Kuwait National Cinema Company KPSC
And its Subsidiaries
State of Kuwait

Consolidated Financial Statements
And Independent Auditors' report
For the year ended 31 December 2013

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Contents

	Page
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Income	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Changes in Equity	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	6 – 23

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Kuwait National Cinema Company KPSC
State of Kuwait

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kuwait National Cinema Company (KPSC), "the Company" and its Subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

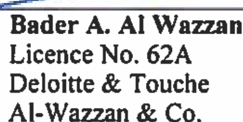
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained the information that we deemed necessary for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 25 of 2012, as amended and by the Company's Memorandum and Articles of Association, that an inventory was duly carried out and that to the best of our knowledge and belief, no violation of the Companies Law No. 25 of 2012, as amended or by the Company's Memorandum and Articles of Association have occurred during the financial year ended 31 December 2013 that might have had a material effect on the business of the Group or on its consolidated financial position.



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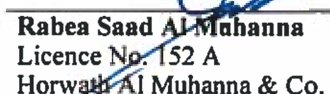

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Kuwait 10 March 2014

Kuwait National Cinema Company KPSC
And its subsidiaries
State of Kuwait

Consolidated Statement of Financial Position as at 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Assets			
Non- current assets			
Property, plant and equipment	5	14,463,609	15,347,929
Intangible assets	6	516,779	723,586
Investments in an associate	7	30,344,341	29,059,354
Available for sale investments	8	10,267,180	8,033,142
		55,591,909	53,164,011
Current assets			
Inventories	9	444,487	433,574
Trade and other receivables	10	1,383,733	8,533,006
Cash on hand and banks	11	11,816,894	8,836,957
		13,645,114	17,803,537
Total assets		69,237,023	70,967,548
Equity and Liabilities			
Equity			
Share capital	12	10,106,250	10,106,250
Treasury shares	13	(1,437,716)	(1,050,339)
Statutory reserve	14	5,053,125	5,053,125
General reserve	15	8,502,532	7,671,502
Lands revaluation reserve	16	8,524,134	8,524,134
Change in fair value reserve		588,601	(338,018)
Foreign currency translation reserve		147,286	145,277
Retained earnings		19,994,379	17,544,697
Equity attributable to shareholders of the Company		51,478,591	47,656,628
Non-controlling interest		14,159	16,120
Total equity		51,492,750	47,672,748
Liabilities			
Non-current liabilities			
Post-employment benefits		1,055,710	977,042
Current liabilities			
Trade and other payables	17	6,728,983	6,358,939
Loans and bank facilities	18	9,959,580	15,958,819
		16,688,563	22,317,758
Total liabilities		17,744,273	23,294,800
Total equity and liabilities		69,237,023	70,967,548

The accompanying notes form an integral part of these consolidated financial statements.

Ahmad Dakheel Al-Osaimi
Chairman

Ahmed Abdul Aziz Al Sarawi
Vice Chairman

Kuwait National Cinema Company KPSC
And its subsidiaries
State of Kuwait

Consolidated Statement of Income for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Operating revenues		17,621,571	15,771,582
Operating costs		(13,980,067)	(13,769,250)
Gross profit		3,641,504	2,002,332
Gains on sale of investment properties		-	276,586
Gains from sale of properties held for trading		-	305,160
Other operating income	19	5,870,458	5,667,308
General and administrative expenses		(1,396,860)	(1,472,849)
Other operating expenses	19	(2,236,112)	(1,753,404)
Operating profit		5,878,990	5,025,133
Net gains from financial investments	20	409,062	205,046
Group's share in an associate's results	7	2,460,135	2,133,945
Losses on disposal of an associate		-	(753,037)
Finance costs		(432,352)	(753,991)
Net profit before deductions		8,315,835	5,857,096
Contribution to Kuwait Foundation for the Advancement of Sciences		(50,935)	(32,123)
National Labour Support Tax		(209,696)	(153,106)
Zakat		(51,706)	(34,350)
Board of Directors' remuneration		(50,000)	(90,000)
Net profit for the year		7,953,498	5,547,517
Attributable to:			
Shareholders of the Company		7,947,959	5,548,882
Non-controlling interest		5,539	(1,365)
		7,953,498	5,547,517
Earnings per share (fils)	21	80.00	55.55

The accompanying notes form an integral part of these consolidated financial statements.

Kuwait National Cinema Company KPSC
And its subsidiaries
State of Kuwait

Consolidated Statement of Comprehensive Income for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Net profit for the year		7,953,498	5,547,517
Other comprehensive income items:			
Items that may be reclassified subsequently to statement of income:			
Change in fair value of available for sale investments		534,038	(502,596)
Transferred to statement of income from sale of available for sale investments		-	(278)
Impairment of available for sale investments	20	76,000	-
Group's share from other comprehensive income of an associate	7	324,852	379,261
Transferred to statement of income from sale of an associate		-	784,651
Exchange differences on translation of subsidiary		(6,262)	(1,334)
Total other comprehensive income items		928,628	659,704
Total comprehensive income for the year		8,882,126	6,207,221
Attributable to:			
Shareholders of the Company		8,876,587	6,208,586
Non-controlling interest		5,539	(1,365)
		8,882,126	6,207,221

The accompanying notes form an integral part of these consolidated financial statements.

Kuwait National Cinema Company KPSC
And its subsidiaries
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Consolidated Statement of Changes in Equity for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Company										
	Share capital	**Treasury shares**	**Statutory reserve**	**General reserve**	**Land revaluation reserve**	**Change in fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Equity attributable to shareholders of the company**	**Non-controlling interest**	**Total**
Balance as at 1 January 2012	10,106,250	(853,764)	5,053,125	7,085,656	8,524,134	(812,531)	(39,914)	16,778,511	45,841,467	-	45,841,467
Net profit for the year	-	-	-	-	-	-	-	5,548,882	5,548,882	(1,365)	5,547,517
Other comprehensive income items	-	-	-	-	-	474,513	185,191	-	659,704	-	659,704
Cash dividends	-	-	-	-	-	-	-	(4,196,850)	(4,196,850)	-	(4,196,850)
Purchase of treasury shares	-	(196,575)	-	-	-	-	-	-	(196,575)	-	(196,575)
Sale of share in subsidiary	-	-	-	-	-	-	-	-	-	17,485	17,485
Transferred to reserves	-	-	-	585,846	-	-	-	(585,846)	-	-	-
Balance as at 31 December 2012	10,106,250	(1,050,339)	5,053,125	7,671,502	8,524,134	(338,018)	145,277	17,544,697	47,656,628	16,120	47,672,748
Balance as at 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	47,656,628	16,120	47,672,748
Net profit for the year	-	-	-	-	-	-	-	7,947,959	7,947,959	5,539	7,953,498
Other comprehensive income items	-	-	-	-	-	926,619	2,009	-	928,628	-	928,628
Cash dividends (Note 22)	-	-	-	-	-	-	-	(4,667,247)	(4,667,247)	-	(4,667,247)
Purchase of treasury shares	-	(387,377)	-	-	-	-	-	-	(387,377)	-	(387,377)
Non-controlling interest's share in reduction of subsidiary's share capital	-	-	-	-	-	-	-	-	-	(7,500)	(7,500)
Transferred to reserves	-	-	-	831,030	-	-	-	(831,030)	-	-	-
Balance as at 31 December 2013	10,106,250	(1,437,716)	5,053,125	8,502,532	8,524,134	588,601	147,286	19,994,379	51,478,591	14,159	51,492,750

The accompanying notes form an integral part of these consolidated financial statements.

Kuwait National Cinema Company KPSC
And its subsidiaries
State of Kuwait

Consolidated Statement of Cash Flows for the year ended 31 December 2013

(All amounts are in Kuwaiti Dinars)

	Note	2013	2012
Net cash generated from operating activities	25	13,722,255	9,343,202
Cash flows from investing activities			
Paid for acquisition of property, plant and equipment		(433,921)	(908,776)
Paid for acquisition of intangible assets		(1,147,518)	(1,492,960)
(Paid) / proceeds from available for sale investments		(1,700,000)	47,083
Proceeds from sale of property, plant and equipment		-	155,601
Proceeds from sale of an associate		2,020,000	3,200,000
Dividends received		1,985,062	205,678
Net cash generated from investing activities		723,623	1,206,626
Cash flows from financing activities			
Paid for acquisition of treasury shares		(387,377)	(196,575)
Loans and bank facilities		(5,999,239)	(5,155,685)
Dividends paid		(4,600,255)	(4,172,944)
Finance costs paid		(471,570)	(777,009)
Non-controlling interest		(7,500)	17,485
Net cash used in financing activities		(11,465,941)	(10,284,728)
Net increase in cash and cash equivalents		2,979,937	265,100
Cash and cash equivalents at the beginning of the year		8,826,957	8,561,857
Cash and cash equivalents at the end of the year	11	11,806,894	8,826,957

The accompanying notes form an integral part of these consolidated financial statements.

1. Incorporation and activities

Kuwait National Cinema Company KPSC "the Company" is a Kuwaiti shareholding company registered and incorporated in Kuwait on 5 October 1954. The Company is licensed to engage in all activities relating to the film industry, entertainment and cultural events, in addition to theatre activities, leasing restaurants and coffee shops, and the right to operate and perform the publishing and printing activities and utilize the financial surpluses available of the Company through investing in financial and real estate portfolios managed by specialized companies and organizations.

The registered office of the 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 Company and its Subsidiaries "together referred to as the Group".

	Ownership percentage (%)	Activity	Incorporation country
International Film Distribution Company - KSCC	99.25	Publishing and film distribution	Kuwait
Al Kout Film Production and Distribution Company - SAE	100	Production and film distribution	Egypt

The total assets of the subsidiaries amounted to KD 2,809,886 as at 31 December 2013 (KD 4,121,850 as at 31 December 2012), as well as, its revenues and net profit amounted to KD 2,275,946 and 756,700 respectively for the year ended 31 December 2013 (KD 2,442,345 and 508,186 respectively for the year ended 31 December 2012).

The consolidated financial statements were authorized for issue by the Board of Directors on 10 March 2014.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. These consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values, as explained in the accounting policies below.

2.2 New and revised standards

New and revised IFRSs issued and effective

In the current year, the Group has applied a number of new and revised IFRSs that are issued and effective for accounting periods that begin on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement to similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and of SIC-12 Consolidation – Special Purpose Entities.

Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The adoption of this standard has not resulted in any significant impact on the performance of the Group or its financial position.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 "Interests in Joint Ventures". The standard removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Under IFRS 11, there are only two types of joint arrangements (a) joint ventures and (b) joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Investments in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from sale of the output by the operation) and its expenses (including its share of expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards. The adoption of this standard has no impact on the performance of the Group or its financial position.

IFRS 12 Disclosure of interest in Other Entities

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of this standard resulted in more extensive disclosures in the consolidated financial statements (note 7).

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. Fair value under this standard is an exit price regardless of whether price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements (note 3.3).

Other than the additional disclosures, the application of the standard has not had any material impact on the amounts recognised in the consolidated financial statements.

IAS 1 Presentation of Financial Statement

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.
The amendment affects presentation only and has no impact on the performance of the Group or its financial position. The amendments have been applied retrospectively, and hence the presentation of other comprehensive income has been modified to reflect the changes.

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2014

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

IAS 32 "Financial Instruments – Presentation"

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off'.

The Group does not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

For annual periods beginning on or after 1 January 2015

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. The Group anticipates that the application of IFRS 9 in the future may have 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 of IFRS 9 until a detailed review has been completed.

2.3 Significant Accounting Policies

2.3.1 Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affects its returns.

The company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the Company losses control over subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date the Company gains control until the date when Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the

former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

Goodwill

Goodwill, arising on an acquisition of a subsidiary, is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised

only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets".

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.3.2 Property, plant and equipment

Property, plant and equipment, other than land, are stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalized.

Land is stated at fair value based on periodic valuations (every 5 years) by independent real estate experts. Increase in the carrying amount arising on revaluation of land is recognised in other comprehensive income and accumulated to land revaluation reserve in equity or charged to the statement of income to the extent of the impairment losses previously charged to statement of income. Decline in carrying amount as a result of the revaluation is directly charged to statement of income or reduces the revaluation reserve to the extent of its previous increase resulted from revaluation.

Depreciation is calculated based on estimated useful life of the applicable assets except for the land on a straight line basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted basis.

Gains or losses on disposals are determined by the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement.

Projects under construction are included in property, plant and equipment until they are completed and ready for their intended use. At that time they are reclassified under the appropriate category of assets and the depreciation is calculated since then.

2.3.3 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

The costs incurred by the Group in exchange for the right of utilization of lands are capitalized within intangible assets and are amortized on the straight line method according to their expected economic lives (20 years).

Amounts paid as cost for purchasing films are capitalized within intangible assets and are amortized on the time periods according to the expected future benefits.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use.

Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in profit or loss when the asset is derecognised.

2.3.4 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell or value in use. Impairment losses are recognised in the income statement for the period in which they arise. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.3.5 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), held to maturity, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. The Group has determined the classification of its financial assets as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash at banks) are measured at amortised cost using the effective interest method, less any impairment.

Available for sale (AFS)

AFS are non-derivatives financial assets not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The financial assets available for sale are re-measured at fair value. The fair value is determined in the manner described in note 3.3.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of changes in fair value reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Foreign exchange gains and losses are recognised in other comprehensive income items.

Impairment in value

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the income statement.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.3.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis. Net realizable value is the estimated selling prices less all the estimated costs of completion and costs necessary to make the sale.

2.3.7 End of service indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of all employees on the balance sheet date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2.3.8 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.3.9 Treasury shares

Treasury shares represent the Parent Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity when the treasury shares are disposed; gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account in the limit of its credit balance, any additional losses are charged to retained earnings to reserves and then to premium. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

2.3.10 Dividends

The dividends attributable to shareholders of the Parent Company are recognized as liabilities in the consolidated financial statements in the period in which the dividends are approved by the Parent Company's shareholders.

2.3.11 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses are resulted from the settlement of such transactions and from the translation at year-end in the income statement.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency (except for companies which are operated in countries with very high inflation rates) are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

2.3.12 Revenues recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

- Cinema film revenues are recognized when the service is rendered for the customers or on sale of the product.
- Dividend income is recognized when the right to receive payment has been established.
- Interest income from deposits is recognized on time basis.
- Revenues from sale of properties and investments are recognized when risks and rewards of ownership are transferred to the buyer.

2.3.13 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

2.3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. Financial risk management

3.1 Financial risk

The activities of the Group expose it to a series of financial risks, market risks, which include foreign currency risks and risks of change in fair value resulting from the change in interest rates, and risks of fluctuations in cash flows resulting from changes in interest rates, and risks of market prices in addition to credit risk and liquidity risks.

The Group is managing these financial risks by focusing on a continuous evaluation of market conditions and its trends and the management's assessments of the changes for long and short-term market factors.

Market risk

Market risk is the risk of loss resulting from fluctuations in the fair value or the future cash flows of financial instrument as a result of changes in market prices. Market risk comprises of: foreign currency risk, interest rate risk and price risk.

The Group's senior management monitors and manages its market risks by regular oversight of the market's circumstances and the change in foreign exchange and interest rates, and market prices.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates that affects the Group's cash flows or the valuation of the monetary assets and liabilities denominated in foreign currency.

The Group is exposed to foreign currency risks resulted mainly from the Group's dealings in financial instruments denominated in foreign currency. Foreign currency risks result from the future transactions on financial instruments in foreign currency are reflected in the financial statements.

The major transactions of the Group are in Kuwaiti Dinars. Financial assets in foreign currency are represented in available for sale investments. Financial liabilities in foreign currencies are represented in loans and bank facilities and certain payables in foreign currencies.

The Group tracks and manages these risks by:

- Monitoring the changes in foreign currency exchange rates on regular basis.
- Set up tide limits for dealing in foreign currencies for the basic objectives of the Group's activities.
- The following is net foreign currencies positions as at the date of the consolidated financial statements:

	2013	2012
US Dollars	2,715,391	2,744,438

Had the USD changed by 10% against the Kuwaiti Dinar, the net equity of the Group would be changed as follows:

	2013	2012
Net profit	286,865	198,947
Equity	259,882	261,983

Price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is exposed to this risk as the Group owns investments classified in the consolidated financial position as available for sale investments.

The Group's management monitors and manages these risks through: -

- Manage the Group's investments through portfolios managed by specialized portfolio managers.
- Invest in companies' shares that have good financial positions that generate high operating income and dividends and with well performing investment funds.
- Investments in unquoted securities should be in companies that carry similar activities where such investments should be studied and approved by the senior management.
- Periodic tracking of changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments with fixed interest rates expose the Group to fair value interest rate risks. Financial instruments with variable interest rates expose the Group to cash flow interest rate risks.

The financial Instruments held by the Group which are exposed to this risk are represented in time deposits (note 11), and loans and bank facilities (note 18). Borrowings granted to the Group are at variable interest rate.

As at 31 December 2013, had interest rates been 1% higher, net profits of the year would have been lower by KD 129,592 approximately (2012: KD 185,367).

The Group management monitors and manages interest rate risk by:

- Regular tracking of market interest rates.

- Obtain borrowings for short terms which help mitigating interest rate risks.
- Holding short term deposits.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Receivables, cash and cash equivalent are considered the most of the assets exposed to credit risk. The Group monitors and manages this risk by:-

- Dealing with high net worth and reputable customers.
- Dealing with highly credit rated financial institutions.

The management of the Group believes that the maximum exposure to credit risk as at 31 December is as follows:-

	2013	2012
Trade receivables and due from related parties (note 10)	1,076,003	8,203,098
Current accounts and deposits and cash at investment portfolios (note 11)	11,767,667	8,777,575

Liquidity risks

The risk that Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk management mainly represents maintaining sufficient cash and high liquid financial instruments and the availability of funding resources to meet the Group's liquidity requirements.

The Group's financial obligations as at 31 December 2013 and 2012 mature within one year and accordingly equal their cash value as at that date as the impact of discounting is not significant.

The Group's management facilitates the funding transactions by making available credit facilities through credit commitments with banks. The management also monitors the liquidity surplus in the Group through the expected cash flows.

3.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents balances) and equity (comprising issued capital, reserves, retained earnings and non-controlling interests).

During 2013, the Group's strategy remains unchanged from 2012; which is to maintain lowest possible gearing ratio.

3.3 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 one: Quoted prices in active markets for identical financial instruments.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

The table below gives information about how the fair values of the financial assets are determined:

	Fair value as at		Evaluation date	Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/12/2013	31/12/2012					
Available for sale investments							
Quoted Shares	5,574,055	4,152,289	31 December	1	Quoted prices	N/A	N/A
Funds	44,470	35,545	31 December	2	Net assets value	N/A	N/A

The carrying amount of other financial assets and liabilities is not materially different from their fair value as at the date of the financial statements.

4. Critical accounting estimates, assumptions and key sources of estimation uncertainity

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources concerning current period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years.

Fair value measurement and valuation techniques

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Group's management determines the appropriate valuation techniques and input for fair value measurement. In estimating the fair value of an asset or a liability, the management uses market observable data to the extent it is available. In case no market observable data are available, the Group shall assign an external qualified valuer to carry out the valuation process. Information about valuation techniques and input used in determining the fair value of various assets and liabilities are disclosed in note (3.3).

Impairment of tangible and intangible assets

The Group reviews the tangible and intangible assets on a continuous basis to determine whether a provision for impairment should be recorded in the consolidated statement of income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Evidence of impairment of investments

Management determines the impairment in equity instruments classified as "available for sale" when there is a significant or prolonged decline in the fair value of these investments. Determination of what is significant or prolonged requires judgment from management. The Group evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments, impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of associates

Estimation for impairment losses of associate is made when there is an indication for such impairment. Determination of the impairment is made for the full book value of the Group's investment in associate including goodwill and therefore, the impairment of goodwill is not separately determined.

5. Property, plant and equipment

	Lands	Buildings	Machinery, equipment & vehicles	Furniture & computers	Projects under construction	Total
Cost or valuation						
As at 1 January 2012	8,067,893	8,830,605	4,849,845	3,423,305	913,117	26,084,765
Additions during the year	-	1,699	134,581	95,368	677,128	908,776
Disposals	-	(100,605)	(78,345)	(20,385)	-	(199,335)
Transfers	-	39,258	625,949	-	(665,207)	-
As at 31 December 2012	8,067,893	8,770,957	5,532,030	3,498,288	925,038	26,794,206
Additions during the year	-	18,544	169,843	57,948	187,586	433,921
Disposals	-	(229,418)	(281,482)	(151,992)	(445,275)	(1,108,167)
Transfers	-	452,249	-	-	(452,249)	-
As at 31 December 2013	8,067,893	9,012,332	5,420,391	3,404,244	215,100	26,119,960
Accumulated depreciation and impairment loss						
As at 1 January 2012	-	4,022,669	3,847,384	2,798,369	-	10,668,422
Depreciation for the year	-	250,797	484,385	128,448	-	863,630
Disposals	-	(5,855)	(78,338)	(1,582)	-	(85,775)
As at 31 December 2012	-	4,267,611	4,253,431	2,925,235	-	11,446,277
Depreciation for the year	-	321,056	415,395	136,515	-	872,966
Disposals		(229,418)	(281,482)	(151,992)	-	(662,892)
As at 31 December 2013	-	4,359,249	4,387,344	2,909,758	-	11,656,351
Net book value						
As at 31 December 2013	8,067,893	4,653,083	1,033,047	494,486	215,100	14,463,609
As at 31 December 2012	8,067,893	4,503,346	1,278,599	573,053	925,038	15,347,929
Useful lives (year)	-	5-40	4-15	5-15	-	

- The historical cost of lands at fair value is KD 650,000 as at 31 December 2013 and 2012.

- The last land valuation was made in 2011.

Depreciation has been charged to the statement of income as follows:

	2013	2012
Operating costs	711,630	660,842
Other operating expense	61,647	123,856
General and administrative expenses	99,689	78,932
	872,966	863,630

6. Intangible assets

	2013			2012
	Films costs & Prepayment	Land utilization right	Total	Total
Balance as at 1 January	246,451	477,135	723,586	1,521,987
Difference currency translation	(52,080)	-	(52,080)	(8,753)
Additions during the year	1,147,518	-	1,147,518	1,639,982
Disposals during the year	-	-	-	(147,022)
Amortization for the year	(1,271,945)	(30,300)	(1,302,245)	(2,282,608)
Balance as at 31 December	69,944	446,835	516,779	723,586

7. Investment in an associate

This represents the Group's investment in Tamdeen Shopping Centres K.S.C. (Closed) at 30%. The following is the movement of such investment during the year:

	2013	2012
Balance as at 1 January	29,059,354	31,454,538
Group's share in an associate's results	2,460,135	2,133,945
Group's share from change in fair value reserve of an associate	316,581	192,736
Group's share from foreign currency translation reserve of a an associate	8,271	186,525
Realized gains on sale of investment properties	-	276,586
Disposal of an associate	-	(5,184,976)
Dividends received	(1,500,000)	-
Balance as at 31 December	30,344,341	29,059,354

- Shares of the associate are unquoted. The following is a summary of the associate's financial information as per the financial statements of the associate which have been prepared in accordance with IFRS:

	2013	2012
Current assets	77,187,250	75,617,696
Non-current assets	159,739,577	156,808,343
Current liabilities	(12,848,386)	(14,720,554)
Non-current liabilities	(91,281,313)	(89,191,650)

	2013	2012
Revenues	20,725,909	29,648,455
Profit on continued operations	8,200,450	7,124,367
Profit for the year	8,200,450	7,124,367
Other comprehensive income for the year	1,082,843	1,272,031
Total comprehensive income for the year	9,283,293	8,396,398
Cash dividends received from associate during the year	1,500,000	-

The following is reconciliation of the above summarized financial information for the purpose of determining the book value of the Group's share in Tamdeen Shopping Centres K.S.C. (Closed) recognized in the consolidated financial statements:

	2013	2012
Net assets of associate	132,797,128	128,513,835
Group's share in net assets (30%)	39,839,138	38,554,151
Unrealized gain on elimination of inter-companies transactions	(9,494,797)	(9,494,797)
Book value of Tamdeen Shopping Centres K.S.C. (Closed)	30,344,341	29,059,354

8. Available for sale investments

Available for sale investments as at 31 December are represented in the following:

	2013	2012
Quoted shares	5,574,055	4,152,289
Unquoted shares	4,648,655	3,845,308
Investment funds	44,470	35,545
	10,267,180	8,033,142

- Available for sale investments are valuated based on valuation techniques disclosed in (note 3.3).
- 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 as at 31 December 2012/2013.

9. Inventories

	2013	2012
Food and beverages	89,064	100,297
Spare parts	316,266	274,197
Goods in transit	39,157	59,080
	444,487	433,574

10. Trade and other receivables

	2013	2012
Trade receivables	351,144	4,566,622
Due from related parties	724,859	3,636,476
	1,076,003	8,203,098
Impairment	(462,202)	(462,202)
	613,801	7,740,896
Prepaid expenses	143,545	211,685
Refundable deposits	492,540	457,195
Staff receivables	113,847	77,448
Others	20,000	45,782
	1,383,733	8,533,006

- Trade receivables and due from related parties that are past due and not impaired amounted to KD 613,801 as at 31 December 2013 (KD 7,740,896 as at 31 December 2012). Average age of these amounts is 90 days.
- Trade receivables and due from related parties that are impaired and have fully provisioned for are amounted to KD 462,202 as at 31 December 2013 and 2012.

11. Cash on hand and at banks

	2013	2012
Cash on hand	49,227	59,382
Banks current accounts	11,421,307	6,739,575
Time deposits (mature within three months)	249,473	2,010,154
Cash in investment portfolios	96,887	27,846
Cash, current accounts and deposits	11,816,894	8,836,957
Less: deposits pledged for a bank (note 18)	(10,000)	(10,000)
Cash and cash equivalents	11,806,894	8,826,957

The effective interest rate on time deposits is 1.25% as at 31 December 2013 (1.25% as at 31 December 2012).

12. Share capital

The Company's authorized, issued and paid up share capital is KD 10,106,250 comprising of 101,062,500 shares of 100 fils per share, all shares are in cash.

13. Treasury shares

	2013	2012
Number of treasury shares (share)	1,800,437	1,359,637
Percentage to issued capital (%)	1.78	1.35
Market value	1,782,433	1,223,673

The Company is committed to retain reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Company, pursuant to the relevant instructions of the relevant regulatory authorities.

14. Statutory reserve

In accordance with Company's Law and the Company's Articles of Association, 10% of annual net profit is being transferred to legal reserve. The General Assemble may resolve to discontinue such annual transfers when the reserve reaches 50% of the share capital. This reserve is not available for distribution except in the cases stipulated by Companies Law.

The transfer ceased according to the resolution of the Ordinary General Assembly meeting held on 14 April 2010.

15. General reserve

In accordance with the Company's Articles of Association, a portion of the net profit for the year proposed by the Board of Directors and approved by the General Assembly is transferred to the voluntary reserve. The General Assembly may resolve to discontinue such transfer based on a proposal by the Board of Directors.

The Board of Directors proposed to transfer an amount of KD 831,030 to the general reserve for the year ended 31 December 2013 (2012: KD 585,846).

16. Land revaluation reserve

The balance of land revaluation reserve includes an amount of KD 1,106,241 as at 31 December 2013 & 2012 represents the remaining balance of revaluation surplus of lands, which were sold to an associate during 2006 and 2005.

17. Trade and other payables

	2013	2012
Trade payables	1,686,699	1,463,153
Accrued expenses and leave	1,184,784	1,160,717
Dividends payables	710,900	643,908
Customers' advance payments	532,288	519,142
Board of Directors' remuneration	50,000	90,000
Taxes and deductions	346,496	246,828
Other credit balances	44,754	43,060
Due to related parties	18,997	38,066
Provision for claims	2,154,065	2,154,065
	6,728,983	6,358,939

18. Loans and bank facilities

	2013	2012
Short term loans	9,950,000	15,950,000
Banks - Overdrafts	9,580	8,819
	9,959,580	15,958,819

- All loans and bank facilities are granted to the Group from local banks against promissory notes and deposits (note 11) and matured within one year.
- The weighted effective interest rate on loans and bank facilities is 3.75% as at 31 December 2013 (4% as at 31 December 2012).

19. Other operating revenue/ expenses

Other operating revenue / expenses include revenue and expenses of cinema's cafeterias and buffets, as well as any other revenue and expenses other than those resulted from the cinemas.

20. Net gains from financial investments

	2013	2012
Cash dividends and interest income	488,920	208,587
Impairment	(76,000)	-
Realized losses	-	(632)
Portfolio management fees	(3,858)	(2,909)
	409,062	205,046

21. Earnings per share

	2013	2012
Net profit for the year	7,947,959	5,548,882
Weighted average number of outstanding shares (share)	99,351,945	99,892,929
Earnings per share (fils)	80.00	55.55

22. Dividends

On 23 April 2013, the General Assembly of the Company's Shareholders approved the consolidated financial statement for the year ended 31 December 2012 and approved cash dividends of 47 fils per share from the profit of 2012. Also, the proposed Board of Director's remuneration of KD 90,000 has been approved for the year ended 31 December 2012.

On 10 March 2014, the Company's Board of Directors proposed cash dividends of 49 fils per share from the profit of 2013. Also, Board of Director's remuneration of KD 50,000 has been proposed for the year ended 31 December 2013. This proposal is subject to the approval of the General Assembly of shareholders.

23. Related parties transactions

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies which are controlled by the major shareholders. In the ordinary course of business, the Group entered into transactions with related parties during the year. The following are the transactions and balances resulted from these transactions:

	2013	2012
Gain on sale of investment properties	-	276,586
Loss from sale of an associate	-	753,037
Key management compensation		
Salaries and remuneration	219,100	192,762
Board of Directors' remuneration	50,000	90,000
Leave and post-employment benefits	42,416	40,513

The balances resulting from those transactions as at 31 December are as follows:

	2013	2012
Due from related parties	724,859	3,636,476
Due to related parties	18,997	38,066

Transactions with related parties are subject to the approval of the General Assembly of shareholders.

24. Segments financial 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 segment information which is constant with the internal reporting presented to management:

- Cinema division: Represents all activities related to cinema shows.
- Concession division: Represents all activities related to concessions supplemented to theatres.
- Investments division: Represents investments in shares and funds in addition to investment properties.

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

2013	Cinema division	Buffets division	Investments division	Unallocated items	Total
Net revenues	17,621,571	4,420,073	2,869,197	1,450,385	26,361,226
Costs	(13,980,067)	(1,826,491)	-	(2,601,170)	(18,407,728)
Segment profits	3,641,504	2,593,582	2,869,197	(1,150,785)	7,953,498
Assets	15,518,620	194,621	41,143,269	12,380,513	69,237,023

2012	Cinema division	Buffets division	Investments division	Unallocated items	Total
Net revenues	15,771,582	4,135,369	2,615,577	1,837,099	24,359,627
Costs	(13,769,250)	(1,753,404)	(753,037)	(2,536,419)	(18,812,110)
Segment profits	2,002,332	2,381,965	1,862,540	(699,320)	5,547,517
Assets	15,674,649	376,037	38,446,840	16,470,022	70,967,548

25. Cash Flows from operating activities

	2013	2012
Net profit for year	7,953,498	5,547,517
Adjustments for:		
Depreciation and amortization	2,175,211	3,146,238
Group's share in an associate's results	(2,460,135)	(2,133,945)
Net gain from financial investments	(409,062)	(205,046)
Gains from sale of investment properties	-	(276,586)
(Losses) /gains from sale of property, plants and equipment	445,275	(42,041)
Losses from disposal of associate	-	753,037
Gains from sale of properties held for trading	-	(305,160)
Provision for doubtful debts	-	33,702
Post-employment benefits	184,611	241,196
Finance costs	432,352	753,991
Operating profit before changes in working capital	8,321,750	7,512,903
Inventories	(10,913)	(96,277)
Trade and other receivables	5,129,273	1,757,984
Trade and other payables	388,088	176,325
Cash generated from operating activities	13,828,198	9,350,935
Post-employment benefits paid	(105,943)	(7,733)
Net cash generated from operating activities	13,722,255	9,343,202

26. Contingent liabilities

The letters of guarantee issued for third parties amounted to KD 167,220 as at 31 December 2013 (2012: KD 167,220).

27. Future commitments

	2013	2012
Capital expenditure commitments		
Estimated capital expenditure contracted for at the financial position date	442,177	206,430
Future commitments for purchasing films	639,806	709,808
	1,081,983	916,238
Operating lease commitments		
Future minimum operating lease payments:		
Less than one year	2,798,877	2,549,465
From one year to five years	11,107,767	9,468,237
More than five years	22,604,244	22,734,335
	36,510,888	34,752,037