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## **Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim Condensed Consolidated Financial  
Information and Independent Auditors' Review Report  
for the three month period ended 31 March 2013 (Unaudited)**

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**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated financial information and independent auditors' review report  
(Unaudited)**

**For the three month period ended 31 March 2013**

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**TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C. (CLOSED)**

**Independent auditors' report on review of interim condensed consolidated financial information**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Palms Agro Production Company K.S.C. (Closed) ("the parent company") and subsidiary (together referred to as "the group") as at 31 March 2013 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and a summary of significant accounting policies and other explanatory notes. The parent company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard, IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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.

**Limitation of Scope**

The group's total assets and profit include amounts of KD 2,073,982 (31 December 2012: KD 1,992,353 and 31 March 2012: KD 1,822,351) and results of KD 57,350 (31 March 2012: KD 55,303) respectively, related to an investment in an associate "Al Dhafra Irrigation Systems L.L.C." representing 18% (31 December 2012: 17.5% and 31 March 2012: 17%) and 36% (31 March 2012: 36%) of the total assets and profit for the period respectively. The financial information of the associate was reviewed by other independent auditor whose report expressed an unqualified conclusion. We were unable to carry out any review procedures on the investment in an associate and related share of result balances and therefore are not in a position to provide any conclusion with regards to the amounts included in the financial information relating to the above entity.



TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C. (CLOSED)

**Independent auditors' report on review of interim condensed consolidated financial information  
(Continued)**

**Conclusion**

Based on our review, except for the possible effects of the matter described in the "Limitation of Scope" paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

**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 accounts of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Kuwait Companies' Law No. 25 of 2012, as amended, or of the parent company's articles and memorandum of association during the three month period ended 31 March 2013 that might have had a material effect on the business of the parent company or on its interim condensed consolidated financial position.



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19 May 2013

Kuwait

**Palm Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated statement of income (unaudited)**

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

	Notes	Three months ended 31 March	
		2013	2012
Revenue		<b>1,864,437</b>	1,313,164
Cost of revenue		<b>(1,463,804)</b>	(964,043)
<b>Gross profit</b>		<b>400,633</b>	349,121
Selling and marketing expenses	3	<b>(140,169)</b>	(146,164)
General and administrative expenses	4	<b>(164,445)</b>	(136,183)
Provision for impairment of receivables no longer required	6	<b>9,428</b>	12,170
<b>Operating profit</b>		<b>105,447</b>	78,944
Investment income	14	<b>2,637</b>	23,763
Share of results from investment in an associate	5	<b>57,350</b>	55,303
Other income		<b>1,146</b>	929
<b>Profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat</b>		<b>166,580</b>	158,939
Contribution to KFAS		<b>(1,499)</b>	(1,430)
NLST		<b>(4,484)</b>	(4,146)
Zakat		<b>(1,294)</b>	(1,541)
<b>Profit for the period</b>		<b>159,303</b>	151,822
<b>Basic and diluted earnings per share</b>	12	<b>3.05 fils</b>	2.90 fils

The accompanying notes on pages 8 to 13 form an integral part of this interim condensed consolidated financial information.

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated statement of comprehensive income (unaudited)**

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

	Three months ended	
	31 March	
	2013	2012
Profit for the period	159,303	151,822
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translation of foreign operations	24,279	(5,653)
Total other comprehensive income for the period	24,279	(5,653)
<b>Total comprehensive income for the period</b>	<b>183,582</b>	<b>146,169</b>

The accompanying notes on pages 8 to 13 form an integral part of this interim condensed consolidated financial information.

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated statement of financial position (unaudited)**

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

	Notes	31 March 2013	31 December 2012 (Audited)	31 March 2012
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	2,758,358	2,749,975	3,199,334
Accounts receivable and prepayments	6	3,646,426	3,144,858	3,285,845
Amounts due from related parties	13	8,824	418,058	120,444
Inventories		1,400,604	1,391,682	1,257,230
		<u>7,814,212</u>	<u>7,704,573</u>	<u>7,862,853</u>
<b>Non-current assets</b>				
Property and equipment		1,603,159	1,670,801	995,369
Investment in an associate	5	2,073,982	1,992,353	1,822,351
		<u>3,677,141</u>	<u>3,663,154</u>	<u>2,817,720</u>
<b>Total assets</b>		<u>11,491,353</u>	<u>11,367,727</u>	<u>10,680,573</u>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accruals	9	831,704	849,081	668,644
Obligations under finance lease	10	250,000	250,000	-
Advances on contracts		1,259,014	1,311,826	853,041
		<u>2,340,718</u>	<u>2,410,907</u>	<u>1,521,685</u>
<b>Non-current liability</b>				
Employees' end of service benefits		495,163	484,930	527,602
<b>Total liabilities</b>		<u>2,835,881</u>	<u>2,895,837</u>	<u>2,049,287</u>
<b>Equity</b>				
Share capital		5,239,900	5,239,900	5,239,900
Share premium		225,000	225,000	225,000
Treasury shares	11	(3,573)	(3,573)	(3,573)
Statutory reserve		746,995	746,995	693,812
General reserve		746,995	746,995	693,812
Foreign currency translation reserve		30,974	6,695	(16,354)
Retained earnings		1,669,181	1,509,878	1,798,689
<b>Total equity</b>		<u>8,655,472</u>	<u>8,471,890</u>	<u>8,631,286</u>
<b>Total liabilities and equity</b>		<u>11,491,353</u>	<u>11,367,727</u>	<u>10,680,573</u>

Faisal Fares Al-Fares  
Chairman and Managing Director

Bader Hamad Al-Rabiah  
Vice Chairman

The accompanying notes on pages 8 to 13 form an integral part of this interim condensed consolidated financial information.

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated statement of changes in equity (unaudited)**

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

	Share capital	Share premium	Treasury shares	Statutory reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total
Balance as of 1 January 2012	5,239,900	225,000	(3,573)	693,812	693,812	(10,701)	1,646,867	8,485,117
Total comprehensive income for the period	-	-	-	-	-	(5,653)	151,822	146,169
Balance as of 31 March 2012	5,239,900	225,000	(3,573)	693,812	693,812	(16,354)	1,798,689	8,631,286
Balance as of 1 January 2013	5,239,900	225,000	(3,573)	746,995	746,995	6,695	1,509,878	8,471,890
Total comprehensive income for the period	-	-	-	-	-	24,279	159,303	183,582
Balance as of 31 March 2013	5,239,900	225,000	(3,573)	746,995	746,995	30,974	1,669,181	8,655,472

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Interim condensed consolidated statement of cash flows (unaudited)**

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

	Notes	Three months ended 31 March	
		2013	2012
<b>Operating activities</b>			
Profit for the period		159,303	151,822
Adjustments for:			
Depreciation		79,906	67,603
Gain on sale of property and equipment		-	(1,500)
Gain on sale of financial assets at fair value through profit or loss		-	(17,889)
Murabaha income	14	(2,637)	(5,874)
Provision for impairment of receivables no longer required	6	(9,428)	(12,170)
Provision for obsolete and slow moving inventories		3,365	-
Share of results of an associate	5	(57,350)	(55,303)
Employees' end of service benefits		22,385	28,412
Foreign currency loss		-	571
Operating profits before changes in working capital		195,544	155,672
Accounts receivable and prepayments		(492,140)	68,978
Inventories		(12,287)	(32,656)
Amounts due from related parties		409,234	-
Accounts payable and accruals		(15,891)	(180,205)
Advances on contracts		(52,812)	785
Employees' end of service benefits paid		(12,152)	(6,784)
Net cash generated from operating activities		19,496	5,790
<b>Investing activities</b>			
Purchase of property and equipment		(12,264)	(22,581)
Proceeds from sale of property and equipment		-	1,500
Proceeds from sale of financial assets at fair value through profit or loss		-	858,739
Murabaha income received		2,637	4,795
Net cash (used in) generated from investing activities		(9,627)	842,453
<b>Financing activities</b>			
Cash dividends paid		(1,486)	(1,763)
Net cash used in financing activities		(1,486)	(1,763)
<b>Increase in cash and cash equivalents</b>		<b>8,383</b>	<b>846,480</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2,749,975</b>	<b>2,352,854</b>
<b>Cash and cash equivalents at the end of the period</b>	7	<b>2,758,358</b>	<b>3,199,334</b>

The accompanying notes on pages 8 to 13 form an integral part of this interim condensed consolidated financial information.

## Palms Agro Production Company K.S.C. (Closed) and Subsidiary

### Notes to the interim condensed consolidated financial information (unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

#### 1 GENERAL INFORMATION

Palms Agro Production Company K.S.C. (Closed) (the parent company) is a Kuwaiti closed shareholding company registered and incorporated in Kuwait on 25 May 1982.

The parent company's main activities are import and export business of agricultural supplies, the execution of agricultural contracting work, establishment and management all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilizing of financial surplus available to the parent company through investing it in portfolios managed by specialized companies and entities, import and circulation of veterinary medicines and concluding agency agreements, inaugurating and operation of veterinary clinics and centers and practicing the professional of veterinary medicine, trading in the Kuwait stock exchange, breeding and trading of chicken and eggs and execution of construction contracts work.

The company operates under license number 33390 and is valid until 13 September 2015.

On 27 March 2013, Decree Law no 97 of year 2013 was issued to amend some articles in Law no 25 of year 2012 which was issued on 29 November 2012 (New Companies' Law). The amendment stipulates that Executive Regulation of the Law will determine the rules and procedures to be followed by the existing companies to adjust their statues at the time of putting this law into effect. Such Executive Regulation is to be issued by Minister of Commerce within six months from the date of this amendment.

The accompanying interim condensed consolidated financial information of the group include the interim condensed financial information of Palms Trees Company K.S.C. (Closed) - fully owned subsidiary of the parent company which is operating in producing and packing of black honey; however the subsidiary's licence was suspended on 31 December 2006 and the subsidiary is not having any operations since then.

The parent company is owned by Bayan Holding Company (K.S.C.) with a percentage of 84.11%. The parent company's shares are listed on the Kuwait Stock Exchange.

The registered head office of the parent company is at P.O. Box 1976, Safat 13020, Kuwait.

The accompanying interim condensed consolidated financial information was authorised for issue in accordance with a resolution of the board of directors on 13 May 2013.

#### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

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

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the group's annual consolidated financial statements as at 31 December 2012. In addition, results for the three months ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

In the opinion of management, all adjustments (consisting of normal recurring accruals), considered necessary for a fair presentation have been included. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of new standards, amendments and interpretations which had no material impact on the group's financial position or performance.

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Notes to the interim condensed consolidated financial information (unaudited)**

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

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.2 Judgements and estimates**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2012.

**3 SELLING AND MARKETING EXPENSES**

	Three months ended 31 March	
	2013	2012
Salaries and related costs	107,238	108,421
Depreciation	24,818	27,695
Others	8,113	10,048
	<u>140,169</u>	<u>146,164</u>

**4 GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended 31 March	
	2013	2012
Salaries and related costs	62,891	63,655
Depreciation	3,443	3,356
Rent	12,954	8,308
Maintenance and repair	12,836	12,110
Electricity and water	5,699	7,539
Insurance	13,220	6,338
Travelling expenses	7,267	1,628
Others	46,135	33,249
	<u>164,445</u>	<u>136,183</u>

**5 INVESTMENT IN AN ASSOCIATE**

The parent company has the following investment in an associate:

Name	Country of incorporation	Equity Interest		
		31 March 2013	31 December 2012 (Audited)	31 March 2012
Al Dhafra Irrigation Systems (L.L.C.)	United Arab Emirates	33%	33%	33%

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Notes to the interim condensed consolidated financial information (unaudited)**

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

**5 INVESTMENT IN AN ASSOCIATE (Continued)**

The movement in the carrying amount of investment in an associate is as follows:

	31 March 2013	31 December 2012 (Audited)	31 March 2012
Opening balances	1,992,353	1,772,701	1,772,701
Share of result of an associate	57,350	202,256	55,303
Foreign currency translation adjustment	24,279	17,396	(5,653)
Ending balances	<u>2,073,982</u>	<u>1,992,353</u>	<u>1,822,351</u>

The parent company has recorded its share of results based on reviewed interim financial information of the associate company.

**6 ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	31 March 2013	31 December 2012 (Audited)	31 March 2012
Trade receivables – gross	2,528,430	2,243,158	2,323,893
Provision for impairment of trade receivables	(277,514)	(286,942)	(306,514)
Trade receivables – net	<u>2,250,916</u>	<u>1,956,216</u>	<u>2,017,379</u>
Accrued income	623,515	540,042	576,234
Retentions receivable	437,730	373,482	344,782
Prepaid expenses	177,176	210,229	143,874
Advance payments	105,733	50,339	86,476
Other receivables	51,356	14,550	117,100
	<u>3,646,426</u>	<u>3,144,858</u>	<u>3,285,845</u>

The movement of the provision for impairment of trade receivables is as follows:

	31 March 2013	31 December 2012 (Audited)	31 March 2012
Opening balance	286,942	323,575	323,575
Provision charge for the period / year	-	22,760	-
Provision written off during the period / year	-	(5,000)	(4,891)
Provision for impairment of receivables no longer required	(9,428)	(54,393)	(12,170)
	<u>277,514</u>	<u>286,942</u>	<u>306,514</u>

**7 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the interim condensed consolidated statements of financial position and cash flows include the following:

	31 March 2013	31 December 2012 (Audited)	31 March 2012
Bank balances	594,569	1,040,566	1,502,747
Cash on hand	14,125	12,425	12,875
Deposits with original maturity less than 3 months	2,149,664	1,696,984	1,683,712
	<u>2,758,358</u>	<u>2,749,975</u>	<u>3,199,334</u>

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Notes to the interim condensed consolidated financial information (unaudited)**

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

**7 CASH AND CASH EQUIVALENTS (Continued)**

Fixed deposits represent deposits with local financial institutions maturing within three months from date of placement with an average rate of profit of 0.5625 % (31 December 2012: 1.109% and 31 March 2012: 1.528%).

**8 ANNUAL GENERAL ASSEMBLY**

The Annual General Assembly of the parent company's shareholders held on 5 May 2013 has approved the consolidated financial statements of the group for the year ended 31 December 2012 and the distribution of cash dividends of 10 fils per share for the year ended 31 December 2012 (31 December 2011: cash dividend of 10 fils per share).

**9 ACCOUNTS PAYABLE AND ACCRUALS**

	<b>31 March 2013</b>	<b>31 December 2012 (Audited)</b>	<b>31 March 2012</b>
Trade payable	<b>237,634</b>	230,285	235,333
Other payables	<b>162,887</b>	149,496	127,315
Accrued expenses	<b>266,168</b>	302,799	128,191
Dividends payable	<b>150,015</b>	151,501	162,805
Board of directors remuneration	<b>15,000</b>	15,000	15,000
	<b>831,704</b>	849,081	668,644

**10 OBLIGATIONS UNDER FINANCE LEASE**

During year 2012, the group entered into an agreement with a third party to lease a property from a local Islamic bank. The group's share of the property is 33% as per the agreement with the third party. The lease term is over one year maturing on 22 April 2013. The group's share of the rent over the lease term is KD 13,800 and the share of the remaining final payment is KD 250,000 due on 22 April 2013. Subsequent to the financial position date, the group paid its share of rent on 22 April 2013 and renewed the lease for one year maturing on 22 April 2014. The group's share of rent over the renewed year is KD 12,550.

**11 TREASURY SHARES**

	<b>31 March 2013</b>	<b>31 December 2012 (Audited)</b>	<b>31 March 2012</b>
Number of shares	<b>83,200</b>	83,200	83,200
Percentage of issued shares	<b>0.16%</b>	0.16%	0.16%
Cost (KD)	<b>3,573</b>	3,573	3,573
Market Value (KD)	<b>10,484</b>	7,987	9,485

**12 BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	<b>Three months ended 31 March</b>	
	<b>2013</b>	<b>2012</b>
Profit for the period (KD)	<b>159,303</b>	151,822
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<b>52,315,800</b>	52,315,800
Basic and diluted earnings per share	<b>3.05 fils</b>	2.90 fils

There are no potential dilutive shares.

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Notes to the interim condensed consolidated financial information (unaudited)**

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

**13 RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties comprise of the shareholders of the parent company who are represented in the board of directors, major shareholders and the companies in which any of its members is in the same time a board member in the parent company's board of directors, associated companies, directors and key management personnel of the parent company, and entities controlled, jointly controlled or significantly influenced by such parties. In the ordinary course of business, the group has carried some transactions during the year with related parties. The transactions and balances which are included in the interim condensed consolidated financial information are as follows:

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	Three months ended 31 March	
	2013	2012
<b>Transactions included in the interim condensed consolidated statement of income</b>		
Management fees related to financial assets at fair value through profit or loss	-	265

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	31 March 2013	31 December 2012 (Audited)	31 March 2012
<b>Balances included in the interim condensed consolidated statement of financial position</b>			
Amounts due from associate	945	410,179	112,578
Amounts due from the Ultimate Parent Company	7,879	7,879	7,866
	<b>8,824</b>	<b>418,058</b>	<b>120,444</b>

**Key management compensation**

	Three months ended 31 March	
	2013	2012
Short-term benefits	9,750	9,750
End of service benefits	1,406	1,406
	<b>11,156</b>	<b>11,156</b>

**14 INVESTMENT INCOME**

	Three months ended 31 March	
	2013	2012
Gain on sale of financial assets at fair value through profit or loss	-	17,889
Murabaha Income	2,637	5,874
	<b>2,637</b>	<b>23,763</b>

**Palms Agro Production Company K.S.C. (Closed) and Subsidiary**

**Notes to the interim condensed consolidated financial information (unaudited)**

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

**15 SEGMENT INFORMATION**

The group activities are organised in two major segments in the internal reporting system as follows:

- Commercial segment: includes the production and sale of nurseries and ornamental plants.
- Projects segment; represented in providing gardening and maintenance services.
- Investment segment.

	<b>31 March 2013</b>			
	<b>Commercial segment</b>	<b>Projects Segment</b>	<b>Investment Segment</b>	<b>Total</b>
Segment revenue	<u>912,478</u>	<u>962,533</u>	<u>59,987</u>	<u>1,934,998</u>
Segment expense	<u>836,445</u>	<u>931,973</u>	<u>-</u>	<u>1,768,418</u>
Segment profit	<u>76,033</u>	<u>30,560</u>	<u>59,987</u>	<u>166,580</u>
Segment assets	<u>5,050,451</u>	<u>2,217,256</u>	<u>4,223,646</u>	<u>11,491,353</u>
Segment liabilities	<u>888,945</u>	<u>1,946,936</u>	<u>-</u>	<u>2,835,881</u>

	<b>31 March 2012</b>			
	<b>Commercial Segment</b>	<b>Projects Segment</b>	<b>Investment Segment</b>	<b>Total</b>
Segment revenue	<u>836,548</u>	<u>489,715</u>	<u>79,066</u>	<u>1,405,329</u>
Segment expense	<u>812,764</u>	<u>433,626</u>	<u>-</u>	<u>1,246,390</u>
Segment profit	<u>23,784</u>	<u>56,089</u>	<u>79,066</u>	<u>158,939</u>
Segment assets	<u>5,017,300</u>	<u>2,157,210</u>	<u>3,506,063</u>	<u>10,680,573</u>
Segment liabilities	<u>607,792</u>	<u>1,441,495</u>	<u>-</u>	<u>2,049,287</u>

	<b>Three months ended 31 March</b>	
	<b>2012</b>	<b>2013</b>
<b>Adjustments</b>		
Segment profit	<u>166,580</u>	<u>158,939</u>
Unallocated expenses	<u>(7,277)</u>	<u>(7,117)</u>
Segment profit	<u>159,303</u>	<u>151,822</u>

**16 CONTINGENCES**

The parent company had letters of guarantee toward foreign purchases amounted to KD 5,179,349 (31 December 2012: 5,248,754 and 31 March 2012: 3,362,817).