

**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

CONTENTS

Report on Review of Interim consolidated financial information	
	<u>Pages</u>
Interim condensed consolidated statement of financial position (unaudited)	3
Interim condensed consolidated statement of profit or loss (unaudited)	4
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	5
Interim condensed consolidated statement of changes in equity (unaudited)	6
Interim condensed consolidated statement of cash flows (unaudited)	7
Notes to interim consolidated financial information (unaudited)	8 - 14



AL-WAHA
AUDITING OFFICE
ALI OWAID RUKHAEYES

Member of The International Group of Accounting Firms

P.O. Box 27387 Safat
13134 - State of Kuwait
Telephone: (965) 22423415
Facsimile : (965) 22423417



RSM Albazie & Co.

Public Accountants

Kuwait Airways Building, 7th floor, Shuhada Street,
P.O. Box 2115, Safat - 13022, State of Kuwait
T +965 22961000 F +965 22412761
E mail@albazie.com W www.albazie.com

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Mubarrad Transportation Co. K.S.C. (Public) and its Subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Transportation Co. K.S.C. (Public) (the Parent Company) and its subsidiaries (the Group) as of September 30, 2014 and the related interim condensed consolidated statements of profit or loss, and profit or loss and other comprehensive income, changes in equity and the interim condensed consolidated of cash flows for the nine-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 Consolidated Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.



AL-WAHA
AUDITING OFFICE
ALI OWAIID RUKHAEYES



RSM Albazie & Co.
Public Accountants

-2-

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim 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 Law No. 25 of 2012 and its subsequent amendments and its Executive regulations or Articles of Association and the Parent Company's Articles of Incorporation during the period ended September 30, 2014 that might have had a material effect on the Group's financial position or results of its operations.

Ali Owaid Rukheyes
Licence No. 72-A
Member of the International Group of Accounting Firms

Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

State of Kuwait
October 29, 2014

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Current assets:				
Cash and cash equivalents	3	1,908,931	1,275,041	1,655,541
Investment deposits		150,000	1,750,000	1,000,000
Accounts receivable and other debit balances	4	2,716,791	1,223,900	1,470,845
Due from related parties	5	15,068	28,847	15,243
Right of utilization held for trading	7	-	2,750,000	2,750,000
Inventory		465,964	412,973	473,445
Total current assets		5,256,754	7,440,761	7,365,074
Investments available for sale		2,114,131	2,421,662	2,165,829
Investment in associates	6	5,698,157	4,219,854	4,144,783
Investments properties	7	6,096,959	2,878,879	2,913,906
Property, plant and equipment		2,515,090	2,769,500	3,115,976
Goodwill		91,005	91,005	91,005
		21,772,096	19,821,661	19,796,573
Assets classified as held for sale	8	10,975	40,975	59,552
Total assets		21,783,071	19,862,636	19,856,125
 LIABILITIES AND EQUITY				
Current liabilities:				
Short term finance contract installments	9	1,789,407	1,819,987	1,789,660
Accounts payable and other credit balances	10	751,651	593,243	871,830
Due to related parties	5	3,705	3,705	3,705
Total current liabilities		2,544,763	2,416,935	2,665,195
Provision for end of service indemnity		245,217	217,544	306,335
Total liabilities		2,789,980	2,634,479	2,971,530
Equity:				
Capital		16,369,277	16,369,277	16,369,277
Statutory reserve		66,721	66,721	-
Treasury shares reserve		84,388	84,388	84,388
Cumulative change in fair value		224,031	316,612	60,709
Group's share of changes in equity of subsidiary		1,588	1,588	1,588
Group's share of changes in other comprehensive income of associates		(9,902)	(14,917)	(14,299)
Foreign currency translation adjustments		(211,863)	(238,548)	(210,278)
Retained earnings		2,396,288	572,277	521,736
Total equity attributable to shareholders of the Parent Company		18,920,528	17,157,398	16,813,121
Non-controlling interests		72,563	70,759	71,474
Total equity		18,993,091	17,228,157	16,884,595
Total liabilities and equity		21,783,071	19,862,636	19,856,125

The accompanying notes (1) to (13) form an integral part of the interim consolidated financial information


 Chairman
 Abdullah Mohammed Al - Shaty

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2014	2013	2014	2013
Continuing operations:					
Sales		438,417	82,340	913,896	368,707
Cost of sales		(375,674)	(64,515)	(699,738)	(329,717)
Gross profit		62,743	17,825	214,158	38,990
Net profit (loss) from transportation, leasing and maintenance		61,178	(21,916)	110,669	29,637
Net revenue from rental of stores		99,972	-	249,958	-
		223,893	(4,091)	574,785	68,627
General and administrative expenses		(166,750)	(198,443)	(534,335)	(602,832)
Provision for doubtful debts		(16,000)	-	(16,000)	-
Provision no longer required		-	4,000	11,236	14,000
Depreciation		(10,568)	(13,215)	(31,822)	(40,039)
Operating profit (loss)		30,575	(211,749)	3,864	(560,244)
Gain from sale of property, plant and equipment		-	153,650	-	174,530
Finance charges		(25,157)	(20,402)	(70,050)	(66,468)
Gain from sale of investments available for sale		-	-	29,800	-
Loss from sale of investments in subsidiaries		-	-	(656)	-
Gain from bargain purchase for acquisition of associates	6	-	-	192,165	-
Loss from disposal of investment in associate		-	-	-	(13,831)
Group's share of results from associates	6	227,822	67,209	1,246,478	257,227
Changes in fair value of investments properties	7	(6,615)	-	480,531	-
Foreign exchange gain (loss)		2,499	(5,020)	2,076	(4,489)
Interest income		2,070	3,781	12,918	7,511
Other income		3,544	70,170	15,601	124,400
Profit for the period from continuing operations		234,738	57,639	1,912,727	(81,364)
Profit (loss) for the period from discontinued operations	8	-	46,867	(9,353)	605,050
Profit for the period before contribution to Kuwait Foundation for the advancement of sciences (KFAS), Zakat and National Labor Support Tax (NLST)		234,738	104,506	1,903,374	523,686
Contribution to KFAS		(1,022)	-	(14,009)	-
Contribution to Zakat		(1,004)	(612)	(15,361)	(3,324)
Contribution to NLST		(6,444)	-	(48,359)	-
Net profit for the period		226,268	103,894	1,825,645	520,362
Attributable to:					
Shareholders of the Parent Company		225,249	104,324	1,824,011	521,736
Non - controlling interests		1,019	(430)	1,634	(1,374)
Net profit for the period		226,268	103,894	1,825,645	520,362
		Fils	Fils	Fils	Fils
Earnings per share attributable to shareholders of the parent company	11	1.38	0.63	11.14	3.19

The accompanying notes (1) to (13) form an integral part of the interim consolidated financial information

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2014	2013	2014	2013
Net profit for the period		226,268	103,894	1,825,645	520,362
Other comprehensive income (loss)					
<u>Items that may be reclassified to statement of profit or loss</u>					
Change in fair value of investments available for sale		(47,195)	(4,976)	(77,806)	47,169
Reversal from cumulative changes in fair value due to sale of investments available for sale		-	-	(14,797)	-
Share from change in other comprehensive income of associates	6	5,589	(2,147)	5,015	1,538
Foreign currency translation adjustments		112,190	(32,107)	26,877	(235,730)
Other comprehensive income (loss) for the period		70,584	(39,230)	(60,711)	(187,023)
Total comprehensive income for the period		296,852	64,664	1,764,934	333,339
Attributable to:					
Shareholders of the parent company		295,597	65,187	1,763,130	334,594
Non-controlling interests		1,255	(523)	1,804	(1,255)
Total comprehensive income for the period		296,852	64,664	1,764,934	333,339

The accompanying notes (1) to (13) form an integral part of the interim consolidated financial information

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the parent company											
	Capital	Share premium	Statutory reserve	Treasury shares reserve	Cumulative changes in fair value	Group's share of changes in equity of subsidiary	Group's share of other comprehensive income of associates	Foreign currency translation adjustments	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as at December 31, 2012	21,687,924	4,426,994	-	84,388	13,540	1,588	(15,837)	25,571	(9,745,641)	16,478,527	72,729	16,551,256
Capital decrease	(5,318,647)	-	-	-	-	-	-	-	5,318,647	-	-	-
Transfer from share premium to accumulated losses	-	(4,426,994)	-	-	-	-	-	-	4,426,994	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	47,169	-	1,538	(235,849)	521,736	334,594	(1,255)	333,339
Balance as at September 30, 2013	16,369,277	-	-	84,388	60,709	1,588	(14,299)	(210,278)	521,736	16,813,121	71,474	16,884,595
Balance as at December 31, 2013	16,369,277	-	66,721	84,388	316,612	1,588	(14,917)	(238,548)	572,277	17,157,398	70,759	17,228,157
Total comprehensive (loss) income for the period	-	-	-	-	(92,581)	-	5,015	26,685	1,824,011	1,763,130	1,804	1,764,934
Balance as at September 30, 2014	16,369,277	-	66,721	84,388	224,031	1,588	(9,902)	(211,863)	2,396,288	18,920,528	72,563	18,993,091

The accompanying notes (1) to (13) form an integral part of the interim consolidated financial information

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

	For the nine months ended September 30,	
	2014	2013
Cash flows from operating activities:		
Profit (loss) for the period from continuing operations before contribution to KFAS, Zakat and NLST	1,912,727	(81,364)
(Loss) profit for the period from discontinued operations before contribution to KFAS, Zakat and NLST	(9,353)	605,050
Adjustments:		
Depreciation	258,070	390,068
Provision for doubtful debts	16,000	-
Provision no longer required	(11,236)	(14,000)
Gain from sale of investments available for sale	(29,800)	-
Gain from sale of property, plant and equipment	-	(174,530)
Group's share of results from associates	(1,246,478)	(257,227)
Gain from bargain purchase for acquisition of associates	(192,165)	-
Changes in fair value of investment properties	(480,531)	-
Loss from sale of investment in associate	-	13,831
Loss (gain) from sale of assets classified as held for sale	9,353	(562,769)
Finance charges	70,050	115,278
Interest income	(12,918)	(7,511)
Provision for end of service indemnity	42,188	93,880
	<u>325,907</u>	<u>120,706</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(1,498,569)	613,870
Due from related parties	13,779	230,362
Inventory	(52,991)	(55,456)
Accounts payable and other credit balances	108,893	(660,677)
Cash (used in) generated from operations	<u>(1,102,981)</u>	<u>248,805</u>
Payment of KFAS	(5,968)	-
Payment of Zakat	(5,052)	-
Payment of NLST	(17,194)	-
End of service indemnity paid	(14,515)	(252,674)
Net cash used in operating activities	<u>(1,145,710)</u>	<u>(3,869)</u>
Cash flows from investing activities:		
Net movement in investment deposits	1,600,000	(850,000)
Paid for purchase of property, plant and equipment	(3,660)	(15,453)
Proceeds from sale of property, plant and equipment	-	512,584
Paid for additions of investment properties	(10,222)	(526,443)
Cash dividend received from associate	298,413	-
Paid for acquisition of associate	(282,594)	-
Proceeds from sale of assets classified as held for sale	20,647	4,473,285
Proceeds from sale of investments available for sale	244,728	-
Interest income received	12,918	7,511
Net cash generated from investing activities	<u>1,880,230</u>	<u>3,601,484</u>
Cash flows from financing activities:		
Liabilities directly related to assets classified as held for sale	-	(2,573,160)
Net movement of finance contracts payable	(100,630)	(186,832)
Net movement in due to related parties	-	(141,200)
Net cash used in financing activities	<u>(100,630)</u>	<u>(2,901,192)</u>
Net increase in cash and cash equivalents	633,890	696,423
Cash and cash equivalents at beginning of the period	1,275,041	959,118
Cash and cash equivalents at end of the period	<u>1,908,931</u>	<u>1,655,541</u>

The accompanying notes (1) to (13) form an integral part of the interim consolidated financial information

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of the Parent Company

The Parent Company was incorporated as per Articles of Association of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and amended by contracts No. 335/Volume 1 dated February 7, 2000, No. 473/ Volume 1 dated January 28, 2003, No. 3092/ Volume 1 dated July 7, 2003, and the last contract which was authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department Under No 5394 / Volume 1 dated July 14, 2004, the following amendments were made according to the last contract:

- First The legal entity of Mubarred International Trading & Transportation Co. – Abdullatif and Jamal Mohammed Al-Fadalah and Partners – was changed from a limited liability Company to a Kuwaiti Shareholding Company (Public).
- Second Amendment of the Company's name to be "Mubarrad Transportation Company – K.S.C. (Public)".

The main activities of the Parent Company are:

- Transportation of goods.
- Ownership, rental and leasing of all types of transportation and loading.
- Opening garages to carry out maintenance services to the Company's various transportation machines and equipment related to the Company.
- Ownership, rental and leasing of lands and real estates required to achieve Company's objectives.
- Import, export, sale and leasing of various transportation means, heavy and light machines and equipment.
- Act as a commission agent regarding the transportation of goods , various transportation means , machines and equipment.
- Establishing, preparing and managing all kinds of warehouses of all types, including freezing or cooling, air conditioned or dry and open areas for all kinds of goods and storing all kinds of goods using depositing system under the customs supervision inside or outside the Free Zone Customs Areas and public warehouses.
- Practicing all activities of customs handling and preparing warehouses with installations and means and cranes necessary for arranging and moving goods inside and outside warehouses regions.
- Trading and taking agencies of all handling equipment and terrestrial, marine and aerial transportation means and its subsequence.
- Establishing and managing handicraft and industrial regions inside and outside Kuwait and shipping all kinds of goods and custom clearance.
- Managing computer systems related to custom procedures of Free Zones and public regions for controlling goods at the Company's warehouses or at other warehouses either governmental or private.
- Buying, selling and renting of cars and trucks as well as performing maintenance and repairs for the Company and for others, as well as for all kinds of forklifts and handling equipment, warehousing installations, representing agencies of land, marine and aerial shipping lines and companies and managing all gateways with all required mean for such workings.
- Designing, establishing, preparing renting and managing warehouses, designing, preparing, renting and managing all handicraft and industrial handicrafts and designing, establishing, preparing, renting and managing free customs regions and public warehouses, designing, establishing, renting and managing warehouses of government sector, ministries, government institutions and government companies and managing warehouses of the Company and others and clients.
- Investing available surplus funds in investment portfolios managed by specialized companies and parties.

The interim consolidated financial information was authorized for issue by the Board of Directors on October 29, 2014.

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

2. Basis of presentation

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2013 except for the implementation of the following standards which are effective January 1, 2014:

Amendments to IAS 32 offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the meaning of "currently has a legally enforceable right of set off" and "simultaneous realization and settlement". These are effective for annual periods beginning on or after January 1, 2014.

Amendments to IFRS 10, IFRS 12 Investment Entities.

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated financial statements. The amendments are effective for annual periods beginning on or after January 1, 2014.

The interim consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim consolidated financial information. Operating results for the period ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2013.

This amendment is not expected to have a material impact on the interim consolidated financial information of the group.

3. Cash and cash equivalents:

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Cash on hand and at banks	1,408,691	525,041	1,155,541
Short term bank deposits	500,240	750,000	500,000
	<u>1,908,931</u>	<u>1,275,041</u>	<u>1,655,541</u>

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

4. Accounts receivable and other debit balances

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Trade receivables	2,593,714	2,275,373	2,375,485
Provision for doubtful debts	(1,333,504)	(1,328,740)	(1,302,037)
	1,260,210	946,633	1,073,448
Staff receivables	58,060	41,439	81,488
Advance payments	16,512	14,790	4,096
Advance payment for purchase of right of utilization (a)	1,250,000	-	-
Prepaid expenses	52,751	70,793	117,870
Accrued revenue	947	3,119	3,081
Refundable deposits	47,210	77,194	81,254
Cheques under collection	30,900	48,900	49,900
Letters of credit	-	19,025	-
Other receivables	201	2,007	59,708
	<u>2,716,791</u>	<u>1,223,900</u>	<u>1,470,845</u>

(a) This represent amount paid by the parent company for right of utilization related to plot No. 150 & 151 of Shuwaikh Industrial Area, and till date of the interim consolidated financial information, ownership of right of utilization had not been transferred in favor of parent company.

5. Related party disclosures

The Group has entered into various transactions with related parties, associates companies under common control in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated of statement of financial position:

	Associates	Companies under common control	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Due from related parties	68	15,000	15,068	28,847	15,243
Due to related parties	-	3,705	3,705	3,705	3,705

Compensation to key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Salaries and other benefits	11,250	10,577	33,750	33,077
End of service indemnity	1,090	1,090	3,236	3,236
Leave	1,635	1,637	4,854	4,182
	<u>13,975</u>	<u>13,304</u>	<u>41,840</u>	<u>40,495</u>

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

6. Investment in associates

The movement during the period / year on this item is as follows:

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Balance at the beginning of the period / year	4,219,854	3,234,666	3,234,666
Group's share of capital increase in associate	-	727,796	727,798
Additions (a)	282,594	-	-
Disposals	-	(91,754)	(91,754)
Cash dividend received	(298,413)	-	-
Group's share of results from associates	1,246,478	338,343	257,227
Group's share of other comprehensive income of associates	5,015	920	1,538
Gain from bargain purchase	192,165	-	-
Foreign currency translation adjustments	50,464	9,883	15,308
Balance at the end of the period / year	<u>5,698,157</u>	<u>4,219,854</u>	<u>4,144,783</u>

- a) During the period ended September 30, 2014, Emdad for Equipment Leasing Co - K.S.C.- (Closed) a subsidiary with 98% ownership from the Parent Company, acquired 4.71% additional investment in associate, Inshaa Holding Co - K.S.C. (Holding) which resulted in increase of Group's ownership interest in associate Inshaa Holding Co-K.S.C. (Holding) from 20.32% to 25.03%.

The details of acquisition are as follows:

	Amount
Consideration paid	282,594
Less: fair value of net assets and liabilities and contingent liabilities as of the acquisition date	(474,759)
Gain from bargain purchase	<u>(192,165)</u>

7. Investment properties

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Balance at the beginning of the period / year	2,878,879	2,638,112	2,638,112
Additions	10,222	520,939	526,443
Transfer from right of utilization held for trading	2,750,000	-	-
Change in fair value	480,531	(18,779)	-
Foreign currency translation adjustment	(22,673)	(261,393)	(250,649)
Balance at the end of the period / year	<u>6,096,959</u>	<u>2,878,879</u>	<u>2,913,906</u>

During the period, the group had signed agreement with third party for right of utilization against monthly rent and hence the right of utilization had been reclassified to investment properties.

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

8. Assets classified as held for sale

The Board of Directors resolved to dispose of (transportation sector in State of Kuwait) during the financial year ended December 31, 2012. Negotiations with several interested parties have subsequently taken place. The assets and liabilities attributable to the (transportation sector in State of Kuwait) which are expected to be sold within twelve months, have been classified as a Assets held for sale and are presented separately in the interim consolidated statement of financial position. The proceeds of disposal are expected to fall behind the net carrying value of the relevant assets and liabilities and, accordingly, impairment loss has been recognized as assets and liabilities that are related to this sector are classified as held for sale with amount of KD 3,062,260. The major items of assets and liabilities comprising the disposal of (transportation sector in State of Kuwait) classified as held for sale are as follows:

	September 30, 2014	December 31, 2013 (audited)	September 30, 2013
Propert, Plant & Equipment	10,975	10,975	10,975
Inventory	-	30,000	48,577
Total Assets Classified as held for sale	10,975	40,975	59,552

The analysis of profit (loss) from discontinued operations related to transportation section in State of Kuwait is as follows:

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenue	-	46,898	-	856,977
Costs	-	(31)	(9,353)	(251,927)
Profit (loss) for the period	-	46,867	(9,353)	605,050

Earnings (loss) per share attributable to equity holders of the parent company has been computed for discontinued operations as follows:

	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Profit (loss) of the period from discontinued operations	-	46,867	(9,353)	605,050
Weighted average number of shares outstanding	163,692,769	163,692,769	163,692,769	163,692,769
	Fils	Fils	Fils	Fils
Earnings (loss) per share relating to shareholders of the Parent Company from Discontinued operations	-	0.29	(0.06)	3.70

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

9. Short term finance contracts installments

This represents finance contracts installments as follows:

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Finance contract installments	1,848,108	1,848,108	1,848,108
Less: Deferred finance charges	(58,701)	(28,121)	(58,448)
	<u>1,789,407</u>	<u>1,819,987</u>	<u>1,789,660</u>

The Parent Company has renewed the finance lease contract with a local bank for purchasing a right of utilization location in Shuwaikh Industrial area plot (D), Buildings (1 / 2 / 3), payable in one installment on April 30, 2015.

10. Account payable and other credit balances

	September 30, 2014	December 31, 2013 (Audited)	September 30, 2013
Trade payable	383,528	270,269	277,067
Staff payables	21,767	613	123,780
Dividends payable to shareholders	62,334	64,281	64,408
Accrued expenses	28,224	62,035	81,819
Payments received from customers in advance	10,927	12,656	55,868
Deposits for others	10,341	15,423	10,523
Leave provision	115,822	100,022	145,217
KFAS payable	14,009	5,968	-
Zakat payable	15,361	5,052	3,324
NLST payable	48,359	17,194	-
Other creditors	40,979	39,730	109,824
	<u>751,651</u>	<u>593,243</u>	<u>871,830</u>

11. Earnings per share (Fils)

There are no potential dilutive ordinary shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Net profit for the period attributable to equity holders of the Parent Company	225,249	104,324	1,824,011	521,736
Weighted average number of issued shares	163,692,769	163,692,769	163,692,769	163,692,769
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to shareholders of the Parent Company	<u>1.38</u>	<u>0.63</u>	<u>11.14</u>	<u>3.19</u>

12. General Assembly

The Parent Company's General assembly held on May 1, 2014 approved the consolidated financial statements for the year ended December 31, 2013 and Board of Directors' proposal not to distribute cash dividends for the year ended December 31, 2013.

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

The Parent Company's General assembly held on May 1, 2013 approved the consolidated financial statements for the year ended December 31, 2012 and the Board of Directors' proposal not to distribute cash dividends for the year ended December 31, 2012.

13. Segment information

For the purposes of segment information, the management classified its activities into three major sectors as follows:

- Transportation, leasing and maintenance segment: represent goods transport, lease and charter means of transportation and maintenance of client vehicles.
- Investment segment: represents investments available for sale and investment properties.
- Vehicles body manufacturing segment: represent vehicles' body manufacturing, importing, marketing and exporting.

There are intra transactions between segments, These segments represent the basis which the Group present its main operations, which are as follows:

		Nine months ended September 30, 2014			
		Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenue		2,093,181	919,271	98,179	3,110,631
Total costs		(381,702)	(848,871)	(54,413)	(1,284,986)
Net profit for the period		<u>1,711,479</u>	<u>70,400</u>	<u>43,766</u>	<u>1,825,645</u>
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	<u>25,780,202</u>	<u>2,207,436</u>	<u>3,035,652</u>	<u>(9,240,219)</u>	<u>21,783,071</u>
Segment liabilities	<u>4,289,875</u>	<u>596,261</u>	<u>2,873,846</u>	<u>(4,970,002)</u>	<u>2,789,980</u>
		Nine months ended September 30, 2013			
		Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenue		2,802,385	255,815	76,184	3,134,384
Total costs		(2,264,680)	(326,395)	(22,947)	(2,614,022)
Net loss for the period		<u>537,705</u>	<u>(70,580)</u>	<u>53,237</u>	<u>520,362</u>
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	<u>24,701,018</u>	<u>1,905,421</u>	<u>3,022,934</u>	<u>(9,773,248)</u>	<u>19,856,125</u>
Segment liabilities	<u>5,851,624</u>	<u>378,966</u>	<u>2,903,941</u>	<u>(6,163,001)</u>	<u>2,971,530</u>