

**UNITED PROJECTS COMPANY FOR  
AVIATION SERVICES K.S.C.P. AND ITS  
SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 2015**



Building a better  
working world

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES K.S.C.P.**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Project Company For Aviation Services K.S.C.P. (the "Parent Company") and its subsidiaries (collectively 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 changes in equity and interim condensed consolidated statement of cash flows 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 International Financial Reporting Standard, IAS 34: Interim Financial Reporting ("IAS 34"). 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 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, it 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 IAS 34.

*Emphasis of matter*

We draw attention to Note 4 to the interim condensed consolidated financial information, which describes the uncertainty relating to the management's ability to renew a BOT contract and its impact on the recoverable amount of the related intangible asset. Our conclusion is not qualified in respect of this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF UNITED PROJECTS COMPANY FOR AVIATION SERVICES  
K.S.C.P. (continued)**

**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, nor of the Parent Company's Memorandum of Incorporation and Articles of Association 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.



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



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DR. SAUD AL HUMAIDI  
LICENSE NO. 51 A  
DR. SAUD AL-HUMAIDI & PARTNERS  
MEMBER OF BAKER TILLY  
INTERNATIONAL

11 November 2015  
Kuwait

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2015

		<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2015</i>	<i>2014</i>	<i>2014</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		198,552	208,616
Intangible assets	4	15,115,990	17,728,285
Financial assets available for sale		3,332,538	3,446,022
		<u>18,631,618</u>	<u>21,382,923</u>
<b>Current assets</b>			
Accounts receivable and other assets	11	9,584,459	2,770,576
Cash and cash equivalents	5	9,126,563	11,473,930
		<u>18,711,022</u>	<u>14,244,506</u>
<b>TOTAL ASSETS</b>		<u>37,342,640</u>	<u>35,627,429</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		8,250,000	8,250,000
Share premium		10,500,000	10,500,000
Statutory reserve		4,125,000	4,125,000
Treasury shares	7	(1,544,594)	(1,544,594)
Other reserve		(260,978)	(260,978)
Retained earnings		4,866,648	4,258,485
		<u>25,936,076</u>	<u>25,327,913</u>
<b>Equity attributable to equity holders of the Parent Company</b>		<u>25,936,076</u>	<u>25,327,913</u>
Non-controlling interests		2,481,934	2,466,005
<b>Total equity</b>		<u>28,418,010</u>	<u>27,793,918</u>
<b>Non current liability</b>			
Employees' end of service benefits		308,870	241,232
		<u>308,870</u>	<u>241,232</u>
<b>Current liability</b>			
Accounts payable and other liabilities		8,615,760	7,592,279
		<u>8,615,760</u>	<u>7,592,279</u>
<b>Total liabilities</b>		<u>8,924,630</u>	<u>7,833,511</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>37,342,640</u>	<u>35,627,429</u>

Hassan Bassam El Houry  
Chairman

  
Nadia Abdullah Mohammad Akil  
CEO & Vice Chairperson

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

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
		KD	KD	KD	KD
Revenues		3,178,823	2,942,901	9,584,622	8,934,994
Operating costs		(315,034)	(304,267)	(981,551)	(890,230)
<b>Gross profit</b>		<b>2,863,789</b>	<b>2,638,634</b>	<b>8,603,071</b>	<b>8,044,764</b>
General and administrative expenses		(409,997)	(325,377)	(1,050,866)	(884,983)
Salaries and employee benefits		(272,881)	(253,802)	(757,290)	(731,498)
Impairment of financial assets available for sale		-	(98,011)	-	(196,022)
Net other (expense) income		(2,705)	39,139	42,707	134,089
<b>Profit before interest, taxation, depreciation and amortisation ("EBITDA")</b>		<b>2,178,206</b>	<b>2,000,583</b>	<b>6,837,622</b>	<b>6,366,350</b>
Depreciation		(12,274)	(18,837)	(36,182)	(76,945)
Amortisation		(695,773)	(687,120)	(2,085,202)	(2,060,759)
<b>Profit before interest and taxation ("EBIT")</b>		<b>1,470,159</b>	<b>1,294,626</b>	<b>4,716,238</b>	<b>4,228,646</b>
Interest income		193,320	75,996	382,735	207,107
<b>Profit before taxation</b>		<b>1,663,479</b>	<b>1,370,622</b>	<b>5,098,973</b>	<b>4,435,753</b>
Taxation	10	(74,755)	(62,173)	(226,153)	(200,695)
<b>PROFIT FOR THE PERIOD</b>		<b>1,588,724</b>	<b>1,308,449</b>	<b>4,872,820</b>	<b>4,235,058</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		1,587,818	1,325,940	4,848,153	4,246,164
Non-controlling interests		906	(17,491)	24,667	(11,106)
		<b>1,588,724</b>	<b>1,308,449</b>	<b>4,872,820</b>	<b>4,235,058</b>
<b>Basic and diluted earnings per share attributable to equity holders of the Parent Company</b>	3	<b>20.22 fils</b>	<b>16.89 fils</b>	<b>61.74 fils</b>	<b>54.08 fils</b>

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

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the period ended 30 September 2015

	<i>Note</i>	<i>Nine months ended</i>	
		<i>30 September</i>	
		<i>2015</i>	<i>2014</i>
		<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		4,872,820	4,235,058
Adjustments for:			
Depreciation and amortisation		2,121,384	2,137,704
Provision of employees' end of service benefits		82,358	35,134
Interest income		(382,735)	(207,107)
Impairment of financial assets available for sale		-	196,022
Gain on sale of property and equipment		(98)	-
		<u>6,693,729</u>	<u>6,396,811</u>
Working capital changes:			
Account receivable and other assets		(6,416,137)	(810,151)
Accounts payable and other liabilities		973,310	965,469
		<u>1,250,902</u>	<u>6,552,129</u>
Cash flows from operations		1,250,902	6,552,129
Employees' end of service benefits paid		(25,776)	(9,053)
		<u>1,225,126</u>	<u>6,543,076</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(20,872)	(127,331)
Purchase of financial assets available for sale		(82,538)	-
Proceeds from sale of property and equipment		250	-
Additions to intangible assets		(87,311)	-
Interest income received		382,735	207,107
		<u>192,264</u>	<u>79,776</u>
Net cash from investing activities		192,264	79,776
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(5,653,440)	(6,124,560)
		<u>(5,653,440)</u>	<u>(6,124,560)</u>
Net cash used in financing activities		(5,653,440)	(6,124,560)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,236,050)</b>	<b>498,292</b>
Cash and cash equivalents at the beginning of the period		13,362,613	10,975,638
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5</b>	<b><u>9,126,563</u></b>	<b><u>11,473,930</u></b>

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

**United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

For the period ended 30 September 2015

*Attributable to equity holders of the Parent Company*

	Share capital KD	Share Premium KD	Statutory reserve KD	Treasury shares KD	Other reserve KD	Retained earnings KD	Sub total KD	Non-controlling interest KD	Total equity KD
As at 1 January 2015	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	5,671,935	26,741,363	2,457,267	29,198,630
Profit for the period	-	-	-	-	-	4,848,153	4,848,153	24,667	4,872,820
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	4,848,153	4,848,153	24,667	4,872,820
Dividend paid (Note 8)	-	-	-	-	-	(5,653,440)	(5,653,440)	-	(5,653,440)
As at 30 September 2015	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	4,866,648	25,936,076	2,481,934	28,418,010

*Attributable to equity holders of the Parent Company*

	Share Capital KD	Share Premium KD	Statutory reserve KD	Treasury shares KD	Other reserve KD	Retained earnings KD	Sub total KD	Non-controlling Interest KD	Total equity KD
As at 1 January 2014	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	6,136,881	27,206,309	2,477,111	29,683,420
Profit (loss) for the period	-	-	-	-	-	4,246,164	4,246,164	(11,106)	4,235,058
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	4,246,164	4,246,164	(11,106)	4,235,058
Dividend paid (Note 8)	-	-	-	-	-	(6,124,560)	(6,124,560)	-	(6,124,560)
As at 30 September 2014	8,250,000	10,500,000	4,125,000	(1,544,594)	(260,978)	4,258,485	25,327,913	2,466,005	27,793,918

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

# United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of United Projects Company for Aviation Services K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") for the period ended 30 September 2015 were authorised for issue by the Board of Directors on 11 November 2015.

The Parent Company was established as a Kuwaiti Shareholding Company on 4 December 2000 and its registered address is Kuwait International Airport, P.O. Box 27068, Safat 13131, Kuwait. The main objectives of the Parent Company are:

- Providing airplane ground and cleaning services and supply of water and other airplane supplies;
- Leasing out airplanes;
- Tourism, travel and cargo shipment services;
- Managing projects;
- Investing surplus funds in investment portfolios managed by specialised institutions; and
- The right to participate with other firms, which operate in the same field or those, which would assist in achieving its objectives in Kuwait or abroad, and to purchase those firms or participate in their equity.

The Parent Company is listed on the Kuwait Stock Exchange and is a subsidiary of Agility Public Warehousing Company K.S.C.P. ("Ultimate Parent Company"), which is also listed on the Kuwait Stock Exchange.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of presentation**

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

The interim condensed consolidated financial information does not include all of the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD").

#### **Changes in accounting policy and disclosures**

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.

#### **Standards issued but not yet effective**

The following IASB Standards relevant to the Group have been issued but are not yet mandatory are disclosed below. The Group intends to adopt these standards, if applicable, when they become 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.



# United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

### 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Standards issued but not yet effective (continued)

##### *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, IFRS 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.

The Group has not early adopted any IASB standards, International Financial Reporting Interpretations Committee ("IFRIC") interpretations or amendments that have been issued but not yet effective.

### 3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>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 for the period attributable to equity holders of the Parent Company	<u>1,587,818</u>	<u>1,325,940</u>	<u>4,848,153</u>	<u>4,246,164</u>
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares, less treasury shares, outstanding during the period	<u>78,520,000</u>	<u>78,520,000</u>	<u>78,520,000</u>	<u>78,520,000</u>
Basic and diluted earnings per share	<u>20.22 fils</u>	<u>16.89 fils</u>	<u>61.74 fils</u>	<u>54.08 fils</u>

### 4 INTANGIBLE ASSETS

Included in intangible assets is an amount of KD 719,376 (31 December 2014: KD 1,438,807 and 30 September 2014: KD 1,676,312) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Discovery Mall (the "Mall"). This Mall was built on a leasehold land from the government of the State of Kuwait for 10 years which was then extended by seven months to 28 January 2014. The management believes that the agreement will be extended for additional 4 years and the delay in the extension of the agreement is due to the completion of certain legal and administrative formalities.

Included in intangible assets is an amount of KD 6,799,679 (31 December 2014: KD 7,396,604 and 30 September 2014: KD 7,595,579) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). This was built on a leasehold land from the government of the State of Kuwait for 20 years which will expire on 2024. Since September 2013, the Civil Aviation Authority permitted Flydubai, one of the carriers to operate from the terminal. As a result of this, the management is confident that the carrying amount of the terminal is fully recoverable and no impairment is considered necessary.

Included in intangible assets is an amount of KD 7,596,935 (31 December 2014: KD 8,278,470 and 30 September 2014: KD 8,456,394) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of the car park and commercial complex of Kuwait International Airport. This was built on a leasehold land from the government of the State of Kuwait for 20 years which will expire on 2023. The management is confident that the carrying amount of the intangible asset is fully recoverable and no impairment is considered necessary.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the interim condensed consolidated statement of cash flows consist of the following interim condensed consolidated statement of financial position amounts:

	<i>30 September</i> 2015 KD	<i>(Audited)</i> 31 December 2014 KD	<i>30 September</i> 2014 KD
Cash and bank balances	4,755,741	1,019,917	1,093,254
Short term deposits	4,370,822	12,342,696	10,380,676
	<u>9,126,563</u>	<u>13,362,613</u>	<u>11,473,930</u>

Short term deposits are denominated in KD and carry an effective interest rate ranging between 1 % to 1.5% (31 December 2014: 1.375% to 1.80% and 30 September 2014: 1.375% to 1.80%) per annum.

6 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities which they control or over which they exert significant influence. Pricing policies and terms of these transactions are approved by the Group's management.

Balances and transactions with related parties are as follows:

	<i>Other related</i> <i>Parties</i> KD	<i>Three months ended</i> <i>30 September</i>	
		2015 KD	2014 KD
<i>Interim condensed consolidated income statement:</i>			
Revenues	(1,856)	(1,856)	39,461
Operating costs	(70,451)	(70,451)	(96,814)
Administrative expenses	(15,124)	(15,124)	(9,367)

	<i>Other related</i> <i>Parties</i> KD	<i>Nine months ended</i> <i>30 September</i>	
		2015 KD	2014 KD
<i>Interim condensed consolidated income statement:</i>			
Revenues	22,259	22,259	144,677
Operating costs	(265,870)	(265,870)	(285,833)
Administrative expenses	(48,347)	(48,347)	(37,582)

	<i>Other</i> <i>related</i> <i>parties</i> KD	<i>30 September</i> 2015 KD	<i>(Audited)</i> 31 December 2014 KD	<i>30 September</i> 2014 KD
<i>Interim condensed consolidated statement of financial position:</i>				
Amounts due from related party	7,010	7,010	60,892	51,971
Amounts due to related party	112,826	112,826	390,845	305,416
Accounts receivable and other assets	7,476,112	7,476,112	1,055,475	500,000
Financial assets available for sale	82,538	82,538	-	-

Amounts due from/to related parties are interest free and are receivable/payable on demand.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

**6 RELATED PARTY TRANSACTIONS (Continued)**

**Compensation of key management personnel**

The remuneration of key management personnel during the period was as follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2015 KD</i>	<i>2014 KD</i>	<i>2015 KD</i>	<i>2014 KD</i>
Short-term benefits	22,500	22,500	67,500	67,500
Employees' end of service benefits	1,260	1,260	3,740	3,740
	<u>23,760</u>	<u>23,760</u>	<u>71,240</u>	<u>71,240</u>

**7 TREASURY SHARES**

	<i>30 September 2015</i>	<i>(Audited) 31 December 2014</i>	<i>30 September 2014</i>
	Number of treasury shares (shares)	<u>3,980,000</u>	<u>3,980,000</u>
Percentage of issued shares (%)	<u>5%</u>	<u>5%</u>	<u>5%</u>
Market value (KD)	<u>3,064,600</u>	<u>2,945,200</u>	<u>3,144,200</u>

**8 DIVIDEND**

At the Annual General Assembly of the shareholders of the Parent Company held on 13 May 2015, the shareholders approved the distribution of cash dividends of 72 fils per share (2013: 78 fils per share) amounting to KD 5,653,440 for the year ended 31 December 2014 (2013: KD 6,124,560) for shareholders registered on that date.

United Projects Company For Aviation Services K.S.C. (Closed) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

9 OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized in two operating segments "investments" and "rental and other services operations" as follows:

	Investments		Rental and other services operations		Total	
	Nine months ended 30 September		Nine months ended 30 September		Nine months ended 30 September	
	2015 KD	2014 KD	2015 KD	2014 KD	2015 KD	2014 KD
Segment revenue	382,735	207,107	9,627,329	9,069,083	10,010,064	9,276,190
Segment profit	382,735	207,107	4,716,238	4,228,646	5,098,973	4,435,753
Taxation					(226,153)	(200,695)
Profit for the period			4,872,820		4,235,058	
Depreciation and amortization	-	-	(2,121,384)	(2,137,704)	(2,121,384)	(2,137,704)
	Investments		Rental and other services operations		Total	
	(Audited)		(Audited)		(Audited)	
	30 September 2015 KD	30 September 2014 KD	30 September 2015 KD	30 September 2014 KD	30 September 2015 KD	30 September 2014 KD
<i>Interim condensed consolidated statement of financial position:</i>						
Assets	7,620,822	15,592,696	29,721,818	21,500,672	37,342,640	37,093,368
Liabilities			8,924,630	7,894,738	8,924,630	7,894,738
Other disclosures:						
Capital expenditure			87,311	181,808	87,311	181,808
			-	-	-	-

Capital expenditure represents additions to intangible assets. All of the Group's operations are in Kuwait.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2015

10 TAXATION

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>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>
National labour support tax (NLST)	(41,531)	(34,541)	(125,641)	(111,497)
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	(16,612)	(13,816)	(50,256)	(44,599)
Zakat	(16,612)	(13,816)	(50,256)	(44,599)
	<u>(74,755)</u>	<u>(62,173)</u>	<u>(226,153)</u>	<u>(200,695)</u>

11 CONTINGENCIES AND COMMITMENTS

As at 30 September 2015, the Group has contingent liabilities amounting to KD 289,690 (31 December 2014: KD 264,190 and 30 September 2014: KD 264,190) in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

As at 30 September 2015, a subsidiary of the Group advanced an amount of KD 7,476,112 (31 December 2014: KD 1,055,475 and 30 September 2014: KD 500,000) towards the construction and development of a commercial mall in UAE. This amount can be converted to equity in the project on completion of construction subject to the project achieving certain operational targets.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consists of financial assets available for sale, accounts receivables and other assets and cash and cash equivalents. Financial liabilities consist of accounts payable and other liabilities.

The fair value of financial assets and financial liabilities is not materially different from their carrying amounts except for financial assets available for sale which are carried at cost amounting to KD 3,332,538 as at 30 September 2015 (31 December 2014: KD 3,250,000 and 30 September 2014: KD 3,446,022).