange differences		(110,094)	(192)
Net decrease in cash and cash equivalents		(4,084,035)	(4,642,792)
<b>Cash and cash equivalents at the beginning of the period</b>		<u>12,758,298</u>	<u>13,707,089</u>
<b>Cash and cash equivalents at the end of the period</b>	9	<u>8,674,263</u>	<u>9,064,297</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.





**Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015**  
*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

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**1. Incorporation and activities**

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the Memorandum of Association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973. On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly meeting of the Parent Company. The head office of the Parent Company is located at Al-Salhia Complex, Al-Salhia, Kuwait. Kuwait Investment Authority is the principal shareholder 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 Parent Company's business or for others similar businesses whether within the State of Kuwait or abroad.
4. To own, buy and utilise means of marine and land transportation necessary to achieve Parent Company's objectives. In addition, utilise 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 Parent Company in achieving its objectives inside and outside Kuwait, the Parent 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 few countries in the Middle East.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its Subsidiaries (together referred to as the "Group").



**Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar unless otherwise stated)**

**1. Incorporation and activities (Continued)**

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

- The financial information of Rural Export and Trading (WA) PTY Ltd. has been consolidated based on financial information prepared by the subsidiary's management as at 30 June 2015.
- The total assets of the subsidiaries amounted to KD 4,465,597 as at 30 June 2015 (KD 4,341,492 as at 31 December 2014, and KD 3,799,401 as at 30 June 2014) and their respective total liabilities amounted to KD 644,167 as at 30 June 2015 (KD 577,311 as at 31 December 2014, and KD 441,286 as at 30 June 2014). Their total revenues amounted to KD 507,680 for the six month period ended 30 June 2015 (KD 2,134,114 for the six month period ended 30 June 2014) and their total (loss) / profit amounted to KD (169,397) for the six month period ended 30 June 2015 (KD 16,896 for the six month period ended 30 June 2014).

The interim condensed consolidated financial information were authorised for issuance the Board of Director's of the Parent Company on 16 August 2015.

The Ordinary General Assembly Meeting held on 12 May 2015 approved the audited consolidated financial statements for the year ended 31 December 2014.

**2. Basis of preparation**

The interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). The interim condensed consolidated financial information does not include all disclosures required for complete set of financial statements and should be read in conjunction with the annual consolidated financial statements of 2014. In the management's opinion, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

The interim condensed consolidated financial information is 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 are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and amendments effective from 1 January 2015. The nature and the impact of these changes are set out below. New standards and amendments apply for the first time in 2015 however, they do not materially impact the annual consolidated financial statements or the interim condensed consolidated financial information of the Group.



Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. Basis of preparation (Continued)

The nature and the impact of each new standard or amendment is described below:

**IAS 19 Employee Benefits (Revised)**

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

**Annual improvements to 2010-2012 Cycle**

These improvements are effective from 1 July 2014. The Group has applied these amendments for the first time to these interim condensed consolidated financial information. They include:

• **IFRS 2 Share-based Payments**

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

These amendments do not impact the Group's accounting policies.

• **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not impact the Group's accounting policy.

• **IFRS 8 Operating Segments**

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in paragraph 12 of IFRS 8. The Group has presented reconciliation of segment assets to total assets in previous periods and it continues to disclose the same in this interim condensed consolidated financial information.



Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. Basis of preparation (Continued)

Annual improvements to 2010-2012 Cycle (continued)

• **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either amending the gross carrying value of assets to its market value or by determining the market value of the carrying value and amending the total carrying value proportionally to equal the carrying value resulting from this market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation amendments during the current interim period.

• **IAS 24 Related Party Disclosures**

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant to the Group as it does not receive any administrative services from other entities.

Annual improvements to 2011-2013 Cycle

These improvements are effective from 1 July 2014. The Group has applied these amendments for the first time to these interim condensed consolidated financial information. They include:

• **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

This amendment is not relevant to the Group and its subsidiaries.

• **IFRS 13 Fair Value Measurement**

The amendment is applied prospectively and clarifies that the portfolios exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolios exception in IFRS 13.

• **IAS 40 Investment Properties**

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. In previous periods the Group has used IFRS 3, not IAS 40, to determine if the acquisition is of an asset or business. Accordingly, this amendment does not impact the Group's accounting policy.





Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 expenses. 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 annual audited consolidated financial statements for the year ended 31 December 2014.

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.

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 input(s)	Significant unobservable input(s)	Relationship of unobservable inputs with fair value
	31 December							
	30 June 2015	2014 (Audited)	30 June 2014					
Available for sale investments								
Quoted shares	84,693	79,779	-	30 June	Level 1	Bid prices	N/A	N/A
Unquoted shares	870,105	841,502	1,197,793	30 June	Level 2	Technical valuation	N/A	N/A
Investments at fair value through profit or loss								
Quoted shares	3,402,879	3,186,552	2,857,706	30 June	Level 1	Bid prices	N/A	N/A
Unquoted shares	104,162	105,174	105,174	30 June	Level 3	Technical valuation	N/A	N/A
Investment Funds	5,868,638	3,397,325	5,216,457	30 June	Level 2	Declared net asset 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 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.



Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Available for sale investments

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Unquoted local securities	657,680	640,258	658,053
Unquoted foreign securities	439,833	428,652	767,148
Quoted foreign securities	84,693	79,779	-
	<u>1,182,206</u>	<u>1,148,689</u>	<u>1,425,201</u>

- Available for sale investments include unquoted securities of KD 227,408 as at 30 June 2015 (KD 227,408 as at 31 December 2014, KD 227,408 as at 30 June 2014), are carried at cost less impairment (if any). Management believes that the carrying value approximates their fair value.

- Valuation techniques of available for sale investments are disclosed in Note 4.

6. Inventories

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Livestock and meat (net)	1,833,838	2,975,088	1,852,035
Fodder	1,303,024	132,440	552,736
Intestine	95,839	76,460	37,755
Medicines, fertilisers and others	374,009	15,341	15,930
	<u>3,606,710</u>	<u>3,199,329</u>	<u>2,458,456</u>
Goods in transit	50,512	1,932,724	57,109
Production materials and spare parts	660,348	1,089,458	1,194,723
	<u>4,317,570</u>	<u>6,221,511</u>	<u>3,710,288</u>

7. Trade and other receivables

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Trade receivables	7,693,693	5,483,130	9,263,831
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>24,024,323</u>	<u>21,813,760</u>	<u>25,594,461</u>
Provision for doubtful debts	(13,164,026)	(13,122,573)	(12,741,209)
	<u>10,860,297</u>	<u>8,691,187</u>	<u>12,853,252</u>
Advances to suppliers	3,576,039	1,088,930	1,201,759
Prepaid expenses	183,102	218,066	183,844
Refundable deposits	10,832	60,105	59,757
Deferred tax asset	47,116	35,558	39,240
Other	105,258	372,714	78,023
	<u>14,782,644</u>	<u>10,466,560</u>	<u>14,415,875</u>



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**7. Trade and other receivables (Continued)**

\* 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.

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 30 June 2015 (KD 16,330,630 as at 31 December 2014, KD 16,330,630 as at 30 June 2014) 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 30 June 2015 (KD 12,730,079 as at 31 December 2014, KD 12,064,919 as at 30 June 2014).

**8. Investments at fair value through profit or loss**

	<u>30 June 2015</u>	<u>31 December 2014 (Audited)</u>	<u>30 June 2014</u>
Quoted securities	3,402,879	3,186,552	2,857,706
Unquoted securities	104,162	105,174	105,174
Investment funds	5,868,638	3,397,325	5,216,457
	<u>9,375,679</u>	<u>6,689,051</u>	<u>8,179,337</u>

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

**9. Cash and cash equivalents**

	<u>30 June 2015</u>	<u>31 December 2014 (Audited)</u>	<u>30 June 2014</u>
Cash on hand and at banks	5,188,877	5,364,415	3,174,119
Term deposits with three months maturity from placement date	3,303,631	5,001,373	5,221,300
Cash at investment portfolios	181,755	2,392,510	668,878
	<u>8,674,263</u>	<u>12,758,298</u>	<u>9,064,297</u>

The annual average effective interest rate on deposits is 0.88% as at 30 June 2015 (1.024% as at 31 December 2014, 0.78% as at 30 June 2014).





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10. Treasury shares

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Number of shares	7,377,383	7,377,383	7,377,383
Percentage to issued shares (%)	3.41%	3.41%	3.41%
Market value	796,757	1,032,834	1,741,062

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

11. Other reserves

	Change in fair value of available for sale investments	Foreign currency translation reserve	Total
At 1 January 2015	58,902	291,660	350,562
Changes in fair value of available for sale investments	33,517	-	33,517
Foreign currency translation differences	-	(104,720)	(104,720)
At 30 June 2015	92,419	186,940	279,359
At 1 January 2014	9,350	367,852	377,202
Changes in fair value of available for sale investments	(187,481)	-	(187,481)
Impairment of available for sale investments	235,086	-	235,086
Foreign currency translation differences	-	42,408	42,408
At 30 June 2014	56,955	410,260	467,215

12. Trade and other payables

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Trade payables	1,362,255	2,412,524	715,241
Advances from customers	16,317	33,778	127,219
Dividends payable to shareholders (Note 15)	128,358	128,628	150,091
Accrued expenses	1,329,087	2,850,017	2,800,575
Accrued leave	171,760	175,772	208,097
Refundable deposits	27,000	27,000	17,000
Due to related parties (Note 15)	48,387	75,128	33,045
Board of Directors' remuneration (Note 15)	25,100	48,000	28,000
National Labor Support Tax	72,524	-	-
Zakat	29,010	-	-
Other payables	325,028	69,849	103,578
	<u>3,534,826</u>	<u>5,820,696</u>	<u>4,182,846</u>



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**13. Basic and diluted earnings per share**

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

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Profit / (loss) for the period	1,873,809	(2,305,732)	2,825,831	(1,494,109)
Weighted average number of outstanding shares less treasury shares	209,213,192	209,213,192	209,213,192	209,213,192
Earnings per share (fils)	8.96	(11.02)	13.51	(7.14)

The Parent Company had no outstanding dilutive shares.

**14. Contingent liabilities and capital commitments**

	30 June 2015	31 December 2014 (Audited)	30 June 2014
Letters of guarantee	1,344,862	1,304,941	1,309,229

As at 30 June 2015, the Group has capital commitments for manufacturing new equipment amounting to KD 878,784 (KD 1,757,454 as at 31 December 2014, and KD 1,757,454 as at 30 June 2014).

**15. Related party transactions and balances**

Related parties comprise of the Group's major shareholders, directors and key management personnel, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the normal course of business and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 30 June 2015.

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

Related party transactions	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Management fees paid to associates companies	24,335	22,590	48,387	45,155
Key management benefits	7,251	23,423	14,502	43,235
Board of Directors' remuneration	12,000	14,000	24,000	28,000
Group's share in associates' results	26,541	75,833	38,316	116,137



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**15. Related party transactions and balances (Continued)**

Related party balances	30 June 2015	31 December 2014 (Audited)	30 June 2014
Key management long term balances	90,869	83,245	307,329
Key management short term balances	16,248	12,767	16,782
Investment in an associate	485,436	494,603	541,157
Dividends payable to shareholders (Note 12)	128,358	128,628	150,091
Due to related parties (Note 12)	48,387	75,128	33,045
Board of Directors' accrued remuneration (Note 12)	25,100	48,000	28,000

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

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

**16. Operating Segments**

**16.1 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, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group conducts its activities through three main geographical segments:

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

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



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16. Operating Segments (Continued)

16.1.1 Segments revenue

	Commercial segment		Food processing segment		Investments segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	KD 000's							
Kuwait	22,080	20,468	2,927	3,316	478	(147)	25,485	23,637
UAE	1,269	1,813	-	-	-	-	1,269	1,813
Australia	948	141	-	-	-	94	948	235
<b>Total</b>	<b>24,297</b>	<b>22,422</b>	<b>2,927</b>	<b>3,316</b>	<b>478</b>	<b>(53)</b>	<b>27,702</b>	<b>25,685</b>
Unallocated items:								
Miscellaneous revenues							614	388
<b>Total revenue</b>							<b>28,316</b>	<b>26,073</b>

16.1.2 Segments results

	Commercial segment		Food processing segment		Investments segment		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	KD 000's							
Kuwait	3,713	170	91	91	478	(147)	4,282	114
UAE	(70)	(5)	-	-	-	-	(70)	(5)
Australia	186	126	-	-	-	94	186	220
<b>Total</b>	<b>3,829</b>	<b>291</b>	<b>91</b>	<b>91</b>	<b>478</b>	<b>(53)</b>	<b>4,398</b>	<b>329</b>
Unallocated items:								
Other unallocated revenues							490	388
Other unallocated costs							(2,063)	(2,211)
<b>Profit for the period</b>							<b>2,825</b>	<b>(1,494)</b>

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



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

**16. Operating Segments (Continued)**

**16.1.3 Segmental distribution of assets and liabilities**

	Commercial segment		Food processing segment		Investments segment		Total	
	30 June 2015	31 December 2014 (Audited)	30 June 2015	31 December 2014 (Audited)	30 June 2015	31 December 2014 (Audited)	30 June 2015	31 December 2014 (Audited)
	KD 000's							
Assets	37,867	16,662	1,344	5,236	3,172	20,174	42,383	42,072
Liabilities	4,386	7,454	261	20	383	-	5,030	7,474
				5,246		15,367		42,066
				220		-		6,024



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16. Operating Segments (Continued)

16.2 Geographical distribution of assets and liabilities

		30 June 2015			
		Kuwait	UAE	Australia	Total
		KD 000's			
Assets		17,702	5,449	19,232	42,383
Liabilities		4,870	160	-	5,030

		31 December 2014 (Audited)			
		Kuwait	UAE	Australia	Total
		KD 000's			
Assets		37,483	1,418	3,171	42,072
Liabilities		6,897	333	244	7,474

		30 June 2014			
		Kuwait	UAE	Australia	Total
		KD 000's			
Assets		38,267	734	3,065	42,066
Liabilities		5,583	161	280	6,024