

Kuwait Cement Company K.S.C.P.
And its subsidiaries
State of Kuwait

Interim condensed consolidated financial information (unaudited)
With report on review for the nine months ended 30 September 2015

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Kuwait Cement Company K.S.C.P.
And its subsidiaries
State of Kuwait

Interim condensed consolidated financial information (unaudited)
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Kuwait Cement Company K.S.C.P.
State of Kuwait

Independent auditors' review report to the board of directors

Report on interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Cement Company K.S.C.P. ("The Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2015, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended. The Parent Company's management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34: "Interim Financial Reporting" 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Report on other Legal and Regulatory Requirement

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that nothing have come to our attention indicating any contravention during the nine months period ended 30 September 2015, of the Companies Law No. 25 of 2012, as amended, and its executive regulation, or the Parent Company's Memorandum and Articles of Association, as amended, which might have materially affected the Group's activities or its consolidated financial position, except for what was mentioned in note (1) to this interim condensed consolidated financial information regarding the procedures which should be completed in order to comply with the requirements of the Companies' law No. 25 of 2012, as amended and its executive regulation.

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Kuwait, 9 November 2015

Kuwait Cement Company K.S.C.P.
And its subsidiaries
State of Kuwait

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim condensed consolidated statement of financial position as at 30 September 2015 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	30 September 2015	31 December 2014 (audited)	30 September 2014
Assets				
Non-current assets				
Property, plant and equipment	3	163,855,013	161,395,528	160,375,202
Intangible assets		276,976	832,467	844,083
Investment properties		848,684	866,692	872,695
Investments in associates	4	15,321,745	15,594,249	15,451,936
Available for sale investments	5	53,408,463	64,371,378	74,698,323
		233,710,881	243,060,314	252,242,239
Current assets				
Inventories	6	17,147,152	16,140,677	19,394,718
Receivables and other debit balances	7	23,142,835	24,310,629	21,272,186
Investments at fair value through profit or loss	8	7,831,932	8,922,146	9,937,822
Cash and cash equivalents	9	17,934,341	15,748,696	25,382,014
		66,056,260	65,122,148	75,986,740
Total assets		299,767,141	308,182,462	328,228,979
Equity and liabilities				
Equity				
Share Capital	10	73,330,387	73,330,387	73,330,387
Share premium		26,675,810	26,675,810	26,675,810
Treasury shares	11	(13,497,645)	(13,497,645)	(13,497,645)
Gains on sale of treasury shares		445,592	445,592	445,592
Statutory reserve		41,126,696	41,126,696	39,309,913
Voluntary reserve		36,164,207	36,164,207	34,347,424
General reserve		18,930,128	18,930,128	18,930,128
Change of fair value reserve		(25,082,626)	(14,292,043)	(4,973,960)
Group's share in associates' reserves		(577,097)	(692,744)	(707,129)
Group's share in foreign currency translation reserve		96,003	32,502	3,127
Retained earnings		29,057,908	25,592,880	25,983,557
Total equity		186,669,363	193,815,770	199,847,204
Liabilities				
Non-current liabilities				
Loans, bank facilities and Murabaha	12	66,045,931	71,772,564	84,208,488
Provision for employees' end of service indemnity		2,418,258	2,255,904	2,200,810
		68,464,189	74,028,468	86,409,298
Current liabilities				
Loans, bank facilities and Murabaha	12	22,813,177	17,220,436	21,329,299
Payables and other credit balances	13	21,820,412	23,117,788	20,643,178
		44,633,589	40,338,224	41,972,477
Total liabilities		113,097,778	114,366,692	128,381,775
Total equity and liabilities		299,767,141	308,182,462	328,228,979

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

Rashed Abdulaziz Al-Rashed
Chairman and Managing Director

Sulaiman Khalid Al-Ghunaim
Vice Chairman

Kuwait Cement Company K.S.C.P.
And its subsidiaries
State of Kuwait

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim condensed consolidated statement of income
for the nine months period ended 30 September 2015 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
Sales		18,559,747	16,773,569	69,533,694	59,536,040
Cost of sales	14	(13,716,635)	(12,569,461)	(49,064,272)	(42,555,115)
Gross profit		4,843,112	4,204,108	20,469,422	16,980,925
Other operating income/ (expenses)	15	71,831	(635,309)	(585,457)	696,715
Selling, general and administrative expenses		(1,110,840)	(961,257)	(3,682,782)	(3,227,959)
Operating profit		3,804,103	2,607,542	16,201,183	14,449,681
Provision for doubtful debts		(38,240)	(15,472)	(165,670)	(37,146)
Financing charges		(738,314)	(694,803)	(2,026,294)	(2,147,563)
Interest income		1,823	20,747	30,727	35,384
Net (losses)/gains from investments	16	(357,613)	521,240	2,991,183	2,015,633
Group's share of associates results	4	29,309	119,971	(6,373)	416,167
Net profit before deductions		2,701,068	2,559,225	17,024,756	14,732,156
Contribution to Kuwait Foundation for Advancement of Sciences		(28,728)	(20,528)	(158,922)	(125,887)
National Labor Support Tax		(69,657)	(57,038)	(359,145)	(329,236)
Zakat		(19,552)	(16,010)	(100,805)	(92,410)
Board of directors' remuneration		(35,000)	(35,000)	(105,000)	(105,000)
Net profit for the period		2,548,131	2,430,649	16,300,884	14,079,623
Earnings per share (fils)	17	3.57	3.40	22.86	19.74

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

Kuwait Cement Company K.S.C.P.
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شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim condensed consolidated statement of comprehensive income for the nine months period ended 30 September 2015 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Net profit for the period	2,548,131	2,430,649	16,300,884	14,079,623
Other comprehensive (loss)/ income items:				
Items that may be reclassified subsequently to the interim condensed statement of income:				
Available for sale investments:				
Net unrealized (losses)/ profits from available for sale investments	(6,326,184)	3,482,446	(10,790,583)	4,755,763
Transferred to statement of income from sale of available for sale investments	-	(308,134)	-	(359,847)
	(6,326,184)	3,174,312	(10,790,583)	4,395,916
Investments in associates:				
Group's share in associates' reserves	17,577	13,123	115,647	5,926
Differences of translation of financial statement with foreign currency:				
Group's share in foreign currency translation reserve	603	59,800	63,501	54,682
Total other comprehensive (loss)/ income items for the period	(6,308,004)	3,247,235	(10,611,435)	4,456,524
Total comprehensive (loss)/ income for the period	(3,759,873)	5,677,884	5,689,449	18,536,147

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

Kuwait Cement Company K.S.C.P.
And its subsidiaries
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Interim condensed consolidated statement of changes in equity
for the nine months period ended 30 September 2015 (Unaudited)

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

(All amounts are in Kuwaiti Dinar)

	Share capital	Share premium	Treasury shares	Gains on sale of treasury shares	Statutory reserve	Voluntary reserve	General reserve	Change of fair value reserve	Group's share in associates' reserves	Group's share in foreign currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2014	73,330,387	26,675,810	(13,497,645)	445,592	39,309,913	34,347,424	18,930,128	(9,369,876)	(713,055)	(51,555)	24,739,790	194,146,913
Net profit for the period	-	-	-	-	-	-	-	-	-	-	14,079,623	14,079,623
Total other comprehensive income items	-	-	-	-	-	-	-	4,395,916	5,926	54,682	-	4,456,524
Cash dividends (note 18)	-	-	-	-	-	-	-	-	-	-	(12,835,856)	(12,835,856)
Balance at 30 September 2014	73,330,387	26,675,810	(13,497,645)	445,592	39,309,913	34,347,424	18,930,128	(4,973,960)	(707,129)	3,127	25,983,557	199,847,204
Balance at 1 January 2015	73,330,387	26,675,810	(13,497,645)	445,592	41,126,696	36,164,207	18,930,128	(14,292,043)	(692,744)	32,502	25,592,880	193,815,770
Net profit for the period	-	-	-	-	-	-	-	-	-	-	16,300,884	16,300,884
Total other comprehensive (loss)/ income items	-	-	-	-	-	-	-	(10,790,583)	115,647	63,501	-	(10,611,435)
Cash dividends (note 18)	-	-	-	-	-	-	-	-	-	-	(12,835,856)	(12,835,856)
Balance at 30 September 2015	73,330,387	26,675,810	(13,497,645)	445,592	41,126,696	36,164,207	18,930,128	(25,082,626)	(577,097)	96,003	29,057,908	186,669,363

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

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim condensed consolidated statement of cash flows
for the nine months period ended 30 September 2015 (Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Nine months ended 30 September 2015	2014
Cash flows from operating activities			
Net profit for the period		16,300,884	14,079,623
Adjustments:			
Depreciation and amortization		3,264,017	1,908,431
Net gain from investments	16	(3,073,598)	(2,123,663)
Financing charges		2,026,294	2,147,563
Interest income		(30,727)	(35,384)
Provision for doubtful debts		165,670	37,146
Group's share of associates results	4	6,373	(416,167)
Provision for employees' end of service benefits		162,354	223,212
Net operating profit before working capital changes		18,821,267	15,820,761
Inventories		(1,006,475)	1,501,043
Receivables and other debit balances		1,002,124	(3,115,542)
Investments at fair value through profit or loss		1,160,559	12,640
Payables and other credit balances		(401,687)	3,154,174
Net cash generated from operating activities		19,575,788	17,373,076
Cash flows from investing activities			
Paid for purchase of property, plant and equipment		(5,137,836)	(6,908,678)
Proceeds from sale of property, plant and equipment		23,011	-
Paid for purchase of intangible assets		(10,560)	(27,296)
Paid for purchase of available for sale investments		(227,840)	(517,292)
Proceeds on sale of available for sale investments		379,103	2,096,731
Dividends received		3,406,100	1,266,784
Interest income received		30,727	35,384
Net cash used in investing activities		(1,537,295)	(4,054,367)
Cash flows from financing activities			
Withdrawn from loans, bank facilities and Murabaha		10,472,247	21,398,458
Paid for loans, bank facilities and Murabaha		(11,394,305)	(12,612,899)
Dividends paid		(12,752,903)	(12,772,632)
Finance charges paid		(2,177,887)	(2,391,640)
Net cash used in financing activities		(15,852,848)	(6,378,713)
Net increase in cash and cash equivalents		2,185,645	6,939,996
Cash and cash equivalents at the beginning of the period		15,748,696	18,442,018
Cash and cash equivalents at the end of the period	9	17,934,341	25,382,014

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

1. Incorporation and activities

Kuwait Cement Company K.S.C.P. "the Company" is a Kuwaiti Public Shareholding Company incorporated as per the Amiri Decree issued on 5 November 1968. The Company's shares were listed on Kuwait Stock Exchange on 29 September 1984.

The Parent Company's objectives are as follows:

1- Establishing a project for the production of ordinary cement, sulphate resisting portland cement and portland cement for industrial purposes and all kinds of cement at large.

2- Establishing factories and laboratories that will achieve the purposes of the Company.

3- Trading in all cement products, materials, instruments and machines which are related to the operation of the Company and transferring them whether inside or outside the State.

4- Participating or having interest in any aspect in other companies conducting similar activities or which may assist the Company in achieving its objectives in Kuwait or abroad. The Company may as well acquire such companies or affiliate them. The Company may also participate in incorporation of real estate companies.

5- Utilise the financial surpluses of the Company by investing and developing them locally and globally in financial and real estate portfolios and invest the Company's funds by participating in the incorporation of companies of all types and with different purposes and in investment funds, inside Kuwait or abroad, to be managed by specialised companies and entities.

The Company is located in Kuwait and the address of its head office is Sharq, Al Sawaber area, Shuhada Street, Cement House, P.O. Box 20581, Safat 13066, State of Kuwait.

The consolidated financial information include the financial information of the Parent Company and its subsidiaries (together referred to as "the Group").

Company name	Legal entity	Activity	Country of incorporation	% of ownership
Shuwaikh Cement Company	K.S.C.C	Industrial	Kuwait	99.250
Amwaj Real Estate Company	K.S.C.C	Real Estate	Kuwait	96.000
Kuwait Cement Ready-mix Company	K.S.C.C	Industrial	Kuwait	99.844

The financial information prepared by the subsidiaries' managements were used to prepare condensed consolidated interim financial information for the nine months period ended 30 September 2015. The total assets of the subsidiaries amounted to KD 27,705,820 as at 30 September 2015 (31 December 2014: KD 26,502,040 and 30 September 2014: 27,317,388) and net profits amounted to KD 1,132,542 for the nine months period ended 30 September 2015 (KD 1,727,231 for the nine months period ended 30 September 2014).

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 28 March 2013 by Decree Law no 97 of 2013 (the Decree). In accordance with article No. (2) and (3) of the Decree, the executive regulations which issued by the Minister of Commerce and Industry on 29 September 2013 and published in the official gazette on 6 October 2013 determine the basis and rules to be applied by the Company to adjust its status according to the Companies' Law, as amended during one year from the published date.

The Parent Company is still in the process of completing necessary to adjust its situation with the requirements of the Companies law No. 25 of 2012 as amended and its executive regulation.

The accompanying interim condensed consolidated financial information was authorized for issue by the Parent Company's board of director's on 9 November 2015.

2. Significant accounting policies

2.1 Basis of preparation

The condensed consolidated interim financial information is prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does 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 the management, all adjustments (consisting of recurring accruals) have been included in the interim condensed consolidated financial information. The operating results for the nine-months period ended 30 September 2015 are not necessarily indicative of the results that maybe 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.

The accounting policies used in preparing the interim condensed consolidated financial information similar to those used in the preparation of consolidated financial statements for the year ended 31 December 2014, except for the adoption of the new and amended IFRS that have become effective and those which are applicable to the Group.

New and revised IFRSs issued and effective

In the current period, the Group has applied a number of new and revised IFRSs that are issued and effective.

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the Group.

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2016
Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
Amendments to IAS 16 & IAS 38 *Clarification of Acceptable Methods of Depreciation & Amortisation*
Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The directors of the Parent Company do not anticipate that the application of these amendments will have a material impact on the Group's interim condensed consolidated financial information.

Effective for annual periods beginning on or after 2018

IFRS 9 *Financial Instruments*

The directors of the Parent Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

IFRS 15 *Revenue from Contracts with Customers*

The directors of the Parent Company anticipate that the application of these IFRS 15 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect until the Group undertakes a detailed review.

2.2 Fair value estimation

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical financial assets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are supported by observable sources for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

The level within which the financial assets are classified is determined based on the lowest level of significant input to the fair value measurement.

Fair value of the financial assets that are measured at fair value on a recurring basis:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 September 2015	31 December 2014 (audited)	30 September 2014				
Available for sale investments:							
Quoted shares	49,003,134	59,892,854	69,179,688	Level 1	Last bid price	NA	NA
Foreign funds	1,159,157	1,444,229	1,473,018	Level 2	Net assets value	NA	NA
Investments at fair value through profit or loss:							
Local shares	775,547	776,172	772,864	Level 3	Based on the latest available financial statements or on the basis of the last transaction	NA	NA
Local funds	692,024	740,573	789,740	Level 2	Net assets value	NA	NA
Foreign investments	6,364,361	7,405,401	8,375,218	Level 2	Net assets value	NA	NA

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

3. Property, plant and equipment

	30 September 2015	31 December 2014 (audited)	30 September 2014
Net carrying value at beginning of period/year	161,395,528	155,460,323	155,460,323
Additions	5,137,836	9,540,152	6,741,749
Disposals	(23,011)	(63,922)	-
Foreign currency translation differences	24,618	31,721	24,198
Depreciation for the period / year	(2,679,958)	(2,555,200)	(1,851,068)
Impairment	-	(1,017,546)	-
Net carrying value at end of period/year	163,855,013	161,395,528	160,375,202

The most important projects under process represents in a construction of new Kiln for producing clinker. The total estimated value of the project is KD 128,602,341 whereas the total cost of the completed work amounted to KD 126,997,837 as at 30 September 2015 (KD 125,615,203 as at 31 December 2014: and KD 124,647,277 as at 30 September 2014:).

All property, plant and equipment located on land leased from the state owned under lease for a term of five years ending in 2019.

4. Investments in associates

	Country of incorporation	Voting capital and ownership interest %	Carrying amount 30 September 2015	31 December 2014 (audited)	30 September 2014
Kuwait Rocks Co. K.S.C.C.	Kuwait	30.00	-	-	-
Marine Contracting and Services Co. K.S.C.P.	Kuwait	33.39	15,321,745	15,594,249	15,451,936
			15,321,745	15,594,249	15,451,936

The following is the movement of investment in associate's balances:

	30 September 2015	31 December 2014 (audited)	30 September 2014
Balance at beginning of the period/year	15,594,249	15,029,843	15,029,843
Group's share of associates results	(6,373)	544,095	416,167
Group's share in associates' reserves	115,647	20,311	5,926
Cash dividends received	(381,778)	-	-
Balance at end of the period/year	15,321,745	15,594,249	15,451,936

The Group's share in results of associate companies are recognized based on the unaudited interim condensed financial information for the period ended 30 June 2015.

5. Available for sale investments

	30 September 2015	31 December 2014 (audited)	30 September 2014
Quoted shares	49,003,134	59,892,854	69,179,688
Unquoted shares	3,246,172	3,034,295	4,045,617
Foreign funds	1,159,157	1,444,229	1,473,018
	53,408,463	64,371,378	74,698,323

Fair value is determined in the manner described in note 2.2.

The quoted investments included, investments amounted to KD 19,213,524 as at 30 September 2015 in the shares of National Industries Company K.S.C.P. one of the major shareholders in the Company (KD 25,003,901 as at 31 December 2014; and KD 29,741,482 as at 30 September 2014).

Unquoted investments were stated at cost less impairment, if any, since their fair values could not be reliably determined and there have not been active markets for such investments. The available information for these investments did not indicate the existence of any impairment in value.

Available for sale investments include investments amounting to KD 1,159,157 as at 30 September 2015 (KD 1,143,003 as at 31 December 2014; and KD 1,470,288 as at 30 September 2014) valuated based on recent available valuation reports from investment managers during the period as no reports were available for these investments as at the date of financial information.

6. Inventories

	30 September 2015	31 December 2014 (audited)	30 September 2014
Raw materials	16,632,628	15,689,717	18,768,774
Finished goods	514,524	450,960	625,944
	17,147,152	16,140,677	19,394,718

7. Receivables and other debit balances

	30 September 2015	31 December 2014 (audited)	30 September 2014
Amounts under collection at banks	665,514	761,470	699,482
Receivables against unconditional bank guarantees	3,357,499	4,256,527	4,115,365
Ministry of Commerce – difference from subsidising cement to the public	4,834,196	4,844,728	3,965,539
Related parties (note 19)	1,602,791	1,970,142	1,641,668
Other trade receivables	11,061,707	11,727,640	10,453,116
Total trade receivables	21,521,707	23,560,507	20,875,170
Other receivables	1,485,198	1,346,378	402,731
	23,006,905	24,906,885	21,277,901
Provision for doubtful debts	(2,719,623)	(2,553,953)	(2,036,573)
	20,287,282	22,352,932	19,241,328
Prepaid expenses	580,391	326,399	492,054
Notes receivable	2,275,162	1,631,298	1,538,804
	23,142,835	24,310,629	21,272,186

8. Investments at fair value through profit or loss

	30 September 2015	31 December 2014 (audited)	30 September 2014
Local investments	1,467,571	1,516,745	1,562,604
Foreign investments	6,364,361	7,405,401	8,375,218
	7,831,932	8,922,146	9,937,822

Quoted investments were valuated according to valuation bases set out in note (2.2). Foreign investment was evaluated based on the latest available reports from the investment managers during the period.

9. Cash and cash equivalents

	30 September 2015	31 December 2014 (audited)	30 September 2014
Cash on hand and at banks	7,542,307	9,853,766	10,573,190
Cash at investment portfolios	4,953,472	3,775,518	2,550,698
Deposits at banks	5,438,562	2,119,412	12,224,412
Cheques under collection	-	-	33,714
	17,934,341	15,748,696	25,382,014

The annual average effective interest rate on term deposits was 0.625% as at 30 September 2015 (0.625% as at 31 December 2014; and 0.715 as at 30 September 2014).

10. Share Capital

The authorized, issued and fully paid capital comprises of KD 73,330,387 allocated over 733,303,870 shares as at 30 September 2015 (31 December 2014: KD 73,330,387 allocated over 733,303,870 shares and 30 September 2014: KD 73,330,387 allocated over 733,303,870 shares) of nominal value 100 fils per share and all shares are in cash.

11. Treasury shares

	30 September 2015	31 December 2014 (audited)	30 September 2014
Number of shares (share)	20,200,729	20,200,729	20,200,729
Percentage of issued shares (%)	2.75	2.75	2.75
Market value (KD)	7,171,259	8,080,292	9,090,328

The Parent Company is committed to keep reserves, retained earnings and share premium equal to the purchased treasury shares along acquisition period according to the instructions of the concerned regulatory authorities.

12. Loans, bank facilities and Murabaha

	30 September 2015	31 December 2014 (audited)	30 September 2014
Non-current portion			
Loans	32,012,489	39,262,904	49,818,383
Murabaha	34,033,442	32,509,660	34,390,105
	66,045,931	71,772,564	84,208,488
Current portion			
Loans	13,485,364	12,733,909	14,584,818
Murabaha	9,327,813	4,486,527	6,744,481
	22,813,177	17,220,436	21,329,299
Total loans, bank facilities and Murabaha	88,859,108	88,993,000	105,537,787

The annual average effective interest rate on the loans, bank facilities and Murabaha was 3.125% as at 30 September 2015 (3.125% as at 31 December 2014; and 3.250% as at 30 September 2014).

Certain loans are guaranteed by the fully commercial shop of the factory and its extensions with book value amounting to KD 15,561,649 as at 30 September 2015 (KD 16,588,259 as at 31 December 2014; and KD 16,930,463 as at 30 September 2014). The loans are also guaranteed by available for sale investments amounting to KD Nil as at 30 September 2015 (KD 1,586,500 as at 31 December 2014; and: KD 1,887,100 as at 30 September 2014).

One of the main borrowings, bank facilities and Murabaha covenants is that the Group will not distribute dividends if the ratio of current assets to current liabilities decreases less than (1: 1.5) and not to pledge movable and non-movable funds to others before obtaining written approval from the bank. The loans and Murabaha covenants also state that the ratio of net debts to operating profit not be more than (1:8) and the ratio of operating profit to interests not be less than (1:2) and the ratio of net debts to equity increases not be more than (1:0.8) and the ratio of liabilities to equity not be more than (1:1.3).

13. Payables and other credit balances

	30 September 2015	31 December 2014 (audited)	30 September 2014
Suppliers	13,656,273	12,646,694	10,664,442
Retentions	2,027,364	4,058,322	4,050,968
Accrued interest and expenses	2,336,178	2,668,562	2,161,254
Notes payable	1,067,309	680,168	553,253
Clients - advance payments	1,246,249	1,635,663	1,852,440
Dividends payable	698,176	615,223	616,772
Contribution to Kuwait Foundation for Advancement of Sciences	163,256	166,810	292,176
National Labor Support Tax	359,145	435,020	329,236
Zakat	106,407	112,269	103,459
Other	160,055	99,057	19,178
	21,820,412	23,117,788	20,643,178

14. Cost of sales

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Raw material	11,770,961	10,390,217	42,854,663	36,914,340
Change in finished goods	(107,852)	77	(63,564)	(72,964)
Salaries and benefits	795,116	1,125,405	2,256,737	3,201,271
Supplies and maintenance	971,693	572,168	3,147,570	1,708,882
Other	286,717	481,594	868,866	803,586
	13,716,635	12,569,461	49,064,272	42,555,115

15. Other operating income/ (expenses)

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Net income from investment properties	26,848	28,787	86,448	85,530
Net losses from exchange differences	(17,465)	(829,668)	(801,605)	(767,626)
Other income	62,448	165,572	129,700	1,378,811
	71,831	(635,309)	(585,457)	696,715

16. Net (losses)/ gains from investments

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Investments at fair value through statement of income:				
Unrealized (losses)/ profits	(389,142)	133,550	70,345	531,960
Realised gains	-	-	-	12,640
Cash dividends	25,845	-	37,335	112,318
	(363,297)	133,550	107,680	656,918
Available for sale investments:				
Impairment	-	(56,595)	(21,069)	(105,950)
Realised gains	-	362,734	-	418,229
Cash dividends	26,338	117,643	2,986,987	1,154,466
Portfolio management fees	(20,654)	(36,092)	(82,415)	(108,030)
	5,684	387,690	2,883,503	1,358,715
	(357,613)	521,240	2,991,183	2,015,633

17. Earnings per share

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding for issued capital during the period taking into account treasury shares: The calculation of earnings per share is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Net profit for the period	2,548,131	2,430,649	16,300,884	14,079,623
Weighted average number of outstanding shares during the period (shares)	713,103,141	713,103,141	713,103,141	713,103,141
Earnings per share (fils)	3.57	3.40	22.86	19.74

18. Dividends

On 29 April 2015, the General Assembly of shareholders approved the consolidated financial statements for the year ended 31 December 2014, and approved cash dividends of 18 fils per share after deducting treasury shares (18 fils - 2013).

19. Related party transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, board of directors, key management personnel, associates, and subsidiaries in which the Parent Company has representatives in their board. In the normal course of business, and by approval of the Group's management, transactions were done with such related parties during the period ended 30 September 2015. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Following is a summary of significant related party transactions:

	30 September 2015	31 December 2014 (audited)	30 September 2014
Condensed Consolidated interim statement of financial position			
Receivables and other debit balances (Note 7)	1,602,791	1,970,142	1,641,668
Provision for employees' end of service	475,069	474,355	474,078

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Interim condensed consolidated statement of income:				
Sales	813,308	939,637	3,079,979	3,077,875
Key management benefits				
Executive committees fees	30,000	30,000	90,000	90,000
Salaries and other benefits	172,313	169,800	511,650	511,500

20. Contingent liabilities and capital commitments

	30 September 2015	31 December 2014 (audited)	30 September 2014
Contingent liabilities			
Letters of guarantee	440,681	440,681	248,847
Capital commitments			
Letters of credit	149,837	914,028	950,878
Uncalled subscription relating to available for sale investments	-	-	183,431
Uncalled subscription relating to investments in funds	321,972	321,972	369,948
Contracts for importing raw materials	11,771,531	11,031,428	15,070,094
Projects in progress	1,604,504	1,836,670	2,260,336

There is a dispute between the Parent Company and a supplier related to the financial liabilities resulting from the termination of a contract for supplying raw materials signed between the two parties. The party has a financial claimed. The Parent Company's management has submitted a request to the Judicial Arbitration Department to be discharged from any financial liability resulting from the termination of such contract. During the current period, a sentence has been issued discharging the Parent Company from any financial liabilities for the supplier. The dispute has not yet been settled with the supplier, and Parent Company's management believes that the provisions provided are sufficient against any financial liabilities that may arise from such dispute.

21. Segment financial information

The management has grouped the Group's products and services into the following operating segments under IFRS 8 as follows:
The primary segments information as follows:

Operating Segments

The Group has determined the following two major business segments for internal reporting purposes:

- Manufacturing sector which includes production and sale cement & ready – mix cement.
- Investments sector

Financial information about business segments for the nine months period ended 30 September is as follows:

	2015			2014		
	Manufacturing sector	Investment Sector	Total	Manufacturing sector	Investment Sector	Total
Segments revenues	69,663,394	3,071,258	72,734,652	60,914,851	2,517,330	63,432,181
Total segments profit	15,949,065	3,071,258	19,020,323	14,327,005	2,517,330	16,844,335
Segments assets	217,402,845	82,364,296	299,767,141	224,717,505	103,511,474	328,228,979

Adjustments:

Gross segments profit	19,020,323	16,844,335
Financing charges	(2,026,294)	(2,147,563)
Interest income	30,727	35,384
Net segments profit before deductions	17,024,756	14,732,156