

**Gulf Investment House K.S.C.P. and  
Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**30 SEPTEMBER 2015 (UNAUDITED)**



Building a better  
working world

Ernst & Young  
Al Aiban, Al Osaimi & Partners  
P.O. Box 74  
18-21st Floor, Baitak Tower  
Ahmed Al Jaber Street  
Safat Square 13001, Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
kuwait@kw.ey.com  
ey.com/mena



**BAKER TILLY  
KUWAIT**

Audit, tax and consulting  
P.O.Box 1486 Safat 13015  
Kuwait

T: +965 1 88 77 99  
F: +965 2 294 2651

info@bakertillykuwait.com  
www.bakertillykuwait.com

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF INVESTMENT HOUSE K.S.C.P.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") as at 30 September 2015 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine 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 basis of presentation set out in Note 2. 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 condensed 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 the basis of presentation set out in Note 2.

### **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 Law No 25 of 2012, as amended and its executive regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2015 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2015 that might have had a material effect on the business of the Parent Company or on its financial position.

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

MOHAMMED HAMED AL SULTAN  
LICENSE NO. 100 A  
AL SULTAN AND PARTNERS  
MEMBER OF BAKER TILLY INTERNATIONAL

16 November 2015  
Kuwait

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 30 September 2015

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2015	2014	2015	2014
		KD	KD	KD	KD
<b>INCOME</b>					
Management fees		324,982	-	324,982	281,130
Realised gain on sale of financial assets at fair value through profit or loss		111	391	111	83,612
Unrealised (loss) gain on financial assets at fair value through profit or loss	5	(82,959)	46,531	(112,661)	(101,311)
Realised gain (loss) on sale of financial assets available for sale		-	-	23,483	(27,624)
Share of results of associates	7	265,171	593,974	(1,055,542)	1,230,573
Change in fair value of investment properties		-	-	(1,442,581)	-
Dividend income		-	-	21,565	26,193
Other income		178,831	6,520	217,354	378,195
<b>TOTAL INCOME (LOSS)</b>		<b>686,136</b>	<b>647,416</b>	<b>(2,023,289)</b>	<b>1,870,768</b>
<b>EXPENSES</b>					
Administrative expenses		(52,478)	(56,173)	(172,604)	(198,849)
Staff cost		(109,288)	(114,845)	(355,826)	(372,653)
Foreign exchange (loss) gain		(1,776)	3,832	18,206	3,008
Impairment loss on financial assets available for sale and others	6	(215,260)	(95,642)	(2,417,090)	(268,460)
Impairment loss on investment in Associates	7	-	-	(248,779)	-
Murabaha charges		(260,232)	(416,707)	(1,142,972)	(1,254,779)
Investment expenses		(40,042)	(50,191)	(128,821)	(125,724)
<b>TOTAL EXPENSES</b>		<b>(679,076)</b>	<b>(729,726)</b>	<b>(4,447,886)</b>	<b>(2,217,457)</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>7,060</b>	<b>(82,310)</b>	<b>(6,471,175)</b>	<b>(346,689)</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		7,060	(82,310)	(6,388,886)	(346,689)
Non-controlling interest		-	-	(82,289)	-
		<b>7,060</b>	<b>(82,310)</b>	<b>(6,471,175)</b>	<b>(346,689)</b>
<b>Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company (fils)</b>	3	<b>0.04</b>	<b>(0.53)</b>	<b>(38.91)</b>	<b>(2.22)</b>

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

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 30 September 2015

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>7,060</b>	<b>(82,310)</b>	<b>(6,471,175)</b>	<b>(346,689)</b>
<b>Other comprehensive (loss) income:</b>				
<i>Other comprehensive (loss) income to be reclassified to consolidated statement of income in subsequent periods:</i>				
Financial assets available for sale				
- Net change in fair values	(269,415)	22,256	(960,176)	(519,193)
- Transfer to interim condensed consolidated statement of income on sale of financial assets available for sale	-	-	(23,483)	27,624
- Transfer to interim condensed consolidated statement of income on impairment	215,260	95,642	1,505,996	268,460
Share of other comprehensive income of associates	387,900	(157,455)	639,622	(170,883)
Foreign currency translation adjustments	(58,929)	(4,261)	54,266	101,702
<b>Other comprehensive income (loss) for the period</b>	<b>274,816</b>	<b>(43,818)</b>	<b>1,216,225</b>	<b>(292,290)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>281,876</b>	<b>(126,128)</b>	<b>(5,254,950)</b>	<b>(638,979)</b>
<b>Attributable to:</b>				
Equity holders of the Parent Company	287,455	(124,362)	(5,169,978)	(648,351)
Non-controlling interests	(5,579)	(1,766)	(84,972)	9,372
	<b>281,876</b>	<b>(126,128)</b>	<b>(5,254,950)</b>	<b>(638,979)</b>

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

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2015

		(Audited)	
	30 September 2015	31 December 2014	30 September 2014
	Notes	KD	KD
<b>ASSETS</b>			
Bank balances and short-term deposits	4	4,907,067	2,365,591
Financial assets at fair value through profit or loss	5	604,028	890,449
Financial assets available for sale		5,888,560	9,934,313
Investment in associates	7	32,784,389	35,492,857
Investment properties		3,640,287	3,373,737
Other assets		128,365	175,224
<b>TOTAL ASSETS</b>		<b>47,952,696</b>	<b>52,232,171</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		16,420,244	16,420,244
Statutory reserve		343,089	2,041,720
Cumulative changes in fair values		1,012,491	(61,674)
Foreign currency translation reserve		(89,821)	(259,101)
Treasury shares	8	-	(2,982,298)
Treasury shares reserve		-	940,578
Accumulated losses		(8,017,804)	(346,689)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>9,668,199</b>	<b>15,752,780</b>
Non-controlling interests		146,882	268,108
<b>TOTAL EQUITY</b>		<b>9,815,081</b>	<b>16,020,888</b>
<b>Liabilities</b>			
Murabaha payables	9	37,051,444	35,215,603
Other liabilities		1,086,171	995,680
<b>TOTAL LIABILITIES</b>		<b>38,137,615</b>	<b>36,211,283</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>47,952,696</b>	<b>52,232,171</b>

Talal Khaled Al-Nesef  
Chairman

Bashar N. Al-Tuwaijri  
Chief Executive Officer

Gulf Investment House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 30 September 2015

	Notes	Nine months ended 30 September	
		2015 KD	2014 KD
<b>OPERATING ACTIVITIES</b>			
Loss for the period		(6,471,175)	(346,689)
<i>Non-cash adjustment to reconcile loss for the period to net cash flows:</i>			
Depreciation		732	3,671
Share of results of associates	7	1,055,542	(1,230,573)
Dividend income		(21,565)	(26,193)
Realised (gain) loss on sale of financial asset available for sale		(23,483)	27,624
Change in fair value of investment properties		1,442,581	-
Impairment of financial assets available for sale and others	6	2,417,090	268,460
Impairment loss of investment in associates	7	248,779	-
Murabaha charges		1,142,972	1,254,779
<i>Changes in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss		173,597	1,013,095
Other assets		417,306	1,242,217
Other liabilities		9,586	(49,918)
Net cash flows from operating activities		<u>391,962</u>	<u>2,156,473</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of furniture and equipment		(3,295)	-
Capital redemption of financial assets available for sale		92,490	554,025
Capital redemption of investment in associates		713,805	-
Dividends received from associates	7	647,731	595,330
Dividends received from others		21,566	26,193
Net cash flows from investing activities		<u>1,472,297</u>	<u>1,175,548</u>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(19,287)	(43,266)
Sale of Treasury Shares		343,089	-
Repayment of murabaha payables		-	(5,660,000)
Murabaha charges paid		(634,931)	(844,821)
Net movement in restricted bank accounts		19,287	43,266
Net cash flows used in financing activities		<u>(291,842)</u>	<u>(6,504,821)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,572,417</b>	<b>(3,172,800)</b>
Cash and cash equivalents at beginning of the period		<u>3,160,025</u>	<u>5,299,110</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	4	<u><u>4,732,442</u></u>	<u><u>2,126,310</u></u>

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

## Gulf Investment House K.S.C.P. and Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2015

	Share capital KD	Share options reserve KD	Statutory reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Treasury shares KD	Treasury shares reserve KD	Accumulated losses KD	Sub-total KD	Non- controlling interests KD	Total equity KD
As at 1 January 2015	16,420,244	-	2,041,720	(149,468)	(146,770)	(2,982,298)	940,578	(1,628,918)	14,495,088	231,854	14,726,942
Loss for the period	-	-	-	-	-	-	-	(6,388,886)	(6,388,886)	(82,289)	(6,471,175)
Other comprehensive income (loss)	-	-	-	1,161,959	56,949	-	-	-	1,218,908	(2,683)	1,216,225
Total comprehensive income (loss) for the period	-	-	-	1,161,959	56,949	-	-	(6,388,886)	(5,169,978)	(84,972)	(5,254,950)
Sale of treasury shares	-	-	(1,698,631)	-	-	2,982,298	(940,578)	-	343,089	-	343,089
<b>As at 30 September 2015</b>	<b>16,420,244</b>	<b>-</b>	<b>343,089</b>	<b>1,012,491</b>	<b>(89,821)</b>	<b>-</b>	<b>-</b>	<b>(8,017,804)</b>	<b>9,668,199</b>	<b>146,882</b>	<b>9,815,081</b>
As at 1 January 2014	44,219,114	737,322	6,907,296	332,319	(351,432)	(7,847,874)	940,578	(28,049,762)	16,887,561	258,736	17,146,297
Loss for the period	-	-	-	-	-	-	-	(346,689)	(346,689)	-	(346,689)
Other comprehensive (loss) income	-	-	-	(393,993)	92,331	-	-	-	(301,662)	9,372	(292,290)
Total comprehensive (loss) income	-	-	-	(393,993)	92,331	-	-	(346,689)	(648,351)	9,372	(638,979)
Cancellation of share options	-	-	-	-	-	-	-	(486,430)	(486,430)	-	(486,430)
Write-off of accumulated losses against share capital, share option reserve, and cancellation of treasury shares	(27,798,870)	(737,322)	(4,865,576)	-	-	4,865,576	-	28,536,192	-	-	-
As at 30 September 2014	16,420,244	-	2,041,720	(61,674)	(259,101)	(2,982,298)	940,578	(346,689)	15,752,780	268,108	16,020,888

# Gulf Investment House K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

### INFORMATION (UNAUDITED)

30 September 2015

#### **1 CORPORATE INFORMATION**

This interim condensed consolidated financial information of Gulf Investment House K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") for the period ended 30 September 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 16 November 2015.

The Parent Company is a closed shareholding company registered and incorporated in State of Kuwait on 8 September 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is registered with the Central Bank of Kuwait and Capital Markets Authority as an investment company.

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee'a, as approved by the Parent Company's Fatwa and Sharee'a Supervisory Board.

The Parent Company's registered head office is at Dar Al-Awadi Tower, Sharq, Kuwait City, P.O. Box 28808, 13149 Safat, Kuwait.

The Annual General Assembly for the year ended 31 December 2014 held on 27 May 2015 approved the consolidated financial statements and no dividend was declared for the year ended 31 December 2014.

#### **2 BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The interim condensed consolidated financial information of the Group is prepared in accordance with IAS 34, "Interim Financial Reporting", except as noted below.

The audited consolidated financial statements for the year ended 31 December 2014 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's requirement for a minimum general provision made on all applicable credit facilities (net of certain categories of collateral) that are not provided specifically.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 July 2014 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial information prepared in accordance with the International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

30 September 2015

**2 BASIS OF PRESENTATION AND ACCOUNTING POLICIES (continued)****Standards issued but not yet effective***IFRS 9: Financial Instruments*

The IASB issued IFRS 9 - Financial Instruments in its final form in July 2014 and is effective for annual periods beginning on or after 1 January 2018 with a permission to early adopt. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial assets. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The adoption of this standard will have an effect on the classification and measurement of Group's financial assets but is not expected to have a significant impact on the classification and measurement of financial liabilities. The Group is in the process of quantifying the impact of this standard on the Group's consolidated financial statements, when adopted.

*IFRS 15: Revenue from Contracts with customers*

IFRS 15 was issued by IASB on 28 May 2014 is effective for annual periods beginning on or after 1 January 2017. IFRS 15 supersedes IAS 11 Construction contracts and IAS 18 Revenue along with related IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31 from the effective date. This new standard would remove inconsistencies and weaknesses in previous revenue requirements, provide a more robust framework for addressing revenue issues and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The Group is in the process of evaluating the effect of IFRS 15 on the Group and do not expect any significant impact on adoption of this standard.

**3 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE**

Basic and diluted earnings (loss) per share is computed by dividing the profit (loss) for the period attributable to equity holders of the Parent Company by the weighted average number of shares of the Parent Company, less treasury shares, outstanding during the period.

The following reflects the profit (loss) and share data used in the basic and diluted profit (loss) per share computations:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit (loss) for the period attributable to equity holders of the Parent Company	<u>7,060</u>	<u>(82,310)</u>	<u>(6,388,886)</u>	<u>(346,688)</u>
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares for basic and diluted profit (loss) per share (excluding treasury shares)	<u>164,202,440</u>	<u>156,397,163</u>	<u>164,202,440</u>	<u>156,397,163</u>
	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>
<b>Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company</b>	<u><b>0.04</b></u>	<u><b>(0.53)</b></u>	<u><b>(38.91)</b></u>	<u><b>(2.22)</b></u>

Gulf Investment House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

30 September 2015

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following amounts:

	<i>30 September</i> <i>2015</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2014</i> <i>KD</i>	<i>30 September</i> <i>2014</i> <i>KD</i>
Bank balances and short-term deposits	4,907,067	3,353,938	2,365,591
Less: balances in restricted bank accounts	(174,625)	(193,913)	(239,281)
	<u>4,732,442</u>	<u>3,160,025</u>	<u>2,126,310</u>

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>30 September</i> <i>2015</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2014</i> <i>KD</i>	<i>30 September</i> <i>2014</i> <i>KD</i>
<i>Designated at fair value through profit or loss:</i>			
Quoted securities	294,099	393,938	451,999
Unquoted securities	285,178	306,049	361,606
Unquoted funds managed by external fund managers	24,751	77,638	76,844
	<u>604,028</u>	<u>777,625</u>	<u>890,449</u>

Unrealised (loss) gain is analysed as follows:

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>
<i>Designated at fair value through profit or loss:</i>				
Quoted securities	(40,006)	33,309	(94,814)	8,994
Unquoted securities	(44,741)	11,674	(20,872)	(87,010)
Unquoted funds managed by external fund managers	1,788	1,548	3,025	(23,295)
	<u>(82,959)</u>	<u>46,531</u>	<u>(112,661)</u>	<u>(101,311)</u>

Fair values of certain unquoted securities are determined using valuation techniques that are not based on observable market prices or rates (Note 12).

6 IMPAIRMENT LOSS ON FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHERS

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>	<i>2015</i> <i>KD</i>	<i>2014</i> <i>KD</i>
Impairment loss on financial assets available for sale	215,260	95,642	1,505,996	268,460
Other impairment	-	-	911,094	-
	<u>215,260</u>	<u>95,642</u>	<u>2,417,090</u>	<u>268,460</u>

Gulf Investment House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

30 September 2015

**7 INVESTMENT IN ASSOCIATES**

	<i>30 September</i> <i>2015</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2014</i> <i>KD</i>	<i>30 September</i> <i>2014</i> <i>KD</i>
<i>Carrying amount of investment in associates</i>			
Balance at the beginning of the period	34,898,754	34,050,726	34,050,726
Addition	-	977,771	977,771
Capital redemption	(801,935)	(426,905)	-
Impairment	(248,779)	-	-
Share of results	(1,055,542)	1,191,277	1,230,573
Share of other comprehensive income (loss)	639,622	(298,786)	(170,883)
Dividends	(647,731)	(595,329)	(595,330)
Balance at the end of the period	<u>32,784,389</u>	<u>34,898,754</u>	<u>35,492,857</u>

The carrying value of investment in associates is tested for impairment by estimating the recoverable amount using fair value approach. The fair value calculation uses market observable data which includes price to book value multiples and price to earnings multiples of comparable companies.

As a result, the Parent Company has provided for impairment of investment in associates amounting to KD 248,779 (2014: KD NIL).

Based on the latest available financial information, the Parent Company is of the view that no further impairment is required as at 30 September 2015, in respect of investment in associates.

**8 TREASURY SHARES**

	<i>30 September</i> <i>2015</i>	<i>(Audited)</i> <i>31 December</i> <i>2014</i>	<i>30 September</i> <i>2014</i>
Number of treasury shares	-	7,805,275	7,805,275
Percentage of issued shares	-	4.75%	4.75%
Cost (KD)	-	2,982,298	2,982,298
Market value (KD)	-	421,426	624,422
Weighted average market value per share (fils)	-	42	39

**9 MURABAHA PAYABLES**

	<i>30 September</i> <i>2015</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2014</i> <i>KD</i>	<i>30 September</i> <i>2014</i> <i>KD</i>
Gross amount	37,084,961	36,946,510	36,946,510
Deferred cost	(33,517)	(1,314,200)	(1,730,907)
	<u>37,051,444</u>	<u>35,632,310</u>	<u>35,215,603</u>

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**10 RELATED PARTY TRANSACTIONS**

These represent transactions with associates, major shareholders, directors and executive officers of the Parent Company and entities controlled, jointly controlled or significantly influenced by such parties. The Parent Company's management approves pricing policies and terms of these transactions. Significant transactions with Group's related parties included are as follows:

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Major shareholders KD</i>	<i>30 September 2015 KD</i>	<i>(Audited) 31 December 2014 KD</i>	<i>30 September 2014 KD</i>
Bank balances and short-term deposits	73,211	73,211	73,821	277,351
Murabaha payables	37,051,444	37,051,444	35,632,310	35,215,603

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Major shareholders KD</i>	<i>Nine months ended 30 September</i>	
		<i>2015 KD</i>	<i>2014 KD</i>
Murabaha charges	1,142,972	1,142,972	1,254,779

**Key management compensation:**

	<i>Nine months ended 30 September</i>	
	<i>2015 KD</i>	<i>2014 KD</i>
Salaries and other short-term benefits	89,784	83,475
Terminal benefits	3,014	2,309
	<u>92,798</u>	<u>85,784</u>

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**11 SEGMENT INFORMATION**

For management purposes, the Group is organised into three main business segments based on internal reporting provided to the chief operating decision maker:

Islamic financing : Providing a range of Islamic products to corporate customers;  
 Investment : Managing direct investments and investments in subsidiaries and associates; and  
 Real estate : Managing trading and investment properties.

	<i>Islamic financing KD</i>	<i>Investment KD</i>	<i>Real estate KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<b>Nine months ended 30 September 2015</b>					
Segment (loss) income	-	(798,062)	(1,442,581)	217,354	(2,023,289)
Segment result	-	(3,824,629)	(1,442,581)	(1,203,965)	(6,471,175)
<b>As at 30 September 2015</b>					
Segment assets	-	44,309,689	3,640,287	2,720	47,952,696
<b>Nine months ended 30 September 2014</b>					
Segment income	-	1,492,573	-	378,195	1,870,768
Segment result	-	(156,389)	-	(190,300)	(346,689)
<b>As at 30 September 2014</b>					
Segment assets	-	48,858,278	3,373,893	-	52,232,171

**12 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. As at the reporting date, the fair values of financial instruments, with the exception of certain financial assets available for sale carried at cost amounting to KD 814,782 (31 December 2014: KD 1,400,332 and 30 September 2014: KD 4,038,911), are not materially different from their carrying values.

**Determination of fair value and fair value hierarchy:**

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted prices in active market for the same instrument

Level 2: quoted prices in active market for similar instruments or other valuation techniques for which all significant inputs are based on observable market data ; and

Level 3: valuation techniques for which any significant input is not based on observable market data

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**12 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level: 1</i> <i>KD</i>	<i>Level: 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
<b>30 September 2015</b>			
<i>Financial assets at fair value through profit or loss:</i>			
- Quoted securities	294,099	-	294,099
- Unquoted securities	-	285,178	285,178
- Unquoted funds managed by external fund managers	-	24,751	24,751
	<u>294,099</u>	<u>309,929</u>	<u>604,028</u>
<i>Financial assets available for sale:</i>			
- Unquoted investments	-	4,274,402	4,274,402
- Unquoted funds managed by external fund managers	-	799,376	799,376
	<u>-</u>	<u>5,073,778</u>	<u>5,073,778</u>
<b>31 December 2014</b>			
<i>Financial assets at fair value through profit or loss:</i>			
- Quoted equity securities	393,938	-	393,938
- Unquoted equity securities	-	306,049	306,049
- Unquoted funds	-	77,638	77,638
	<u>393,938</u>	<u>383,687</u>	<u>777,625</u>
<i>Financial assets available for sale:</i>			
- Unquoted equity securities	-	4,872,567	4,872,567
- Unquoted funds	-	665,259	665,259
	<u>-</u>	<u>5,537,826</u>	<u>5,537,826</u>
<b>30 September 2014</b>			
<i>Financial assets at fair value through profit or loss:</i>			
- Quoted securities	451,999	-	451,999
- Unquoted securities	-	361,606	361,606
- Unquoted funds managed by external fund managers	-	76,844	76,844
	<u>451,999</u>	<u>438,450</u>	<u>890,449</u>
<i>Financial assets available for sale:</i>			
- Unquoted investments	-	4,820,822	4,820,822
- Unquoted funds managed by external fund managers	-	1,074,578	1,074,578
	<u>-</u>	<u>5,895,400</u>	<u>5,895,400</u>

There were no transfers between fair value hierarchies during the period ended 30 September 2015.

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**12 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

**Movement in Level 3 financial instrument is as follows:**

	At 1 January KD	Transfer from carried at cost KD	Unrealised (loss) gain recorded in the interim consolidated statement of income KD	Unrealised loss (gain) recorded in interim consolidated statement of comprehensive income KD	Impairment recorded in interim consolidated statement of income KD	Net sales KD	At 30 September KD
<b>30 September 2015:</b>							
<b>Assets measured at fair value</b>							
<i>Financial assets at fair value through profit or loss:</i>							
- Unquoted equity securities	306,049	-	(20,871)	-	-	-	285,178
- Unquoted funds	77,638	-	3,025	-	-	(55,912)	24,751
<i>Financial assets available for sale:</i>							
- Unquoted equity securities	4,872,567	137,383	-	610,445	(1,337,265)	(8,728)	4,274,402
- Unquoted funds	665,259	427,754	-	(64,626)	(168,731)	(60,280)	799,376
	<u>5,921,513</u>	<u>565,137</u>	<u>(17,846)</u>	<u>545,819</u>	<u>(1,505,996)</u>	<u>(124,920)</u>	<u>5,383,707</u>
<b>30 September 2014:</b>							
<b>Assets measured at fair value</b>							
<i>Financial assets at fair value through profit or loss:</i>							
- Unquoted equity securities	1,367,963	(87,010)	-	-	-	(919,347)	361,606
- Unquoted funds	481,927	(23,295)	-	-	-	(381,788)	76,844
<i>Financial assets available for sale:</i>							
- Unquoted equity securities	5,855,171	-	-	(217,783)	(268,460)	(548,106)	4,820,822
- Unquoted funds	1,113,449	-	-	(27,464)	-	(11,407)	1,074,578
	<u>8,818,510</u>	<u>(110,305)</u>	<u>-</u>	<u>(245,247)</u>	<u>(268,460)</u>	<u>(1,860,648)</u>	<u>6,333,850</u>