

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

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

**31 MARCH 2014**



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 Projects Company For Aviation Services K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2014, and the related interim condensed consolidated income statement, interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the three month 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 Accounting Standard 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 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, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the three months period ended 31 March 2014 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  
LICENCE NO. 51 A  
OF DR. SAUD AL-HUMAIDI & PARTNERS  
MEMBER OF BAKER TILLY  
INTERNATIONAL

15 May 2014  
Kuwait

**United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL**  
**POSITION (UNAUDITED)**  
 At 31 March 2014

		<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>Notes</i>	<i>2014</i>	<i>2013</i>	<i>2013</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		239,990	268,380	358,943
Intangible assets	4	19,022,083	19,678,894	21,619,024
Financial assets available for sale		3,642,044	3,642,044	4,642,044
		<u>22,904,117</u>	<u>23,589,318</u>	<u>26,620,011</u>
<b>Current assets</b>				
Accounts receivable and other assets		2,019,164	1,960,425	2,460,375
Cash and bank balances	5	13,443,697	10,975,638	18,062,889
		<u>15,462,861</u>	<u>12,936,063</u>	<u>20,523,264</u>
<b>TOTAL ASSETS</b>		<u><u>38,366,978</u></u>	<u><u>36,525,381</u></u>	<u><u>47,143,275</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		8,250,000	8,250,000	8,250,000
Share premium		10,500,000	10,500,000	10,500,000
Statutory reserve		4,125,000	4,125,000	3,440,761
Treasury shares	7	(1,544,594)	(1,544,594)	(1,544,594)
Other reserve		(260,978)	(260,978)	(260,978)
Retained earnings		7,658,120	6,136,881	17,542,375
		<u>28,727,548</u>	<u>27,206,309</u>	<u>37,927,564</u>
<b>Equity attributable to holders of the Parent Company</b>		<u>28,727,548</u>	<u>27,206,309</u>	<u>37,927,564</u>
Non-controlling interests		2,493,294	2,477,111	2,665,386
<b>Total equity</b>		<u>31,220,842</u>	<u>29,683,420</u>	<u>40,592,950</u>
<b>Non-current liabilities</b>				
Employees' end of service benefits		221,399	215,151	193,526
		<u>221,399</u>	<u>215,151</u>	<u>193,526</u>
<b>Current liabilities</b>				
Accounts payable and other liabilities		6,924,737	6,626,810	6,356,799
		<u>6,924,737</u>	<u>6,626,810</u>	<u>6,356,799</u>
<b>Total liabilities</b>		<u>7,146,136</u>	<u>6,841,961</u>	<u>6,550,325</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>38,366,978</u></u>	<u><u>36,525,381</u></u>	<u><u>47,143,275</u></u>

  
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 Nadia Abdullah Mohammad Akil  
 Chairperson and Managing Director

  
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 Hassan Bassam Al Houry  
 Vice Chairman

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT(UNAUDITED)**  
For the period ended 31 March 2014

	Notes	Three months ended 31 March	
		2014 KD	2013 KD
Revenues		2,996,423	3,013,453
Operating costs		(295,627)	(279,025)
<b>Gross profit</b>		<b>2,700,796</b>	<b>2,734,428</b>
General and administrative expenses		(263,674)	(295,742)
Salaries and employee benefits		(229,467)	(229,668)
Reversal of impairment of receivables (net)		-	326,556
Net other income		48,286	195,826
		<b>2,255,941</b>	<b>2,731,400</b>
<b>Profit before interest, taxation, depreciation and amortization ("EBITDA")</b>			
Depreciation		(31,092)	(61,817)
Amortisation		(686,475)	(685,704)
<b>Profit before interest and taxation ("EBIT")</b>		<b>1,538,374</b>	<b>1,983,879</b>
Interest income		70,729	101,721
<b>Profit before taxation</b>		<b>1,609,103</b>	<b>2,085,600</b>
Taxation	10	(71,681)	(90,438)
<b>PROFIT FOR THE PERIOD</b>		<b>1,537,422</b>	<b>1,995,162</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		1,521,239	1,974,402
Non-controlling interests		16,183	20,760
		<b>1,537,422</b>	<b>1,995,162</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE – attributable to equity holders of the Parent Company</b>	3	<b>19.37 fils</b>	<b>25.11 fils</b>

Certain comparative information has been reclassified to conform to the current year presentation. Please refer to Note 12 for details.

United Projects Company For Aviation Services K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
 INCOME (UNAUDITED)**  
 For the period ended 31 March 2014

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	<u>1,537,422</u>	<u>1,995,162</u>
<b>TOTAL COMPERHENSIVE INCOME FOR THE PERIOD</b>	<u>1,537,422</u>	<u>1,995,162</u>
<b>Attributable to:</b>		
Equity holders of the Parent Company	1,521,239	1,974,402
Non-controlling interests	<u>16,183</u>	<u>20,760</u>
	<u>1,537,422</u>	<u>1,995,162</u>

The attached notes 1 to 13 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 31 March 2014

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2014</i>	<i>2013</i>
		<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,537,422	1,995,162
Adjustments for:			
Depreciation and amortization		717,567	747,521
Provision of employees' end of service benefits		6,364	8,426
Interest income		(70,729)	(101,721)
Reversal of impairment on receivables (net)		-	(326,556)
		<u>2,190,624</u>	<u>2,649,388</u>
Working capital changes:			
Account receivable and other assets		(58,739)	(296,901)
Accounts payable and other liabilities		297,927	311,000
		<u>2,429,812</u>	<u>2,663,487</u>
Cash flows from operations		2,429,812	2,663,487
Employees' end of service benefits paid		-	(29,120)
		<u>2,429,812</u>	<u>2,634,367</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(2,702)	(5,555)
Additions to intangible assets		(29,664)	-
Proceeds from sale of an associate		-	62,500
Interest income received		70,613	123,367
		<u>38,247</u>	<u>180,312</u>
<b>FINANCING ACTIVITIES</b>			
Purchase of treasury shares		-	(210,400)
Repayment of term loans		-	(950,000)
		<u>-</u>	<u>(1,160,400)</u>
Net cash flows used in financing activities		-	(1,160,400)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>2,468,059</u>	<u>1,654,279</u>
Cash and cash equivalents at the beginning of the period		10,975,638	16,408,610
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5</b>	<u>13,443,697</u>	<u>18,062,889</u>

The attached notes 1 to 13 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 31 March 2014

*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 interests 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 for the period	-	-	-	-	-	1,521,239	1,521,239	16,183	1,537,422
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,521,239	1,521,239	16,183	1,537,422
<b>As at 31 March 2014</b>	<b>8,250,000</b>	<b>10,500,000</b>	<b>4,125,000</b>	<b>(1,544,594)</b>	<b>(260,978)</b>	<b>7,658,120</b>	<b>28,727,548</b>	<b>2,493,294</b>	<b>31,220,842</b>
As at 1 January 2013	8,250,000	10,500,000	3,440,761	(1,334,194)	(260,978)	15,567,973	36,163,562	2,644,626	38,808,188
Profit for the period	-	-	-	-	-	1,974,402	1,974,402	20,760	1,995,162
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,974,402	1,974,402	20,760	1,995,162
Purchase of treasury shares	-	-	-	(210,400)	-	-	(210,400)	-	(210,400)
<b>As at 31 March 2013</b>	<b>8,250,000</b>	<b>10,500,000</b>	<b>3,440,761</b>	<b>(1,544,594)</b>	<b>(260,978)</b>	<b>17,542,375</b>	<b>37,927,564</b>	<b>2,665,386</b>	<b>40,592,950</b>

The attached notes 1 to 13 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 31 March 2014

### 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 31 March 2014 were authorised for issue by the Board of Directors on 15 May 2014.

The Parent Company was established as a closed 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;
- Using the surplus funds available to the company in investment portfolios managed by specialized institutions.

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.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law No. 97 of 2013 (the "Decree"). The Executive Regulations of the new amended law, issued on 29 September 2013, was published in the official Gazette on 6 October 2013. As per Article three of the Executive Regulations, companies have one year from the date of publishing the Executive Regulations to comply with the new amended law.

### 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 2013. 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 2014.

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 the 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 2013, except for the adoption of the new and amended IFRS that have become effective from 1 January 2014 and those which are applicable to the Group:

#### *IAS 32: Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amendment)*

These amendments are effective for annual periods beginning on or after 1 January 2014 and clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendment has not resulted in any impact on the financial position or performance of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2014

2 SIGNIFICANT ACCOUNTING POLICIES(continued)

Changes in accounting policy and disclosures(continued)

IAS 36: Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendment)

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash generating units for which impairment loss has been recognised or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. The amendment has not resulted in any impact on the financial position or performance of the Group.

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>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	<u>1,521,239</u>	<u>1,974,402</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of paid up shares	82,500,000	82,500,000
Weighted average number of treasury shares	<u>(3,980,000)</u>	<u>(3,861,778)</u>
Weighted average number of ordinary shares outstanding during the period	<u>78,520,000</u>	<u>78,638,222</u>
Basic and diluted earnings per share	<u>19.37 fils</u>	<u>25.11 fils</u>

4 INTANGIBLE ASSETS

Included in intangible assets is an amount of KD 2,157,451 (31 December 2013: KD 2,398,136 and 31 March 2013: KD 3,120,191) 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 3 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 7,993,529 (31 December 2013: KD 8,192,504 and 31 March 2013: KD 8,789,429) that represents the carrying value of Built-Own-Transfer (BOT) project for the construction of Sheikh Saa'd Terminal (the "terminal"). During the year, 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 8,871,103 (31 December 2013: KD 9,088,254 and 31 March 2013: KD 9,709,404) 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. 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 31 March 2014

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>31 March</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2013</i> <i>KD</i>	<i>31 March</i> <i>2013</i> <i>KD</i>
Cash and bank balances	1,120,852	1,004,227	644,755
Short term deposits	12,322,845	9,971,411	17,418,134
	<u>13,443,697</u>	<u>10,975,638</u>	<u>18,062,889</u>

Short term deposits are denominated in KD and carry an effective interest rate ranging between 0.625% to 1.25% (31 December 2013: 1.00% to 1.50% and 31 March 2013: 1.25% to 2.13%) per annum.

6 RELATED PARTY TRANSACTIONS

Related parties represent the i.e.the Ultimate Parent Company, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. 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 parties</i>	<i>Three months ended</i> <i>31 March</i>	
	<i>KD</i>	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated income statement:</i>			
Revenues	40,790	40,790	147,914
Operating costs	(94,072)	(94,072)	(110,035)
Administrative expenses	(15,624)	(15,624)	-
	<i>Ultimate Parent Company</i>	<i>Other related parties</i>	<i>(Audited)</i>
		<i>31 March</i>	<i>31 December</i>
		<i>2014</i>	<i>2013</i>
		<i>KD</i>	<i>KD</i>
			<i>31 March</i>
			<i>2013</i>
			<i>KD</i>
<i>Interim condensed consolidated statement of financial position:</i>			
Amounts due from related parties	-	79,694	79,694
Amounts due to related parties	38,664	281,822	320,486
			10,654
			85,872
			65,937
			-

Amounts due from related parties are classified as part of accounts receivable and other assets in the interim condensed consolidated statement of financial position and are non-interest bearing and receivable 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 31 March 2014

**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</i>	
	<i>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
Short-term benefits	22,500	18,000
Employees' end of service benefits	1,233	-
	<u>23,733</u>	<u>18,000</u>

**7 TREASURY SHARES**

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2014</i>	<i>31 December</i>	<i>31 March</i>
		<i>2013</i>	<i>2013</i>
Number of treasury shares (shares)	3,980,000	3,980,000	3,980,000
Percentage of issued shares (%)	5 %	5 %	5 %
Market value (KD)	3,263,600	3,223,800	3,184,000

**8 DIVIDEND**

At the board of directors meeting held on 19 March 2014, the directors recommended distribution of cash dividend of 0.078 fils (2012: 197 fils) per share for the year ended 31 December 2013. The proposed dividend, if approved, shall be payable to the shareholders registered in the Parent Company's records as of the date of the General Assembly meeting.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2014

9 OPERATING SEGMENT INFORMATION

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

	Investments		Rental and other services operations		Total	
	Three months ended 31 March	2013 KD	2014 KD	2013 KD	2014 KD	2013 KD
Segment revenue	70,729	101,721	3,044,709	3,209,279	3,115,438	3,311,000
Segment profit	70,729	101,721	1,538,374	1,983,879	1,609,103	2,085,600
Unallocated expenses					(71,681)	(90,438)
Profit for the period					1,537,422	1,995,162
Depreciation and amortisation			717,567	747,521	717,567	747,521
	Investments		Rental and other services operations		Total	
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	31 March 2014 KD	31 March 2013 KD	31 March 2014 KD	31 March 2013 KD	31 March 2014 KD	31 March 2013 KD
Assets	17,085,741	14,617,682	22,704,933	21,907,699	38,366,978	47,143,275
Liabilities	-	-	7,146,137	6,841,961	7,146,137	6,550,325
Other disclosures: Capital expenditure	-	-	32,366	118,251	32,366	118,251

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. (Closed) and its  
Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at 31 March 2014

10 TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD 000's</i>	<i>KD 000's</i>
National labour support tax (NLST)	39,823	51,622
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	15,929	18,168
Zakat	15,929	20,648
	<u>71,681</u>	<u>90,438</u>

11 CONTINGENCIES

As at 31 March 2014, the Group has contingent liabilities amounting to KD 352,190 (31 December 2013: KD 373,440 and 31 March 2013: KD 210,975) in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

12 COMPARATIVE INFORMATION

In the previous period certain expenses were classified under operating cost in the interim condensed consolidated income statement for the period ended 31 March 2014. These amounts have been reclassified and disclosed separately.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the comparative information for the previous quarter ended 31 March 2013 has been reclassified as follows to give effect to the above reclassifications:

	<i>As previously reported</i>	<i>Effect of reclassification</i>	<i>Reclassified</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Condensed consolidated income statement</i>			
Operating costs	(1,211,831)	932,806	(279,025)
General and administrative expenses	(263,936)	(31,806)	(295,742)
Salaries and employee benefits	-	(229,668)	(229,668)
Net other income	340,229	144,403	195,826
Amortisation	-	(685,704)	(685,704)

Such reclassifications were made to improve the quality of information presented and had no impact on the profit for the period ended 31 March 2013 and retained earnings as at 1 January 2014.

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

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

As at 31 March 2014

**13 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

The Group's financial assets include financial assets available for sale, receivables and cash and bank balances.

The Group's financial liabilities include accounts payable and other liabilities.

The fair value of financial assets and financial liabilities that are not carried at fair value is not materially different from their carrying amounts except for financial assets available for sale which are carried at cost less impairment amounting to KD 3,642,044 as at 31 March 2014 (31 December 2013: KD 3,642,044 and 31 March 2013: KD 4,642,044).