

**Independent Petroleum Group Company S.A.K. (Closed)
and subsidiaries
State of Kuwait**



**Condensed consolidated interim financial information and
independent auditors' review report for the nine month
period ended 30 September 2014 (Unaudited)**



For the nine month period ended 30 September 2014

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

**The Board of Directors of
Independent Petroleum Group Company S.A.K. (Closed)
State of Kuwait**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Independent Petroleum Group Company S.A.K. (Closed) ("the Parent Company") and its subsidiaries (together the "Group") as at 30 September 2014, and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine 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

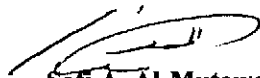
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 nine month period ended 30 September 2014, 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.



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License No. 138 - A
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Kuwait: 27 October 2014



**Condensed consolidated statement of income (unaudited)
for the nine month period ended 30 September 2014**

	Notes	Three month period ended 30 September		Nine month period ended 30 September	
		2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
Sales		242,147	313,614	748,675	1,020,217
Cost of sales		(239,773)	(312,065)	(743,953)	(1,013,125)
Gross profit		<u>2,374</u>	<u>1,549</u>	<u>4,722</u>	<u>7,092</u>
Net interest relating to oil marketing operations	3	(858)	(1,197)	(2,647)	(3,570)
Net results of oil marketing operations		<u>1,516</u>	<u>352</u>	<u>2,075</u>	<u>3,522</u>
Share of results of joint venture and associates	7 & 8	1,645	1,203	4,571	3,761
Dividend income	6	120	104	1,528	879
General and administrative expenses		(283)	(415)	(1,126)	(1,173)
Staff costs		(886)	(753)	(2,769)	(2,854)
Depreciation		(360)	(385)	(1,074)	(1,123)
Operating profit		<u>1,752</u>	<u>106</u>	<u>3,205</u>	<u>3,012</u>
(Loss) / gain on investments at fair value through statement of income		(269)	1,764	1,095	1,853
Net other expense		(663)	(400)	(636)	(471)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat		<u>820</u>	<u>1,470</u>	<u>3,664</u>	<u>4,394</u>
Contribution to KFAS		(9)	(14)	(37)	(40)
NLST and Zakat		-	-	-	-
Profit for the period		<u><u>811</u></u>	<u><u>1,456</u></u>	<u><u>3,627</u></u>	<u><u>4,354</u></u>
Earnings per share (fils)	4	<u><u>5.61</u></u>	<u><u>10.07</u></u>	<u><u>25.08</u></u>	<u><u>30.10</u></u>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.



Condensed consolidated statement of comprehensive income (unaudited)
for the nine month period ended 30 September 2014

	Three month period ended 30 September		Nine month period ended 30 September	
	2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
Profit for the period	811	1,456	3,627	4,354
Other comprehensive income :				
<u>Items that may be reclassified subsequently to statement of income</u>				
Changes in fair value of investments available for sale	2	26	10	51
Foreign currency translation adjustments	2,091	(1,250)	2,504	338
Movement in share of associates' hedging reserve	(2)	2	(8)	56
Other comprehensive income / (loss) for the period	<u>2,091</u>	<u>(1,222)</u>	<u>2,506</u>	<u>445</u>
Total comprehensive income for the period	<u><u>2,902</u></u>	<u><u>234</u></u>	<u><u>6,133</u></u>	<u><u>4,799</u></u>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.

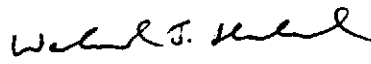
Condensed consolidated statement of financial position (unaudited)
as at 30 September 2014

	Notes	30 September 2014 KD '000	31 December 2013 KD '000 (Audited)	30 September 2013 KD '000
ASSETS				
Cash on hand and at banks	5	29,959	60,483	36,609
Investments at fair value through statement of income	6	48,454	46,347	44,715
Trade and other receivables		134,369	118,615	193,877
Inventories		24,062	44,596	25,864
Total current assets		<u>236,844</u>	<u>270,041</u>	<u>301,065</u>
Other loans		1,067	1,174	1,427
Investments available for sale	6	27,200	26,643	26,435
Investment in joint venture	7	3,976	3,784	3,795
Investment in associates	8	27,430	23,017	22,239
Property and equipment	9	19,807	18,270	18,705
Total non-current assets		<u>79,480</u>	<u>72,888</u>	<u>72,601</u>
Total assets		<u>316,324</u>	<u>342,929</u>	<u>373,666</u>
LIABILITIES AND EQUITY				
Due to banks		154,506	163,308	203,789
Directors' fees payable		-	80	-
Trade and other payables		68,514	87,551	79,379
Current portion of term loan		1,043	1,021	1,024
Total current liabilities		<u>224,063</u>	<u>251,960</u>	<u>284,192</u>
Non-current portion of term loan		6,532	7,161	7,437
Provision for staff indemnity		1,951	1,824	1,805
Total non-current liabilities		<u>8,483</u>	<u>8,985</u>	<u>9,242</u>
Total liabilities		<u>232,546</u>	<u>260,945</u>	<u>293,434</u>
Equity				
Share capital	10	15,225	15,225	15,225
Share premium		22,587	22,587	22,587
Legal reserve		7,613	7,613	7,152
General reserve		606	606	606
Fair value reserve		24,112	24,102	23,890
Foreign currency translation adjustments		509	(1,995)	(1,779)
Share of associates' hedging reserve		(109)	(101)	(135)
Treasury shares reserve		1,429	1,429	1,429
Treasury shares	11	(2,770)	(2,770)	(2,770)
Retained earnings		14,576	15,288	14,027
Total equity		<u>83,778</u>	<u>81,984</u>	<u>80,232</u>
Total liabilities and equity		<u>316,324</u>	<u>342,929</u>	<u>373,666</u>

The accompanying notes set out on pages 9 to 16 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 S.A.K. (Closed)
and subsidiaries
State of Kuwait

Condensed consolidated statement of changes in equity (unaudited)
for the nine month period ended 30 September 2014

	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
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	3,627	3,627
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	-	-	-	-	10	2,504	(8)	-	-	-	2,506
Total comprehensive income for the period	-	-	-	-	10	2,504	(8)	-	-	3,627	6,133
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2013 (note 16)	-	-	-	-	-	-	-	-	-	(4,339)	(4,339)
Balance at 30 September 2014	15,225	22,587	7,613	606	24,112	509	(109)	1,429	(2,770)	14,576	83,778



Independent Petroleum Group Company S.A.K. (Closed)
and subsidiaries
State of Kuwait

Condensed consolidated statement of changes in equity (unaudited)
for the nine month period ended 30 September 2014

	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 2013	15,225	22,587	7,152	606	23,839	(2,117)	(191)	1,429	(2,770)	14,012	79,772
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	4,354	4,354
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	51	338	56	-	-	-	445
Total comprehensive income for the period	-	-	-	-	51	338	56	-	-	4,354	4,799
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2012 (note 16)	-	-	-	-	-	-	-	-	-	(4,339)	(4,339)
Balance at 30 September 2013	<u>15,225</u>	<u>22,587</u>	<u>7,152</u>	<u>606</u>	<u>23,890</u>	<u>(1,779)</u>	<u>(135)</u>	<u>1,429</u>	<u>(2,770)</u>	<u>14,027</u>	<u>80,232</u>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.

**Condensed consolidated statement of cash flows (unaudited)
for the nine month period ended 30 September 2014**

	Note	Nine month period ended 30 September	
		2014 KD '000	2013 KD '000
OPERATING ACTIVITIES			
Profit before provisions for contribution to KFAS, NLST and Zakat		3,664	4,394
<i>Adjustments for:</i>			
Depreciation		1,074	1,123
Interest expense		2,784	3,593
Dividend income		(1,528)	(879)
Gain on investments at fair value through statement of income		(1,095)	(1,853)
Share of results from joint venture and associates		(4,571)	(3,761)
Interest income		(161)	(70)
Provision for staff indemnity		127	327
		<u>294</u>	<u>2,874</u>
<i>Changes in operating assets and liabilities:</i>			
Trade and other receivables		(15,736)	(33,390)
Inventories		20,534	40,225
Trade and other payables		(18,783)	(997)
Cash (used in) / generated from operations		<u>(13,691)</u>	<u>8,712</u>
Interest received		142	109
Payment to KFAS		(56)	(54)
Directors' fees paid		(80)	(100)
Payment of staff indemnity		-	(323)
Net cash (used in) / generated from operating activities		<u>(13,685)</u>	<u>8,344</u>
INVESTING ACTIVITIES			
Investment available for sale		-	536
Dividends received		2,154	3,785
Time deposits		-	432
Other loans		131	-
Purchase of property and equipment		(2,262)	(9)
Net cash generated from investing activities		<u>23</u>	<u>4,744</u>
FINANCING ACTIVITIES			
Due to banks		(8,802)	868
Term loans		(607)	(970)
Dividends paid		(4,339)	(4,339)
Interest paid		(3,018)	(3,682)
Net cash used in financing activities		<u>(16,766)</u>	<u>(8,123)</u>
Effect of foreign currency translation		(101)	(380)
Net (decrease) / increase in cash and cash equivalents		<u>(30,529)</u>	<u>4,585</u>
Cash and cash equivalents at beginning of the period		60,271	31,314
Cash and cash equivalents at end of the period	5	<u>29,742</u>	<u>35,899</u>

The accompanying notes set out on pages 9 to 16 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014**

1. Incorporation and activities

Independent Petroleum Group Company S.A.K. (Closed) (“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.

The Companies Law was issued on November 26, 2012 by the Decree No. 25 of 2012 (the “Companies Law”), and had cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended by the Law No. 97 of 2013. The Executive Charter of the new amended law was issued on September 29, 2013 and was published in the Official Gazette on October 6, 2013. As stated in Article No. (3) of the Executive Charter, all companies have a grace period of one year from the Executive Charter’s publication date to comply with the new amended law requirements.

This condensed consolidated interim financial information for the nine month period ended 30 September 2014 was authorized for issue by the Chairman on behalf of the Board of Directors on 27 October, 2014.

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 2013, except for the implementation of the following standards which are effective 1 January 2014:

IAS 32 Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms.



Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014

IAS 36 Impairment of assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosures of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively and accordingly will be considered while making disclosures for impairment of non-financial assets in the consolidated financial statements for the year ending 31 December 2014 and would continue to be considered for future disclosures.

The above amendments have no significant impact on the condensed consolidated interim financial information.

The condensed consolidated interim financial information do not include all of the information and footnotes required for complete set of 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 nine month period ended 30 September 2014 are not necessarily indicative of the results that may be expected for the year ending 31 December 2014. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2013.

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 2013.

3. Net interest relating to oil marketing operations

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2014	2013	2014	2013
	KD '000	KD '000	KD '000	KD '000
Interest income	103	6	137	23
Interest expense	(961)	(1,203)	(2,784)	(3,593)
	<u>(858)</u>	<u>(1,197)</u>	<u>(2,647)</u>	<u>(3,570)</u>

Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014

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 September		Nine month period ended 30 September	
	2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
Profit for the period	811	1,456	3,627	4,354
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of issued shares outstanding during the period	152,250	152,250	152,250	152,250
Weighted average number of treasury shares outstanding during the period	(7,620)	(7,620)	(7,620)	(7,620)
Weighted average number of shares outstanding during the period	<u>144,630</u>	<u>144,630</u>	<u>144,630</u>	<u>144,630</u>
Earnings per share (fils)	<u>5.61</u>	<u>10.07</u>	<u>25.08</u>	<u>30.10</u>

5. Cash on hand and at banks

	30 September 2014 KD '000	31 December 2013 KD '000 (Audited)	30 September 2013 KD '000
Cash on hand and at banks	19,645	20,799	11,071
Call accounts and time deposits	10,097	39,472	24,828
Cash and cash equivalents	29,742	60,271	35,899
Time deposits with maturity exceeding three months	217	212	710
	<u>29,959</u>	<u>60,483</u>	<u>36,609</u>

Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014

6. Investments

	30 September 2014 KD '000	31 December 2013 KD '000 (Audited)	30 September 2013 KD '000
Investments at fair value through statement of income:			
Held for trading:			
Managed portfolios	47,237	45,047	43,444
Securities	1,217	1,300	1,271
	<u>48,454</u>	<u>46,347</u>	<u>44,715</u>
Investments available for sale:			
Quoted securities	226	210	214
Unquoted securities	26,974	26,433	26,221
	<u>27,200</u>	<u>26,643</u>	<u>26,435</u>

Investments at fair value through statement of income with a carrying amount of KD 47,237 thousands (31 December 2013: KD 45,047 thousands and 30 September 2013: KD 43,444 thousands) are pledged as collateral against amounts due to banks.

The unquoted securities also include an investment of 12.5% in Asia Petroleum Ltd. carried at cost of KD 1,137 thousands (31 December 2013: KD 1,137 thousands and 30 September 2013: KD 1,137 thousands).

During the period ended 30 September 2014, the Group received a dividend of KD 1,251 thousands (30 September 2013: KD 629 thousands) from Vopak Horizon Fujairah Limited (VHFL) and KD 263 thousands (30 September 2013: KD 239 thousands) from Asia Petroleum Ltd.

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:

	Three month period ended		Nine month period ended	
	30 September		30 September	
	2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
Share of results from Uniterminals Ltd, Lebanon	371	178	723	671
	<u>371</u>	<u>178</u>	<u>723</u>	<u>671</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 nine months period ended 30 September 2014 (2013: Nine months period ended 30 September 2013).



**Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014**

8. Investment in associates

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

	Three month period ended 30 September		Nine month period ended 30 September	
	2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
<i>Share of results from:</i>				
Horizon Singapore Terminals Private Ltd	526	524	1,495	1,559
Arab Tank Terminals L.L.C.	134	108	414	316
Inpetro SARL	163	86	474	187
Horizon Djibouti Holdings Ltd.	277	236	688	537
Horizon Tangiers Terminals SA.	174	71	777	491
	<u>1,274</u>	<u>1,025</u>	<u>3,848</u>	<u>3,090</u>

The Group's share in the net assets and results of associate companies included in the condensed consolidated interim financial information was based on their respective management accounts for the nine months period ended 30 September 2014 (2013: Nine months period ended 30 September 2013).

9. Property and equipment

Property and equipment at 30 September 2014 include KD 16,256 thousands (31 December 2013: KD 16,867 thousands and 30 September 2013: KD 17,263 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.

10. Share capital

The authorised, issued and fully paid share capital consists of 152,250,000 shares of 100 fils each (31 December 2013: 152,250,000 shares of 100 fils each and 30 September 2013: 152,250,000 shares of 100 fils each).

11. Treasury shares

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Number of shares	7,620,000	7,620,000	7,620,000
Percentage of issued shares	5%	5%	5%
Market value (KD Million)	3.43	3.01	2.7
Cost (KD Million)	2.77	2.77	2.77



Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014

12. 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:

	Three month period ended 30 September		Nine month period ended 30 September	
	2014 KD '000	2013 KD '000	2014 KD '000	2013 KD '000
a) Revenues and expenses:				
Sales	77,610	59,301	177,077	216,994
Storage expense	1,682	1,474	4,710	3,991
b) Key management compensation				
Salaries and other short-term benefits	167	159	497	518
Termination benefits	12	15	40	88
c) Due from / to related parties:				
	30 September 2014 KD '000	31 December 2013 KD '000 (Audited)	30 September 2013 KD '000	
<i>Due from related parties</i>				
Trade and other receivables	14,858	86	24,558	
Other loans	1,067	1,174	1,427	
<i>Due to related parties</i>				
Trade and other payables	128	347	578	

Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014

13. 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 September			
	2014		2013	
	Segment revenues KD '000	Segment results KD '000	Segment revenues KD '000	Segment results KD '000
Africa and Middle East	242,147	2,901	303,517	1,262
Asia and Far East	-	380	10,097	397
	<u>242,147</u>	<u>3,281</u>	<u>313,614</u>	<u>1,659</u>
Unallocated corporate items		(1,529)		(1,553)
Operating profit		<u>1,752</u>		<u>106</u>

	Nine month period ended 30 September			
	2014		2013	
	Segment revenues KD '000	Segment results KD '000	Segment revenues KD '000	Segment results KD '000
Africa and Middle East	748,675	6,679	1,010,120	6,595
Asia and Far East	-	1,495	10,097	1,567
	<u>748,675</u>	<u>8,174</u>	<u>1,020,217</u>	<u>8,162</u>
Unallocated corporate items		(4,969)		(5,150)
Operating profit		<u>3,205</u>		<u>3,012</u>

14. Contingent liabilities and commitments

Contingent liabilities

	30 September 2014 KD '000	31 December 2013 KD '000 (Audited)	30 September 2013 KD '000
Letters of guarantee and bid bonds	912	929	737
Letters of credit	45,586	88,147	68,055
	<u>46,498</u>	<u>89,076</u>	<u>68,792</u>
Commitments			
Investments in projects	<u>10,025</u>	<u>12,000</u>	<u>14,000</u>



**Notes to the condensed consolidated interim financial information (unaudited)
for the nine month period ended 30 September 2014**

15. 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 47,237 thousands (31 December 2013: KD 45,047 thousands and 30 September 2013: KD 43,444 thousands) and quoted securities under available-for-sale investments amounting to KD 216 thousands (31 December 2013: KD 210 thousands and 30 September 2013: KD 214 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 September 2014, there were no transfers between different levels of fair value measurement.

16. Annual general assembly

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.

The Shareholders' Annual General Assembly held on 24 March 2013 approved the annual audited consolidated financial statements for the year ended 31 December 2012 and payment of a cash dividend of 30 fils per share for the year ended 31 December 2012.