

**Independent Petroleum Group Company K.S.C.P.  
and subsidiaries  
State of Kuwait**



**Condensed consolidated interim financial information and  
independent auditors' review report  
for the six month period ended 30 June 2015  
(Unaudited)**



*For the six month period ended 30 June 2015*

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## **Independent auditors' report on review of condensed consolidated interim financial information**

### **The Board of Directors of Independent Petroleum Group Company K.S.C.P. State of Kuwait**

#### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Independent Petroleum Group Company K.S.C.P. ("the Parent Company") and its subsidiaries (together the "Group") as at 30 June 2015, and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard, IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### *Scope of review*

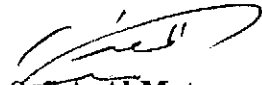
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

## **Report on Other legal and Regulatory Requirements**

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the accounting records. We further report that nothing has come to our attention indicating any contravention during the six month period ended 30 June 2015, of the Companies Law No. 25 of 2012, as amended, or of the Parent Company's Memorandum and Articles of Association, that might have had a material effect on the Group's activities or on its consolidated financial position.



**Safi A. Al-Mutawa**  
**License No. 138 - A**  
**of KPMG Safi Al-Mutawa & Partners**  
**Member firm of KPMG International**

**Kuwait: 21 July 2015**



**Nayef M. Al Bazie**  
**License No 91-A**  
**RSM Albazie & Co.**



**Condensed consolidated statement of income (unaudited)**  
*for the six month period ended 30 June 2015*

	Notes	Three month period ended 30 June		Six month period ended 30 June	
		2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Sales		180,269	227,463	304,460	506,528
Cost of sales		(179,341)	(226,473)	(303,320)	(504,180)
<b>Gross profit</b>		928	990	1,140	2,348
Net interest relating to oil marketing operations	3	(644)	(920)	(1,370)	(1,789)
<b>Net results of oil marketing operations</b>		284	70	(230)	559
Share of results of joint venture and associates	7 & 8	1,420	1,640	2,632	2,926
Dividend income	6	1,115	89	1,223	1,408
General and administrative expenses		(448)	(425)	(814)	(843)
Staff costs		(927)	(907)	(1,854)	(1,883)
Depreciation		(382)	(357)	(755)	(714)
<b>Operating profit</b>		1,062	110	202	1,453
Unrealized (loss) / gain from investments at fair value through statement of income		(337)	1,125	565	1,364
Net other income	9	9	13	699	27
<b>Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat</b>		734	1,248	1,466	2,844
Contribution to KFAS		(8)	(12)	(15)	(28)
NLST and Zakat		-	-	-	-
<b>Profit for the period</b>		726	1,236	1,451	2,816
<b>Earnings per share (fils)</b>	4	5.02	8.54	10.03	19.47

The accompanying notes form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of comprehensive income (unaudited)**  
*for the six month period ended 30 June 2015*

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Profit for the period	726	1,236	1,451	2,816
<b>Other comprehensive income :</b>				
<u>Items that may be reclassified subsequently to statement of income</u>				
Changes in fair value of investments available for sale	(4)	2	(22)	8
Foreign currency translation adjustments	276	81	1,555	413
Movement in share of associates' hedging reserve	(1)	(6)	(1)	(6)
<b>Other comprehensive income for the period</b>	<u>271</u>	<u>77</u>	<u>1,532</u>	<u>415</u>
<b>Total comprehensive income for the period</b>	<u>997</u>	<u>1,313</u>	<u>2,983</u>	<u>3,231</u>

The accompanying notes form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of financial position (unaudited)  
as at 30 June 2015**

	Notes	30 June 2015 KD '000	31 December 2014 KD '000 (Audited)	30 June 2014 KD '000
<b>ASSETS</b>				
Cash on hand and at banks	5	56,741	31,552	29,406
Investments at fair value through statement of income	6	51,727	49,592	47,679
Trade and other receivables		80,929	112,440	132,003
Inventories		11,566	24,255	35,947
<b>Total current assets</b>		<b>200,963</b>	<b>217,839</b>	<b>245,035</b>
Other loans		1,119	1,085	1,046
Investments available for sale	6	22,449	21,819	26,635
Investment in joint venture	7	3,965	4,439	3,827
Investment in associates	8	29,700	26,244	25,571
Property and equipment	10	24,339	21,994	17,696
<b>Total non-current assets</b>		<b>81,572</b>	<b>75,581</b>	<b>74,775</b>
<b>Total assets</b>		<b>282,535</b>	<b>293,420</b>	<b>319,810</b>
<b>LIABILITIES AND EQUITY</b>				
Due to banks		139,606	147,010	164,323
Directors' fees payable		-	80	-
Trade and other payables		56,524	59,108	65,050
Current portion of term loan		1,093	1,060	1,020
<b>Total current liabilities</b>		<b>197,223</b>	<b>207,258</b>	<b>230,393</b>
Non-current portion of term loan		6,030	6,376	6,646
Provision for staff indemnity		2,110	1,981	1,895
<b>Total non-current liabilities</b>		<b>8,140</b>	<b>8,357</b>	<b>8,541</b>
<b>Total liabilities</b>		<b>205,363</b>	<b>215,615</b>	<b>238,934</b>
<b>Equity</b>				
Share capital	11	15,225	15,225	15,225
Share premium		22,587	22,587	22,587
Legal reserve		7,613	7,613	7,613
General reserve		606	606	606
Fair value reserve		19,562	19,584	24,110
Foreign currency translation adjustments		464	(1,091)	(1,582)
Share of associates' hedging reserve		(31)	(30)	(107)
Treasury shares reserve		1,429	1,429	1,429
Treasury shares	12	(2,770)	(2,770)	(2,770)
Retained earnings		12,487	14,652	13,765
<b>Total equity</b>		<b>77,172</b>	<b>77,805</b>	<b>80,876</b>
<b>Total liabilities and equity</b>		<b>282,535</b>	<b>293,420</b>	<b>319,810</b>

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Khalaf Ahmad Al-Khalaf  
Chairman

Ghazi Fahad Al-Nafisi  
Vice Chairman

Waleed Jaber Hadeed  
Chief Executive Officer

**Independent Petroleum Group Company K.S.C.P.  
and subsidiaries  
State of Kuwait**



**Condensed consolidated statement of changes in equity (unaudited)  
for the six month period ended 30 June 2015**

	Share capital KD '000	Share premium KD '000	Legal reserve KD '000	General reserve KD '000	Fair value reserve KD '000	Foreign currency translation adjustments KD '000	Share of associates' hedging reserve KD '000	Treasury shares reserve KD '000	Treasury shares KD '000	Retained earnings KD '000	Total KD '000
Balance at 1 January 2015	15,225	22,587	7,613	606	19,584	(1,091)	(30)	1,429	(2,770)	14,652	77,805
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	-	-	-	-	-	-	1,451	1,451
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive (loss) / income	-	-	-	-	(22)	1,555	(1)	-	-	-	1,532
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	-	(22)	1,555	(1)	-	-	1,451	2,983
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2014 (note 17)	-	-	-	-	-	-	-	-	-	(3,616)	(3,616)
<b>Balance at 30 June 2015</b>	<b>15,225</b>	<b>22,587</b>	<b>7,613</b>	<b>606</b>	<b>19,562</b>	<b>464</b>	<b>(31)</b>	<b>1,429</b>	<b>(2,770)</b>	<b>12,487</b>	<b>77,172</b>



**Independent Petroleum Group Company K.S.C.P.  
and subsidiaries  
State of Kuwait**



**Condensed consolidated statement of changes in equity (unaudited)  
for the six month period ended 30 June 2015**

	Share capital KD '000	Share premium KD '000	Legal reserve KD '000	General reserve KD '000	Fair value reserve KD '000	Foreign currency translation adjustments KD '000	Share of associates' hedging reserve KD '000	Treasury shares reserve KD '000	Treasury shares KD '000	Retained earnings KD '000	Total KD '000
Balance at 1 January 2014	15,225	22,587	7,613	606	24,102	(1,995)	(101)	1,429	(2,770)	15,288	81,984
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	2,816	2,816
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income / (loss)	-	-	-	-	8	413	(6)	-	-	-	415
<b>Total comprehensive income / (loss) for the period</b>	-	-	-	-	8	413	(6)	-	-	2,816	3,231
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2013 (note 17)	-	-	-	-	-	-	-	-	-	(4,339)	(4,339)
<b>Balance at 30 June 2014</b>	<u>15,225</u>	<u>22,587</u>	<u>7,613</u>	<u>606</u>	<u>24,110</u>	<u>(1,582)</u>	<u>(107)</u>	<u>1,429</u>	<u>(2,770)</u>	<u>13,765</u>	<u>80,876</u>

The accompanying notes form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of cash flows (unaudited)**  
*for the six month period ended 30 June 2015*

	Note	Six month period ended 30 June	
		2015 KD '000	2014 KD '000
<b>OPERATING ACTIVITIES</b>			
Profit before provisions for contribution to KFAS, NLST and Zakat		1,466	2,844
<i>Adjustments for:</i>			
Depreciation		755	714
Interest expense		1,430	1,823
Dividend income		(1,223)	(1,408)
Unrealised gain from investments at fair value through statement of income		(565)	(1,364)
Share of results from joint venture and associates		(2,632)	(2,926)
Interest income		(76)	(47)
Provision for staff indemnity		132	71
		(713)	(293)
<i>Changes in operating assets and liabilities:</i>			
Trade and other receivables		31,536	(13,384)
Inventories		12,689	8,649
Trade and other payables		(2,459)	(22,242)
<b>Cash generated from / (used in) operations</b>		<b>41,053</b>	<b>(27,270)</b>
Interest received		51	42
Payment to KFAS		(38)	(56)
Payment of staff indemnity		(3)	-
Directors' fees paid		(80)	(80)
<b>Net cash generated from / (used in) operating activities</b>		<b>40,983</b>	<b>(27,364)</b>
<b>INVESTING ACTIVITIES</b>			
Dividends received		1,867	1,714
Decrease in other loans		-	128
Purchase of property and equipment		(2,463)	(53)
<b>Net cash (used in) / generated from investing activities</b>		<b>(596)</b>	<b>1,789</b>
<b>FINANCING ACTIVITIES</b>			
Due to banks		(7,404)	1,015
Term loans		(313)	(516)
Dividends paid		(3,616)	(4,339)
Interest paid		(1,532)	(2,053)
<b>Net cash used in financing activities</b>		<b>(12,865)</b>	<b>(5,893)</b>
Effect of foreign currency translation		(2,340)	391
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>25,182</b>	<b>(31,077)</b>
Cash and cash equivalents at beginning of the period		31,331	60,271
<b>Cash and cash equivalents at end of the period</b>	5	<b>56,513</b>	<b>29,194</b>

The accompanying notes form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015**

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**1. Incorporation and activities**

Independent Petroleum Group Company K.S.C.P. ("the Parent Company") was incorporated on 11 September 1976 as a Closed Kuwaiti Shareholding Company. The Parent Company was listed on the Kuwait Stock Exchange on 10 December 1995.

The main activities of the Parent Company and its subsidiaries (together referred to as "the Group") are the trading of crude oil and petroleum products, strategic investments and joint ventures in petroleum storage facilities, terminal and distribution facilities and other activities related to the petroleum industry and consulting services in the petroleum and petrochemicals fields, ownership of vessels, ship-chartering and other ancillary services.

The registered address of the Parent Company is P.O. Box 24027, Safat 13101, State of Kuwait.

This condensed consolidated interim financial information for the six month period ended 30 June 2015 was authorized for issue by the Chairman on behalf of the Board of Directors on 21 July 2015.

**2. Basis of preparation**

a) Statement of compliance

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

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2014.

The condensed consolidated interim financial information do not include all of the information and footnotes 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. 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. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2014.

b) Judgments and estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and key source of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements for the year ended 31 December 2014.

Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015

3. Net interest relating to oil marketing operations

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Interest income	18	26	60	34
Interest expense	(662)	(946)	(1,430)	(1,823)
	<u>(644)</u>	<u>(920)</u>	<u>(1,370)</u>	<u>(1,789)</u>

4. Earnings per share

Earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Profit for the period	<u>726</u>	<u>1,236</u>	<u>1,451</u>	<u>2,816</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of issued shares outstanding during the period	152,250,000	152,250,000	152,250,000	152,250,000
Weighted average number of treasury shares outstanding during the period	<u>(7,620,000)</u>	<u>(7,620,000)</u>	<u>(7,620,000)</u>	<u>(7,620,000)</u>
Weighted average number of shares outstanding during the period	<u>144,630,000</u>	<u>144,630,000</u>	<u>144,630,000</u>	<u>144,630,000</u>
Earnings per share (fils)	<u>5.02</u>	<u>8.54</u>	<u>10.03</u>	<u>19.47</u>

**Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015**

**5. Cash on hand and at banks**

	<b>30 June 2015 KD '000</b>	<b>31 December 2014 KD '000 (Audited)</b>	<b>30 June 2014 KD '000</b>
Cash on hand and at banks	39,851	14,394	19,280
Call accounts and time deposits	16,662	16,937	9,914
Cash and cash equivalents	56,513	31,331	29,194
Time deposits with maturity exceeding three months	228	221	212
	<u>56,741</u>	<u>31,552</u>	<u>29,406</u>

**6. Investments**

	<b>30 June 2015 KD '000</b>	<b>31 December 2014 KD '000 (Audited)</b>	<b>30 June 2014 KD '000</b>
<b>Investments at fair value through statement of income:</b>			
<b>Held for trading:</b>			
Managed portfolios	50,673	48,400	46,389
Securities	1,054	1,192	1,290
	<u>51,727</u>	<u>49,592</u>	<u>47,679</u>
<b>Investments available for sale:</b>			
Quoted securities	203	219	219
Unquoted securities	22,246	21,600	26,416
	<u>22,449</u>	<u>21,819</u>	<u>26,635</u>

Investments at fair value through statement of income with a carrying amount of KD 50,673 thousands (31 December 2014: KD 48,400 thousands and 30 June 2014: KD 46,389 thousands) are pledged as collateral against amounts due to banks.

The unquoted securities include an investment of 12.5% in Asia Petroleum Ltd. carried at cost of KD 1,137 thousands (31 December 2014: KD 1,137 thousands and 30 June 2014: KD 1,137 thousands).

During the period ended 30 June 2015, the Group received a dividend of KD 993 thousands (30 June 2014: KD 1,248) from Vopak Horizon Fujairah Limited (VHFL) and KD 217 thousands (30 June 2014: KD 147 thousands) from Asia Petroleum Limited (APL).

**7. Investment in joint venture**

The Group has a 50% equity shareholding with equivalent voting power in Uniterminals Ltd, Lebanon. Following are the details of share of results from joint venture recorded during the period:



Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Share of results from Uniterminals Ltd, Lebanon	121	207	31	352
	<u>121</u>	<u>207</u>	<u>31</u>	<u>352</u>

The Group's share in the net assets and results of joint venture included in the condensed consolidated interim financial information was based on their respective management accounts for the six month period ended 30 June 2015 (2014: six month period ended 30 June 2014).

8. Investment in associates

Following are the details of share of results from associates recorded during the period:

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
<i>Share of results from:</i>				
Horizon Singapore Terminals Private Ltd	420	505	835	969
Arab Tank Terminals L.L.C.	135	151	256	280
Inpetro SARL	272	120	498	311
Horizon Djibouti Holdings Ltd.	304	227	539	411
Horizon Tangiers Terminals SA.	168	430	473	603
	<u>1,299</u>	<u>1,433</u>	<u>2,601</u>	<u>2,574</u>

The Group's share in the net assets and results of associates included in the condensed consolidated interim financial information was based on their respective management accounts for the six month period ended 30 June 2015. (2014: six month period ended 30 June 2014).

9. Net other income

	Three month period ended 30 June		Six month period ended 30 June	
	2015 KD '000	2014 KD '000	2015 KD '000	2014 KD '000
Net foreign exchange gain	1	5	683	14
Interest income related to project	8	8	16	13
	<u>9</u>	<u>13</u>	<u>699</u>	<u>27</u>



**Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015**

**10. Property and equipment**

Property and equipment at 30 June 2015 include KD 15,679 thousands (31 December 2014: KD 16,239 thousands and 30 June 2014: KD 16,320 thousands) related to ships owned by one of the subsidiaries, D&K Holdings L.L.C. Term loan fully relates to the financing of these vessels which are mortgaged against the term loan.

**11. Share capital**

The authorised, issued and fully paid share capital consists of 152,250,000 shares of 100 fils each (31 December 2014: 152,250,000 shares of 100 fils each and 30 June 2014: 152,250,000 shares of 100 fils each).

**12. Treasury shares**

	<b>30 June 2015</b>	<b>31 December 2014</b>	<b>30 June 2014</b>
Number of shares	7,620,000	7,620,000	7,620,000
Percentage of issued shares	5%	5%	5%
Market value (KD Million)	2.36	2.93	3.35
Cost (KD Million)	2.77	2.77	2.77

**13. Related party transactions and balances**

These represent transactions with related parties in the normal course of business. The related party transactions and balances included in the condensed consolidated interim financial information are as follows:

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2015 KD '000</b>	<b>2014 KD '000</b>	<b>2015 KD '000</b>	<b>2014 KD '000</b>
<b>a) Revenues and expenses:</b>				
Sales	<u>30,080</u>	<u>25,255</u>	<u>65,608</u>	<u>99,467</u>
Storage expense	<u>1,446</u>	<u>1,555</u>	<u>2,803</u>	<u>3,028</u>
<b>b) Key management compensation</b>				
Salaries and other short- term benefits	<u>169</u>	<u>168</u>	<u>331</u>	<u>330</u>
Termination benefits	<u>16</u>	<u>13</u>	<u>31</u>	<u>28</u>

Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015

c) Due from / to related parties:

	30 June 2015 KD '000	31 December 2014 KD '000 (Audited)	30 June 2014 KD '000
<i>Due from related parties</i>			
Trade and other receivables	6,457	4,884	-
Other loans	1,119	1,085	1,046
<i>Due to related parties</i>			
Trade and other payables	1,187	646	163

14. Segment information

The Group primarily operates on trading of crude oil and petroleum products. The trading of crude oil and petroleum products is also related to storage and distribution operations. These operations are inter-related and subject to similar risks and returns. The management has determined that the Group is considered to have a single reportable operating segment. The Group operates in different geographic locations. Information about the Group's reportable operating segment is summarised as follows:

	Three month period ended 30 June			
	2015		2014	
	Segment revenues KD '000	Segment results KD '000	Segment revenues KD '000	Segment results KD '000
Africa and Middle East	172,836	2,497	227,463	1,220
Asia and Far East	7,433	322	-	579
	<u>180,269</u>	<u>2,819</u>	<u>227,463</u>	<u>1,799</u>
Unallocated corporate items		(1,757)		(1,689)
Operating profit		<u>1,062</u>		<u>110</u>

	Six month period ended 30 June			
	2015		2014	
	Segment revenues KD '000	Segment results KD '000	Segment revenues KD '000	Segment results KD '000
Africa and Middle East	288,231	2,734	506,528	3,778
Asia and Far East	16,229	891	-	1,115
	<u>304,460</u>	<u>3,625</u>	<u>506,528</u>	<u>4,893</u>
Unallocated corporate items		(3,423)		(3,440)
Operating profit		<u>202</u>		<u>1,453</u>





Notes to the condensed consolidated interim financial information (unaudited)  
for the six month period ended 30 June 2015

15. Contingent liabilities and commitments

Contingent liabilities

	30 June 2015 KD '000	31 December 2014 KD '000 (Audited)	30 June 2014 KD '000
Letters of guarantee and bid bonds	2,474	2,571	706
Letters of credit	<u>65,278</u>	<u>61,023</u>	<u>62,362</u>
	<u>67,752</u>	<u>63,594</u>	<u>63,068</u>
<b>Commitments</b>			
Investments in projects	<u>8,200</u>	<u>8,200</u>	<u>10,025</u>

16. Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of managed portfolios under investments at fair value through statement of income amounting to KD 50,673 thousands (31 December 2014: KD 48,400 thousands and 30 June 2014: KD 46,389 thousands) and quoted securities under available-for-sale investments amounting to KD 203 thousands (31 December 2014: KD 219 thousands and 30 June 2014: KD 219 thousands) are determined only based on Level 1 fair value measurement which is the quoted market prices prevailing at the reporting date. The fair value of securities under held for trading category is determined based on Level 2 fair value measurement inputs.

The fair value of investment in VHFL, classified as investments available for sale is determined based on Level 3 fair value measurement which is based on the Discounted Cash Flow method of valuation.

During the period ended 30 June 2015, there were no transfers between different levels of fair value measurement.

17. Annual general assembly

The Shareholders' Annual General Assembly held on 10 March 2015 approved the annual audited consolidated financial statements for the year ended 31 December 2014 and payment of a cash dividend of 25 fils per share for the year ended 31 December 2014.

The Shareholders' Annual General Assembly held on 10 March 2014 approved the annual audited consolidated financial statements for the year ended 31 December 2013 and payment of a cash dividend of 30 fils per share for the year ended 31 December 2013.