



سينسكيب  
CINESCAPE

- Stock Code : 601

# Interim Financial Statements

{ True Copy Of The Original }

## Third Quarter Report 2014

First Quarter  
31/03/2014

Second Quarter  
30/06/2014

Third Quarter  
30/09/2014

Fourth Quarter  
31/12/2014

**Kuwait National Cinema Company K.P.S.C.  
And its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information and Review Report  
For the nine months ended 30 September 2014  
And review report  
(Unaudited)**

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
For the nine months ended 30 September 2014  
And Review Report  
(Unaudited)**

<b>Contents</b>	<b>Page</b>
Independent Auditors' Review Report	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6 - 10

**Kuwait National Cinema Company K.P.S.C.  
State of Kuwait**

**Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait National Cinema Company - K.P.S.C "the Parent Company" and its subsidiaries "together referred to as the Group" as at 30 September 2014 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (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 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

**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 the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012 as amended, or of the Parent Company's Memorandum and Articles of Association have occurred during the nine-month period ended 30 September 2014 that might have had a material effect on the business of the Group or on its consolidated financial position.



**Bader A. Al-Wazzan**  
License No. 62 A  
Deloitte & Touche  
Al-Wazzan & Co.

Kuwait, 10 November 2014



**Rabea Saad Al Muhanna**  
License No. 152 A  
Horwath Al Muhanna & Co.


**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Statement of Financial Position as at 30 September 2014  
(Unaudited)  
(All amounts are in Kuwaiti Dinars)**

	Note	30 September 2014	31 December 2013 (Audited)	30 September 2013
<b>ASSETS</b>				
<b>Non- current assets</b>				
Property, plant and equipment	4	14,552,489	14,463,609	14,616,957
Intangible assets		522,130	516,779	434,950
Investments in associates	5	31,678,705	30,344,341	29,878,463
Available for sale investments	6	18,966,657	10,267,180	9,754,270
		<u>65,719,981</u>	<u>55,591,909</u>	<u>54,684,640</u>
<b>Current assets</b>				
Inventories		468,240	444,487	536,940
Trade and other receivables	7	1,887,123	1,383,733	1,591,247
Cash, current accounts and deposits	8	10,105,515	11,816,894	11,677,622
		<u>12,460,878</u>	<u>13,645,114</u>	<u>13,805,809</u>
<b>Total assets</b>		<u>78,180,859</u>	<u>69,237,023</u>	<u>68,490,449</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares		(1,815,289)	(1,437,716)	(1,436,516)
Statutory reserve		5,053,125	5,053,125	5,053,125
General reserve		8,502,532	8,502,532	7,671,502
Lands revaluation reserve		8,524,134	8,524,134	8,524,134
Change in fair value reserve		6,587,147	588,601	1,012,143
Foreign currency translation reserve		204,373	147,286	154,258
Retained earnings		22,231,767	19,994,379	19,012,825
Equity attributable to the Company's shareholders		<u>59,394,039</u>	<u>51,478,591</u>	<u>50,097,721</u>
Non-controlling interest		14,533	14,159	12,254
		<u>59,408,572</u>	<u>51,492,750</u>	<u>50,109,975</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Post-employment benefits		1,149,734	1,055,710	1,039,610
<b>Current liabilities</b>				
Trade and other payables		7,541,732	6,728,983	7,380,289
Loans and bank facilities	9	10,080,821	9,959,580	9,960,575
		<u>17,622,553</u>	<u>16,688,563</u>	<u>17,340,864</u>
<b>Total liabilities</b>		<u>18,772,287</u>	<u>17,744,273</u>	<u>18,380,474</u>
<b>Total equity and liabilities</b>		<u>78,180,859</u>	<u>69,237,023</u>	<u>68,490,449</u>

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

  
Ahmad Dakheel Al-Osaimi  
Chairman

  
Ahmed Abdul Aziz Al Sarawi  
Vice Chairman

**Kuwait National Cinema Company K.P.S.C.**  
**And its Subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2014**  
**(Unaudited)**  
*(All amounts are in Kuwaiti Dinars)*

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2014	2013	2014	2013
Operating revenues		4,617,357	4,152,306	13,306,903	13,259,356
Operating costs		(3,866,994)	(3,355,220)	(10,801,758)	(10,581,419)
Gross profit		750,363	797,086	2,505,145	2,677,937
Other operating income		1,498,911	1,445,352	4,717,913	4,461,183
General and administrative expenses		(361,522)	(268,986)	(1,214,532)	(1,103,271)
Other operating expenses		(472,139)	(539,263)	(1,405,955)	(1,797,229)
Net gain / (loss) of financial investments		(1,094)	112,166	784,742	409,986
Group's share in associates' results	5	760,675	683,977	2,357,437	2,050,931
Finance costs		(104,412)	(96,626)	(357,813)	(322,564)
<b>Net profit before deductions</b>		<b>2,070,782</b>	<b>2,133,706</b>	<b>7,386,937</b>	<b>6,376,973</b>
Contribution to Kuwait Foundation for the Advancement of Sciences		(12,384)	(12,712)	(49,853)	(38,214)
National Labor Support Tax		(52,351)	(52,965)	(187,015)	(160,862)
Zakat		(12,817)	(12,745)	(50,715)	(38,888)
<b>Net profit for the period</b>		<b>1,993,230</b>	<b>2,055,284</b>	<b>7,099,354</b>	<b>6,139,009</b>
<b>Attributable to:</b>					
Company's Shareholders		1,992,669	2,054,108	7,098,980	6,135,375
Non-controlling interest		561	1,176	374	3,634
		<u>1,993,230</u>	<u>2,055,284</u>	<u>7,099,354</u>	<u>6,139,009</u>
Earnings per share (fils)	10	20.14	20.69	71.63	61.74

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

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Statement of Comprehensive Income for the nine months ended 30 September 2014  
(Unaudited)  
(All amounts are in Kuwaiti Dinars)**

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net profit for the period	1,993,230	2,055,284	7,099,354	6,139,009
Other comprehensive income items:				
<i>Items that may be reclassified subsequently to statement of income:</i>				
Change in fair value of available for sale investments	352,129	110,378	5,578,437	1,097,128
Group's share in associates' reserves	182,211	48,893	476,927	268,178
Foreign currency translation of a subsidiary	1,017	(1,210)	269	(6,164)
Total other comprehensive income items	<u>535,357</u>	<u>158,061</u>	<u>6,055,633</u>	<u>1,359,142</u>
Total comprehensive income for the period	<u>2,528,587</u>	<u>2,213,345</u>	<u>13,154,987</u>	<u>7,498,151</u>
Attributable to:				
Company's shareholders	2,528,026	2,212,169	13,154,613	7,494,517
Non-controlling interest	<u>561</u>	<u>1,176</u>	<u>374</u>	<u>3,634</u>
	<u>2,528,587</u>	<u>2,213,345</u>	<u>13,154,987</u>	<u>7,498,151</u>

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

**Kuwait National Cinema Company K.P.S.C**  
**And its Subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2014**  
**(Unaudited)**

*(All amounts are in Kuwaiti Dinars)*

	Equity attributable to the Company's shareholders										
	Share capital	Treasury shares	Statutory reserve	General reserve	Lands revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Retained earnings	Non-controlling interest	Total	
Balance as of 1 January 2013	10,106,250	(1,050,339)	5,053,125	7,671,502	8,524,134	(338,018)	145,277	17,544,697	16,120	47,656,628	47,672,748
Net profit for the period	-	-	-	-	-	-	-	6,135,375	3,634	6,139,009	6,139,009
Total other comprehensive income items	-	-	-	-	-	1,350,161	8,981	-	-	1,359,142	1,359,142
Purchase of treasury shares	-	(386,177)	-	-	-	-	-	-	-	(386,177)	(386,177)
Cash dividends (Note 11)	-	-	-	-	-	-	-	(4,667,247)	-	(4,667,247)	(4,667,247)
Non-controlling interest share in a subsidiary's share capital reduction	-	-	-	-	-	-	-	-	(7,500)	(7,500)	(7,500)
<b>Balance as of 30 September 2013</b>	<b>10,106,250</b>	<b>(1,436,516)</b>	<b>5,053,125</b>	<b>7,671,502</b>	<b>8,524,134</b>	<b>1,012,143</b>	<b>154,258</b>	<b>19,012,825</b>	<b>12,254</b>	<b>50,097,721</b>	<b>50,109,975</b>
Balance as of 1 January 2014	10,106,250	(1,437,716)	5,053,125	8,502,532	8,524,134	588,601	147,286	19,994,379	14,159	51,478,591	51,492,750
Net profit for the period	-	-	-	-	-	-	-	7,098,980	374	7,099,354	7,099,354
Total other comprehensive income items	-	-	-	-	-	5,998,546	57,087	-	-	6,055,633	6,055,633
Purchase of treasury shares	-	(377,573)	-	-	-	-	-	-	-	(377,573)	(377,573)
Cash dividends (Note 11)	-	-	-	-	-	-	-	(4,861,592)	-	(4,861,592)	(4,861,592)
<b>Balance as of 30 September 2014</b>	<b>10,106,250</b>	<b>(1,815,289)</b>	<b>5,053,125</b>	<b>8,502,532</b>	<b>8,524,134</b>	<b>6,587,147</b>	<b>204,373</b>	<b>22,231,767</b>	<b>14,533</b>	<b>59,394,039</b>	<b>59,408,572</b>

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



**Kuwait National Cinema Company K.P.S.C  
And its Subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Statement of Cash flows for the nine months ended 30 September 2014  
(Unaudited)  
(All amounts are in Kuwaiti Dinars)**

	Note	Nine months ended 30 September	
		2014	2013
<b>Cash flows from operating activities</b>			
Net cash generated from operating activities	12	7,581,925	11,871,765
<b>Cash flows from investment activities</b>			
Paid for purchase of property, plant and equipment and intangible assets		(1,646,023)	(1,020,870)
Paid for purchase of available for sale investments		(3,121,040)	(700,000)
Proceeds from sale of an associate		-	2,020,000
Dividends received		792,707	1,988,920
Net cash (used in ) / generated from investing activities		(3,974,356)	2,288,050
<b>Cash flows from financing activities</b>			
Paid for purchase of treasury shares		(377,573)	(386,177)
Loans and bank facilities		121,241	(5,998,244)
Finance costs paid		(283,406)	(364,457)
Dividends paid		(4,779,210)	(4,562,772)
Paid to non-controlling interest on reduction of a subsidiary's share capital		-	(7,500)
Net cash used in financing activities		(5,318,948)	(11,319,150)
Net increase/ (decrease) in cash and cash equivalents		(1,711,379)	2,840,665
<b>Cash and cash equivalents at the beginning of the period</b>		<b>11,806,894</b>	<b>8,826,957</b>
<b>Cash and cash equivalents at the end of the period</b>	8	<b>10,095,515</b>	<b>11,667,622</b>

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

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2014 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**1. Company's incorporations**

Kuwait National Cinema Company K.P.S.C. "the Parent Company" is a Kuwaiti Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on the Kuwait Stock Exchange.

The registered office of the Parent Company is located at Al-Zahara area, 360 Mall, fourth floor, P.O. Box 502 Safat, 13006 Safat, Kuwait.

These Consolidated financial statements include the financial statements of the Parent Company and its Subsidiaries "together referred to as the Group".

	Ownership percentage (%)	Activity	Incorporation country
International Film Distribution Company K.S.C.C.	99.25	Publishing and film distribution	Kuwait
Al Kout Film Production and Distribution Company S.A.E.	100	Production and film distribution	Egypt

Financial information of subsidiaries was prepared by management. The subsidiaries total assets amounted to KD 2,770,837 as at 30 September 2014 (KD 2,809,886 as at 31 December 2013, KD 2,709,664 at 30 September 2013) and their net loss KD 43,788 for the nine months ended 30 September 2014 (profit of KD 500,971 for the nine months ended 30 September 2013).

The interim condensed consolidated financial information for the nine months ended 30 September 2014 was authorized for issuance by the Board of Directors on 10 November 2014.

**2. Significant accounting Policies**

**2.1 Basis of preparation for financial information**

The interim condensed consolidated financial information has been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 September 2014 are not necessarily indicative of results that may be expected for the year ending 31 December 2014. For further information, it is possible to refer to the consolidated financial statements and its related notes for to the year ended 31 December 2013.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the 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:

- *IAS 32 Offsetting Financial Assets and Financial Liabilities*
- *IAS 39 Novation of Derivatives and Continuation of Hedge Accounting*
- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*

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**

*IFRS 9 Financial Instruments: Classification and Measurement*

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2014 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**3. Fair value estimation**

The fair values of financial assets and liabilities are determined as follows:

- Level one: Quoted prices in active markets for financial instruments.
- Level two: Quoted prices included within level I that are observable for the asset or liability, either directly (that is, as prices) or indirectly.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

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

	Fair value as at			Date of valuation	Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/09/2014	31/12/2013	30/09/2013					
	Quoted Shares	16,989,058	5,574,055					
Local Investment Funds	44,946	44,470	42,039	30 September	Level 2	Net book value	NA	NA

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

**4. Property, plant and equipment**

Property, plant and equipment movement represented as follows:

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Net book value at the beginning of the period/ year	14,463,609	15,347,929	15,347,929
Additions during the period/ year	649,988	433,921	308,073
Net disposals during the period/ year	-	(445,275)	(445,275)
Depreciation of the period/ year	(561,108)	(872,966)	(593,770)
Net book value at the end of the period/ year	14,552,489	14,463,609	14,616,957

**5. Investments in associates**

This represents 30% of the Group's investments in Tamdeen Shopping centers (K.S.C.C.)

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Balance at the beginning of the period/ year	30,344,341	29,059,354	29,059,354
Group's share in associates' results	2,357,437	2,460,135	2,050,931
Group's share in an associate's change in fair value reserve	420,109	316,581	253,033
Group's share in an associate's foreign currency translation reserve	56,818	8,271	15,145
Dividends	(1,500,000)	(1,500,000)	(1,500,000)
Balance at the end of the period/ year	31,678,705	30,344,341	29,878,463

**6. Available for sale investments**

Available for sale investments are represented in the following:

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Quoted shares	16,989,058	5,574,055	5,242,923
Unquoted shares	1,932,653	4,648,655	4,469,308
Investment funds	44,946	44,470	42,039
	18,966,657	10,267,180	9,754,270

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2014 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

- Fair value is determined based on valuation techniques disclosed in (note 3).
- Unquoted investments are carried at cost since its fair value cannot be reliably measured. The Group's management believes that there are no indications of impairment for these investments.

**7. Trade and other receivables**

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Trade receivables	537,984	351,144	375,058
Due from related parties (note 15)	768,973	724,859	726,954
	1,306,957	1,076,003	1,102,012
Provision of impairment	(462,202)	(462,202)	(462,202)
	844,755	613,801	639,810
Prepaid expenses	376,365	143,545	332,899
Refundable deposits	492,540	492,540	485,101
Staff receivables	153,463	113,847	112,468
Others	20,000	20,000	20,969
	<u>1,887,123</u>	<u>1,383,733</u>	<u>1,591,247</u>

**8. Cash, current accounts and deposits**

	30 September 2014	31 December 2013 (Audited)	30 September 2013
Cash on hand	53,335	49,227	297,204
Banks current accounts	9,858,037	11,421,307	11,272,175
Time deposits	10,282	249,473	10,213
Cash in investment portfolios	183,861	96,887	98,030
	10,105,515	11,816,894	11,677,622
Less: deposits pledged at banks (note 9)	(10,000)	(10,000)	(10,000)
Cash and cash equivalents	<u>10,095,515</u>	<u>11,806,894</u>	<u>11,667,622</u>

**9. Loans and bank facilities**

	30 September 2014	31 December 2013 (Audited)	30 September 2014
Short term loans	9,950,000	9,950,000	9,950,000
Banks - overdraft	130,821	9,580	10,575
	<u>10,080,821</u>	<u>9,959,580</u>	<u>9,960,575</u>

- Loans and bank facilities granted to the Group from local banks are pledged against promissory notes and deposits (note 8).
- The weighted effective interest rate on loans and bank facilities is 3.96% as at 30 September 2014 (3.75% as at 31 December 2013 and 30 September 2013).

**10. Earnings per share**

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
Net profit for the period	1,992,669	2,054,108	7,098,980	6,135,375
Weighted average number of outstanding shares for the period (share)	98,963,063	99,280,043	99,111,835	99,382,129
Earnings per share (fils)	<u>20.14</u>	<u>20.69</u>	<u>71.63</u>	<u>61.74</u>

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2014 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**11. Dividends**

On 24 April 2014, the General Assembly of the Company's shareholders approved the consolidated financial statements for the year ended 31 December 2013, also approved cash dividends of 49 fils per share from the profit of the year 2013 (cash dividends of 47 fils per share from the profit of the year 2012).

**12. Cash Flows from operating activities**

	Nine months ended 30 September	
	2014	2013
Net profit for the period	7,099,354	6,139,009
<b>Adjustments to:</b>		
Depreciation and amortization	1,553,386	1,513,440
Gains on disposal of property, plant and equipment	-	445,275
Net gains from financial investments	(784,742)	(409,986)
Group's share in associate's result	(2,357,437)	(2,050,931)
Post-employment benefits	131,005	153,181
Finance costs	357,813	322,564
Operating profit before changes in operating assets and liabilities	5,999,379	6,112,552
Inventories	(23,753)	(103,366)
Trade and other receivables	996,610	4,918,825
Trade and other payables	646,670	1,034,367
Cash generated from operating activities	7,618,906	11,962,378
Post-employment benefits paid	(36,981)	(90,613)
Net cash generated from operating activities	7,581,925	11,871,765

**13. Segments information**

The main objective of the Group is to engage in all activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios.

The following is the Group's segment information which is constant with the internal reporting presented to management:

- Cinema division: which represents all activities related to cinema shows.
- Concession division: which represents all activities related to concessions supplemented to theatres.
- Investment division: which represents investments in shares, funds and real estate investments.

The following schedule presents the information about revenues, profit, and assets for each division:

	Division activity as at 30 September 2014				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	13,306,903	3,550,347	3,142,179	1,167,566	21,166,995
Costs	(10,801,758)	(1,405,955)	-	(1,859,928)	(14,067,641)
Segment's profit	2,505,145	2,144,392	3,142,179	(692,362)	7,099,354
Assets	15,246,187	271,378	51,309,206	11,354,088	78,180,859
	Division activity as at 30 September 2013				
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	13,259,356	3,346,813	2,460,917	1,114,370	20,181,456
Costs	(10,581,419)	(1,797,229)	-	(1,663,799)	(14,042,447)
Segment's profit	2,677,937	1,549,584	2,460,917	(549,429)	6,139,009
Assets	15,776,042	290,652	40,167,718	12,256,037	68,490,449

**Kuwait National Cinema Company K.P.S.C.  
And its Subsidiaries  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2014 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**14. Contingent liabilities**

Letters of Guarantee issued to third party an amounted to KD 167,220 as at 30 September 2014 (KD 167,220 as at 31 December 2013, KD 167,220 as at 30 September 2013).

**15. Related parties transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Those transactions were conducted in the ordinary course of business and with the usual terms and conditions. Transactions with related parties are subject to the approval of the General Assembly of Shareholders. The following is the volume and nature of those transactions during the period:

	<b>30 September 2014</b>	<b>30 September 2013</b>
Salaries and remuneration	172,150	119,250
Post-employment benefits and leave	31,812	27,720

Balances resulted from such transactions are as follows:

	<b>30 September 2014</b>	<b>31 December 2013 (Audited)</b>	<b>30 September 2013</b>
Due from related parties (note 7)	768,973	724,859	726,954
Due to related parties	66,819	18,997	53,571

Related parties transactions are subject to the approval of General Assembly of the shareholders.