

**UNITED PROJECTS COMPANY FOR  
AVIATION SERVICES K.S.C.P. AND ITS  
SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 March 2016**



Building a better  
working world

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES  
K.S.C.P.**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Project Company For Aviation Services K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 31 March 2016, and the related interim condensed consolidated statement of income, statement of comprehensive income, statement of cash flows and statement of changes in equity for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard (“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 International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it 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.

*Emphasis of matter*

We draw attention to Note 4 to the interim condensed consolidated financial information, which describes the uncertainty relating to the management’s ability to renew a BOT contract. Our conclusion is not qualified in respect of this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES  
K.S.C.P. (continued)**

**Report on 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, to the best of our knowledge and belief, we have not become aware of any violations of the Companies No. 1 of 2016, the executive regulation of Law No. 25 of 2012, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the three months period ended 31 March 2016 that might have had a material effect on the business of the Parent Company or on its financial position.



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WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS



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DR. SAUD AL HUMAIDI  
LICENSE NO. 51 A  
DR. SAUD AL-HUMAIDI & PARTNERS  
MEMBER OF BAKER TILLY  
INTERNATIONAL

4 May 2016  
Kuwait

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2016

	Notes	Three months ended 31 March	
		2016 KD	2015 KD
Revenues		3,238,500	3,020,669
Operating costs		(272,785)	(273,838)
<b>Gross profit</b>		<b>2,965,715</b>	<b>2,746,831</b>
General and administrative expenses		(317,315)	(309,200)
Salaries and employee benefits		(265,230)	(243,288)
Net other income		27,333	41,410
		<b>2,410,503</b>	<b>2,235,753</b>
<b>Profit before interest, taxation, depreciation and amortization ("EBITDA")</b>			
Depreciation		(12,727)	(11,810)
Amortisation		(707,036)	(694,231)
<b>Profit before interest and taxation ("EBIT")</b>		<b>1,690,740</b>	<b>1,529,712</b>
Interest income		297,646	88,170
<b>Profit before taxation</b>		<b>1,988,386</b>	<b>1,617,882</b>
Taxation	10	(78,616)	(75,096)
<b>PROFIT FOR THE PERIOD</b>		<b>1,909,770</b>	<b>1,542,786</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		1,906,403	1,559,803
Non-controlling interests		3,367	(17,017)
		<b>1,909,770</b>	<b>1,542,786</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	3	<b>24.28 fils</b>	<b>19.87 fils</b>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
 INCOME (UNAUDITED)**  
 For the period ended 31 March 2016

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2016</b>	<b>2015</b>
	<b>KD</b>	<b>KD</b>
<b>Profit for the period</b>	<b>1,909,770</b>	<b>1,542,786</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<b>1,909,770</b>	<b>1,542,786</b>
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>1,906,403</b>	<b>1,559,803</b>
Non-controlling interests	<b>3,367</b>	<b>(17,017)</b>
	<b>1,909,770</b>	<b>1,542,786</b>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2016

		<i>(Audited)</i>	
		<i>31 March</i>	<i>31 December</i>
		<i>2016</i>	<i>2015</i>
		<i>KD</i>	<i>KD</i>
	<i>Notes</i>		<i>31 March</i>
			<i>2015</i>
			<i>KD</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		210,673	188,146
Intangible assets	4	13,720,040	16,463,375
Financial assets available for sale		2,749,198	3,250,000
Loan to a related party	5	12,837,258	1,621,703
		<u>29,517,169</u>	<u>21,523,224</u>
<b>Current assets</b>			
Accounts receivable and other assets		2,196,021	1,779,060
Cash and cash equivalents	6	10,289,452	15,520,061
		<u>12,485,473</u>	<u>17,299,121</u>
<b>TOTAL ASSETS</b>		<u><u>42,002,642</u></u>	<u><u>40,118,631</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		8,250,000	8,250,000
Share premium		10,500,000	10,500,000
Statutory reserve		4,125,000	4,125,000
Treasury shares	7	(1,544,594)	(1,544,594)
Other reserve		(260,978)	(260,978)
Retained earnings		8,677,235	7,231,738
		<u>29,746,663</u>	<u>28,301,166</u>
<b>Equity attributable to holders of the Parent Company</b>		<u>29,746,663</u>	<u>28,301,166</u>
Non-controlling interests		2,487,807	2,440,250
<b>Total equity</b>		<u>32,234,470</u>	<u>30,741,416</u>
<b>Non-current liability</b>			
Employees' end of service benefits		269,321	257,263
		<u>269,321</u>	<u>257,263</u>
<b>Current liabilities</b>			
Accounts payable and other liabilities		9,498,851	7,823,666
		<u>9,498,851</u>	<u>7,823,666</u>
<b>Total liabilities</b>		<u>9,768,172</u>	<u>8,080,929</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>42,002,642</u></u>	<u><u>40,118,631</u></u>

Hassan Bassam El Houry  
Chairman

  
Nadia Abdullah Mohammad Akil  
CEO & Vice Chairperson

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the period ended 31 March 2016

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2016</i>	<i>2015</i>
		<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,909,770	1,542,786
Adjustments for:			
Depreciation and amortisation		719,763	706,041
Provision of employees' end of service benefits		33,871	11,342
Interest income		(297,646)	(88,170)
		<u>2,365,758</u>	<u>2,171,999</u>
Working capital changes:			
Accounts receivable and other assets		(176,905)	1,389,262
Accounts payable and other liabilities		(59,630)	181,216
Cash flows from operations		<u>2,129,223</u>	<u>3,742,477</u>
Employees' end of service benefits paid		-	(6,367)
Net cash flows from operating activities		<u>2,129,223</u>	<u>3,736,110</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(3,591)	(1,654)
Proceeds from disposal of property and equipment		-	250
Additions to intangible assets		-	(43,725)
Proceeds from maturity of financial assets available for sale		1,950,000	-
Loan to related parties		(3,107,948)	(1,621,703)
Interest income received		54,660	88,170
Net cash flows used in investing activities		<u>(1,106,877)</u>	<u>(1,578,662)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>1,022,346</u>	<u>2,157,448</u>
Cash and cash equivalents at the beginning of the period		<u>9,267,106</u>	<u>13,362,613</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6</b>	<u><u>10,289,452</u></u>	<u><u>15,520,061</u></u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

**United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the period ended 31 March 2016

*Attributable to equity holders of the Parent Company*

	Share capital KD	Share premium KD	Statutory reserve KD	Treasury shares KD	Other reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2016	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	6,770,832	27,840,260	2,484,440	30,324,700
Profit for the period	-	-	-	-	-	1,906,403	1,906,403	3,367	1,909,770
Total comprehensive income for the period	-	-	-	-	-	1,906,403	1,906,403	3,367	1,909,770
<b>As at 31 March 2016</b>	<b>8,250,000</b>	<b>10,500,000</b>	<b>4,125,000</b>	<b>(1,544,594)</b>	<b>(260,978)</b>	<b>8,677,235</b>	<b>29,746,663</b>	<b>2,487,807</b>	<b>32,234,470</b>
As at 1 January 2015	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	5,671,935	26,741,363	2,457,267	29,198,630
Profit for the period	-	-	-	-	-	1,559,803	1,559,803	(17,017)	1,542,786
Total comprehensive income / (loss) for the period	-	-	-	-	-	1,559,803	1,559,803	(17,017)	1,542,786
As at 31 March 2015	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	7,231,738	28,301,166	2,440,250	30,741,416

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.



**United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**INFORMATION (UNAUDITED)**

As at 31 March 2016

**1 CORPORATE INFORMATION**

The interim condensed consolidated financial information of United Projects Company for Aviation Services K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") for the period ended 31 March 2016 were authorised for issue by the Board of Directors on 4 May 2016.

The Parent Company was established as a Kuwaiti Shareholding Company on 4 December 2000 and its registered address is Kuwait International Airport, P.O. Box 27068, Safat 13131, Kuwait. The main objectives of the Parent Company are:

- Providing airplane ground and cleaning services and supply of water and other airplane supplies;
- Leasing out airplanes;
- Tourism, travel and cargo shipment services;
- Managing projects;
- Investing surplus funds in investment portfolios managed by specialised institutions; and
- The right to participate with other firms, which operate in the same field or those, which would assist in achieving its objectives in Kuwait or abroad, and to purchase those firms or participate in their equity.

The Parent Company is listed on the Kuwait Stock Exchange and is a subsidiary of Agility Public Warehousing Company K.S.C.P. ("Ultimate Parent Company"), which is also listed on the Kuwait Stock Exchange.

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and was published in the Official Gazette on 1 February 2016 which cancelled the Companies Law No. 25 of 2012, and its amendments. According to article No. 5, the new Law will be effective retrospectively from 26 November 2012, the executive regulation of Law No. 25 of 2012 will continue until a new set of executive regulation is issued.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**Basis of compliance**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

**Basis of presentation**

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

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Furthermore, results for the period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For more details, please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2015.

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2016 did not have any material impact on the accounting policies, financial position or performance of the Group.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at 31 March 2016

**3 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	<u>1,906,403</u>	<u>1,559,803</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of paid up shares	<u>82,500,000</u>	82,500,000
Weighted average number of treasury shares	<u>(3,980,000)</u>	(3,980,000)
Weighted average number of ordinary shares outstanding during the period	<u>78,520,000</u>	<u>78,520,000</u>
Basic and diluted earnings per share	<u>24.28 fils</u>	<u>19.87 fils</u>

**4 INTANGIBLE ASSETS**

Included in intangible assets is an amount of KD 239,782 (31 December 2015: KD 479,563 and 31 March 2015: KD 1,198,996) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Discovery Mall (the "Mall"). This Mall was built on a leasehold land from the government of the State of Kuwait for 10 years which was then extended by seven months to 28 January 2014. The management believes that the agreement will be extended for additional 4 years and the delay in the extension of the agreement is due to the completion of certain legal and administrative formalities.

Included in intangible assets is an amount of KD 6,401,729 (31 December 2015: KD 6,600,704 and 31 March 2015: KD 7,197,629) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). This terminal was built on a leasehold land from the government of the State of Kuwait for 20 years which will expire on 2024. Since September 2013, the Civil Aviation Authority permitted Flydubai, one of the carriers to operate from the terminal. As a result of this, the management is confident that the carrying amount of the terminal is fully recoverable and no impairment is considered necessary.

Included in intangible assets is an amount of KD 7,078,529 (31 December 2015: KD 7,346,809 and 31 March 2015: KD 8,066,750) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of the car park and commercial complex of Kuwait International Airport. This was built on a leasehold land from the government of the State of Kuwait for 20 years which will expire on 2023. The management is confident that the carrying amount of the intangible asset is fully recoverable and no impairment is considered necessary.

**5 RELATED PARTY TRANSACTIONS**

These represents transactions with related parties, i.e. major shareholders, associate, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2016

**5 RELATED PARTY TRANSACTIONS (continued)**

Transactions and balances with related parties are as follows:

	<i>Ultimate parent company</i>	<i>Other related parties</i> <i>KD</i>	<i>Three months ended</i> <i>31 March</i>		
			<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>	
<b><i>Interim condensed consolidated income statement:</i></b>					
Revenues	-	-	-	18,167	
Operating costs	-	(50,849)	(50,849)	(43,043)	
Interest Income	-	124,045	124,045	-	
Administrative expenses	-	(13,312)	(13,312)	(13,793)	
	<i>Ultimate parent company</i>	<i>Other related parties</i> <i>KD</i>	<i>(Audited)</i> <i>31 March 2016</i> <i>KD</i>	<i>31 December 2015</i> <i>KD</i>	<i>31 March 2015</i> <i>KD</i>
<b><i>Interim condensed consolidated statement of financial position:</i></b>					
Amounts due from related party	-	21,998	21,998	49,538	27,270
Amounts due to related party	133,082	102,401	235,483	361,603	286,847
Loan to related party	-	12,837,258	12,837,258	9,486,326	1,621,703
Financial assets available for sale	-	1,449,198	1,449,198	1,449,198	-

Amounts due from/to related parties are interest free and are receivable/payable on demand.

Loan to a related party represents amounts advanced by a subsidiary of the Group towards the construction and development of a commercial mall in UAE ("Project"). This amount bears annual interest of 8.5% and can be converted to equity in the Project on completion of construction subject to the Project achieving certain operational targets. The Group has contributed KD 1,449,198 in the equity of the Project as of the reporting date.

**Compensation of key management personnel**

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>
Short-term benefits	22,500	22,500
Employees' end of service benefits	2,784	1,233
	<u>25,284</u>	<u>23,733</u>

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at 31 March 2016

**6 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the interim condensed consolidated statement of cash flows consist of the following interim condensed consolidated statement of financial position amounts:

	<i>31 March</i> <i>2016</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2015</i> <i>KD</i>	<i>31 March</i> <i>2015</i> <i>KD</i>
Cash and bank balances	1,365,316	823,023	945,563
Short-term deposits	8,924,136	8,444,083	14,574,498
	<u>10,289,452</u>	<u>9,267,106</u>	<u>15,520,061</u>

Short-term deposits are denominated in KD and carry an effective interest rate ranging between 1% to 1.925% (31 December 2015: 1% to 1.75% and 31 March 2015: 1% to 1.75%) per annum.

**7 TREASURY SHARES**

	<i>31 March</i> <i>2016</i>	<i>(Audited)</i> <i>31 December</i> <i>2015</i>	<i>31 March</i> <i>2015</i>
Number of treasury shares (shares)	<u>3,980,000</u>	<u>3,980,000</u>	<u>3,980,000</u>
Percentage of issued shares (%)	<u>5 %</u>	<u>5%</u>	<u>5%</u>
Market value (KD)	<u>2,865,600</u>	<u>2,587,000</u>	<u>3,024,800</u>

Reserves equivalent to the cost of the treasury shares held are not available for distribution.

**8 DIVIDEND**

Subsequent to period end, at the Annual General Assembly of the shareholders of the Parent Company held on 27 April 2016, the shareholders approved the distribution of cash dividends of 86 fils per share (2014: 72 fils per share) amounting to KD 6,752,720 for the year ended 31 December 2015 (2014: KD 5,653,440 ) for shareholders registered on that date.

United Projects Company For Aviation Services K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2016

9 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised in two operating segments: i) Investments: consists of investing surplus funds in investment portfolios. ii) Service operations: consists of leasing airplanes, managing projects and providing airplane ground and cleaning services and other service facilities.

	Investments		Services operations		Total	
	2016 KD	2015 KD	2016 KD	2015 KD	2016 KD	2015 KD
Segment revenue	297,646	88,170	3,265,833	3,062,079	3,563,479	3,150,249
Segment profit	297,646	88,170	1,690,740	1,529,712	1,988,386	1,617,882
Unallocated expenses					(78,616)	(75,096)
Profit for the period					1,909,770	1,542,786
Depreciation and amortisation	-	-	719,763	706,041	719,763	706,041

	Investments		Services operations		Total	
	(Audited)		(Audited)		(Audited)	
	31 March 2016 KD	31 March 2015 KD	31 March 2016 KD	31 December 2015 KD	31 March 2016 KD	31 March 2015 KD
Assets	25,875,909	23,452,630	16,126,733	16,666,001	42,002,642	38,822,345
Liabilities	-	-	9,768,172	9,793,931	9,768,172	8,080,929
Other disclosures: Capital expenditure	-	-	-	94,564	-	43,725

Capital expenditure represents additions to intangible assets. All of the Group's operations are in Kuwait.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at 31 March 2016

10 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
National labour support tax ("NLST")	43,676	41,720
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	17,470	16,688
Zakat	17,470	16,688
	<u>78,616</u>	<u>75,096</u>

11 CONTINGENCIES

As at 31 March 2016, the Group had contingent liabilities, amounting to KD 2,429,082 (31 December 2015: KD 2,419,113 and 31 March 2015: KD 264,190), in respect of bank guarantees arising in the ordinary course of business and corporate guarantee of AED 202 million equivalent to KD 16.2 million (31 December 2015: AED 202 million equivalent to KD 16.2 million and 31 March 2015: Nil) from which it is anticipated that no material liabilities will arise.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consists of financial assets available for sale, accounts receivables and other assets and cash and cash equivalents. Financial liabilities consist of accounts payable and other liabilities.

The fair value of financial assets and financial liabilities is not materially different from their carrying amounts except for financial assets available for sale which are carried at cost amounting to KD 2,749,198 as at 31 March 2016 (31 December 2015: KD 4,699,198 and 31 March 2015: KD 3,250,000).