Palms Agro Production Company K.S.C.P. and Subsidiary

Interim Condensed Consolidated Financial Information and Independent Auditors' Review Report for the nine month period ended 30 September 2015 (Unaudited)

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated financial information and independent auditors' review report (unaudited)
For the nine month period ended 30 September 2015

Index

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TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P.

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.P. ("the parent company") and subsidiary (together referred to as "the group") as at 30 September 2015, the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended. The parent company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

Except as explained in the following paragraph, 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.

Basis for qualified conclusion

The group's total assets and profit include an amount of KD 1,156,053 (31 December 2014: KD 1,240,471 and 30 September 2014: KD 1,434,928) and losses of KD 118,943 (30 September 2014: losses of KD 34,301) respectively, related to an investment in associate "Al Dhafra Irrigation Systems L.L.C.". The interim 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 associate and related share of result balances. Had we been able to conduct a review of the associate's interim financial information, matters might have come to our attention indicating that adjustments might have been necessary to the interim condensed consolidated financial information.

TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P

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

Qualified Conclusion

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

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 Companies' Law No. 25 of 2012, as amended, or of the parent company's articles and memorandum of association during the nine month period ended 30 September 2015 that might have had a material effect on the business of the group or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine month period ended 30 September 2015.

Khalid Ebrahim Al-Shatti
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Member firm of Russell Bedford International

19 November 2015
Kuwait

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated statement of income (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015	2014	**2015**	2014
Revenue		**2,329,047**	1,956,372	7,557,787	5,958,359
Cost of revenue		**(1,766,307)**	(1,464,922)	(5,594,804)	(4,559,343)
Gross profit		**562,740**	491,450	1,962,983	1,399,016
Selling and marketing expenses	3	**(148,760)**	(158,202)	(505,177)	(486,037)
General and administrative expenses	4	**(248,255)**	(156,846)	(629,081)	(521,832)
Provision for impairment of receivables	6	**-**	-	(25,369)	-
Provision for obsolete and slow moving inventories		**(9,800)**	-	(21,700)	-
Operating profit		**155,925**	176,402	781,656	391,147
Investment (loss) / income	14	**(6,469)**	3,324	(44,518)	7,790
Share of results from investment in associates	5	**(40,862)**	(34,845)	(118,943)	(34,301)
Other income		**2,280**	5,912	3,071	19,712
Profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat		**110,874**	150,793	621,266	384,348
Provision for contribution to KFAS		**(1,109)**	(1,367)	(6,213)	(3,469)
Provision for NLST		**(2,212)**	(3,625)	(15,903)	(11,119)
Provision for Zakat		**(1,108)**	(1,451)	(6,361)	(4,448)
Profit for the period		**106,445**	144,350	592,789	365,312
Basic and diluted earnings per share	11	**2.03 fils**	2.76 fils	11.33 fils	6.98 fils

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated statement of comprehensive income (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
Profit for the period	**106,445**	144,350	592,789	365,312
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	**130**	28,782	34,525	26,883
Total other comprehensive income for the period	**130**	28,782	34,525	26,883
Total comprehensive income for the period	**106,575**	173,132	627,314	392,195

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated statement of financial position (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Notes	30 September 2015	31 December 2014 (Audited)	30 September 2014
Assets				
Current assets				
Cash and cash equivalents	7	1,484,059	2,120,905	2,084,715
Accounts receivable and prepayments	6	6,384,483	4,629,138	3,953,141
Financial assets at fair value through profit or loss	12	96,831	-	-
Amounts due from related parties	13	20,170	18,496	18,493
Inventories		1,952,911	1,785,166	1,998,312
		9,938,454	8,553,705	8,054,661
Non-current assets				
Property and equipment		1,310,314	1,485,837	1,430,513
Investment in associates	5	1,189,053	1,240,471	1,434,928
		2,499,367	2,726,308	2,865,441
Total assets		12,437,821	11,280,013	10,920,102
Liabilities and equity				
Liabilities				
Current liabilities				
Accounts payable and accruals	9	2,878,088	1,472,964	1,063,842
Advances on contracts		234,652	618,326	800,786
		3,112,740	2,091,290	1,864,628
Non- current liability				
Employees' end of service benefits		646,918	614,716	599,004
Total liabilities		3,759,658	2,706,006	2,463,632
Equity				
Share capital		5,239,900	5,239,900	5,239,900
Share premium		225,000	225,000	225,000
Treasury shares	10	(3,573)	(3,573)	(3,573)
Statutory reserve		866,513	866,513	815,271
General reserve		866,513	866,513	815,271
Foreign currency translation reserve		87,939	53,414	37,678
Retained earnings		1,395,871	1,326,240	1,326,923
Total equity		8,678,163	8,574,007	8,456,470
Total liabilities and equity		12,437,821	11,280,013	10,920,102

Bader Hamad Al-Rabiah
Chairman

Faisal Fares Al-Fares
Vice Chairman and CEO

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated statement of changes in equity (unaudited)
(All amounts 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 2015 (audited)	5,239,900	225,000	(3,573)	866,513	866,513	53,414	1,326,240	8,574,007
Total comprehensive income for the period	-	-	-	-	-	34,525	592,789	627,314
Dividends distributed (Note 8)	-	-	-	-	-	-	(523,158)	(523,158)
Balance as of 30 September 2015	5,239,900	225,000	(3,573)	866,513	866,513	87,939	1,395,871	8,678,163
Balance as of 1 January 2014 (audited)	5,239,900	225,000	(3,573)	815,271	815,271	10,795	1,484,769	8,587,433
Total comprehensive income for the period	-	-	-	-	-	26,883	365,312	392,195
Dividends distributed (Note 8)	-	-	-	-	-	-	(523,158)	(523,158)
Balance as of 30 September 2014	5,239,900	225,000	(3,573)	815,271	815,271	37,678	1,326,923	8,456,470

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P. and Subsidiary

Interim condensed consolidated statement of cash flows (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Note	Nine months ended 30 September 2015	2014
Operating activities			
Profit for the period		592,789	365,312
Adjustments for:			
Depreciation		246,638	243,648
Murabaha income	14	(6,677)	(7,790)
Provision for impairment of receivables	6	25,369	-
Recovery of provision for impairment of receivables	6	(1,791)	(14,929)
Provision for obsolete and slow moving inventories		21,700	6,843
Share of results from investment in associates	5	118,943	34,301
Change in fair value of financial assets at fair value through profit or loss	14	51,195	-
Foreign exchange currency gain		21,154	(4,782)
Employees' end of service benefits		74,276	106,925
Operating profits before changes in working capital		1,143,596	729,528
Accounts receivable and prepayments		(1,778,923)	(432,362)
Inventories		(189,445)	(640,604)
Accounts payables and accruals		1,375,143	121,137
Advances on contracts		(383,674)	(277,336)
Employees' end of service benefits paid		(42,074)	(47,605)
Net cash generated from / (used in) operating activities		124,623	(547,242)
Investing activities			
Purchase of property and equipment		(71,115)	(169,637)
Amounts due from related parties		(1,674)	629,758
Purchase of financial assets at fair value through profit or loss		(148,026)	-
Purchase of investment in associate		(33,000)	-
Dividends received from associate		-	126,400
Murabaha income received		6,677	7,790
Net cash (used in) / generated from investing activities		(247,138)	594,311
Financing activities			
Cash dividends paid		(514,331)	(500,882)
Obligations under finance lease		-	(262,550)
Net cash used in financing activities		(514,331)	(763,432)
Decrease in cash and cash equivalents		(636,846)	(716,363)
Cash and cash equivalents at beginning of the period		2,120,905	2,801,078
Cash and cash equivalents at the end of the period	7	1,484,059	2,084,715

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

1 GENERAL INFORMATION

Palms Agro Production Company K.S.C.P. (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 of all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilising financial surplus available to the parent company through investing it in portfolios managed by specialised 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 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 operates in producing and packing black honey; however the subsidiary's licence was suspended on 31 December 2006 and the subsidiary does not have 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 12 November 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2014. In the opinion of management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine month period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015. For further information, refer to the annual audited financial statements for the year ended 31 December 2014.

2.2 Accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the group which are effective for annual reporting period starting from 1 January 2015 and did not result in any material impact on the accounting policies, financial position or performance of the group, and the adoption of a new accounting policy for financial assets at fair value through profit or loss.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Accounting policies (Continued)

Financial assets at fair value through profit or loss

(a) Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Recognition, derecognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the interim condensed consolidated statement of income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are presented in the interim condensed consolidated statement of income within investment (loss) / income in the period in which they arise.

2.3 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 2014.

3 SELLING AND MARKETING EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
Salaries and related costs	**106,974**	121,203	382,163	387,097
Depreciation	**33,369**	27,854	101,033	81,299
Others	**8,417**	9,145	21,981	17,641
	148,760	158,202	505,177	486,037

4 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
Salaries and related costs	**42,853**	56,272	185,155	188,238
Depreciation	**3,395**	3,217	10,256	10,205
Rent	**12,908**	14,152	43,228	42,982
Maintenance and repair	**31,809**	13,921	48,473	43,958
Electricity and water	**7,833**	3,963	23,199	32,594
Insurance	**4,723**	3,966	25,088	21,303
Others	**144,734**	60,685	293,682	182,552
	248,255	156,176	629,081	521,832

5 INVESTMENT IN ASSOCIATES

The parent company has the following investment in associates:

Name	County of incorporation	Equity Interest 30 September 2015	31 December 2014 (Audited)	30 September 2014
Al Dhafra Irrigation Systems (L.L.C.)	United Arab Emirates	33%	33%	33%
Durra Al- Nakeel Real Estate Company W.L.L	Kuwait	33%	-	-

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

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Opening balances	1,240,471	1,568,746	1,568,746
Share of results of associates	(118,943)	(244,494)	(34,301)
Declared dividends	-	(126,400)	(126,400)
Acquired during the period	33,000	-	-
Foreign currency translation adjustments	34,525	42,619	26,883
Ending balances	1,189,053	1,240,471	1,434,928

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

On 3 May 2015, the parent company participated in the incorporation of its newly established associate "Durra Al- Nakeel Real Estate Company W.L.L" with share capital amounting to KD 100,000 and equity interest of 33%. The associate's main activities are management, development, purchasing and selling of land and real estate. The associate did not start operations as at 30 September 2015.

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 September 2015	31 December 2014 (Audited)	30 Septembe 2014
Trade receivables – gross	4,324,264	2,955,632	2,106,049
Less: Provision for impairment of trade receivables	(51,587)	(28,009)	(253,637)
Trade receivables – net	4,272,677	2,927,623	1,852,412
Accrued income	401,514	320,867	687,444
Retentions receivable	1,593,221	1,185,847	971,829
Prepaid expenses	39,616	56,229	101,396
Advance payments	49,615	119,087	301,989
Other receivables	27,840	19,485	38,071
	6,384,483	4,629,138	3,953,141

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS (Continued)

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

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Opening balance	28,009	268,566	268,566
Provision for impairment of receivables	25,369	-	-
Provision write off	-	(225,628)	-
Recovery of provision for impairment of receivables	(1,791)	(14,929)	(14,929)
	51,587	28,009	253,637

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:

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Bank balances	376,807	370,861	336,954
Cash on hand	13,525	14,124	15,665
Deposits with original maturity of less than 3 months	1,091,965	1,735,920	1,732,096
Cash held at portfolio	1,762	-	-
	1,484,059	2,120,905	2,084,715

Fixed deposits represent Murabaha investment with local financial institutions maturing within three months from date of placement with an average rate of profit of 0.6431% (31 December 2014: 0.6931% and 30 September 2014: 0.9375%).

8 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the parent company's shareholders held on 28 May 2015 approved the consolidated financial statements of the group for the year ended 31 December 2014 and the distribution of cash dividends of 10 fils per share for the year ended 31 December 2014 (31 December 2013: cash dividend of 10 fils per share).

9 ACCOUNTS PAYABLE AND ACCRUALS

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Trade payables	1,268,571	347,006	465,887
Other payables	194,215	232,990	174,816
Accrued expenses	309,273	423,099	235,158
Dividends payable	186,572	177,745	187,981
Advances from customers	919,457	292,124	-
	2,878,088	1,472,964	1,063,842

10 TREASURY SHARES

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Number of shares	**83,200**	83,200	83,200
Percentage of issued shares	**0.16%**	0.16%	0.16%
Cost (KD)	**3,573**	3,573	3,573
Market Value (KD)	**8,486**	9,152	8,819

11 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:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
Profit for the period (KD)	**106,445**	144,350	**592,789**	365,312
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	**52,315,800**	52,315,800	**52,315,800**	52,315,800
Basic and diluted earnings per share	**2.03 fils**	2.76 fils	**11.33 fils**	6.98 fils

There are no potential dilutive shares.

12 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

1. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
3. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial instruments that are measured at fair value on a recurring basis.

30 September 2015	Level 1	Total
Financial assets at fair value through profit or loss		
Quoted securities	96,831	96,831

(i) Financial instruments in level 1

The fair value of financial instruments carried at fair value on recurring basis traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the last bid price.

The fair value of financial assets and liabilities measured at amortised cost approximates their carrying amounts.

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 period with related parties. The transactions and balances which are included in the interim condensed consolidated financial information are as follows:

	30 September 2015	31 December 2014 (Audited)	30 September 2014
Balances included in the interim condensed consolidated statement of financial position			
Amounts due from associate	12,261	10,593	10,593
Amounts due from the Ultimate Parent Company	7,909	7,903	7,900
Total	20,170	18,496	18,493
Financial assets at fair value through profit or loss - Al-Salbookh Trading Company K.S.C.P.	96,831	-	-

	Three months ended 30 September		Nine months ended 30 September	
Key management compensation	**2015**	2014	**2015**	2014
Short-term benefits	12,000	10,875	36,000	32,625
End of service benefits	1,730	1,669	5,190	5,007
	13,730	12,544	41,190	37,632

14 INVESTMENT (LOSS) / INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	**2015**	2014
Murabaha Income	1,796	3,324	6,677	7,790
Change in fair value of financial assets at fair value through profit or loss	(8,265)	-	(51,195)	-
	(6,469)	3,324	(44,518)	7,790

15 SEGMENT INFORMATION

The group activities are organised in three 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.

	30 September 2015			
	Commercial segment	Projects segment	Investment segment	Total
Segment revenue	2,678,061	4,882,797	(163,461)	7,397,397
Segment expense	(2,565,900)	(4,210,231)	-	(6,776,131)
Segment profit / (loss)	112,161	672,566	(163,461)	621,266
Segment assets	5,574,288	4,465,514	2,398,019	12,437,821
Segment liabilities	2,130,654	1,629,004	-	3,759,658
Depreciation	138,077	108,561	-	246,638
Purchase of property and equipment	55,052	16,063	-	71,115

	30 September 2014			
	Commercial segment	Projects segment	Investment segment	Total
Segment revenue	2,822,058	3,156,013	(26,511)	5,951,560
Segment expense	2,598,359	2,968,853	-	5,567,212
Segment profit	223,699	187,160	(26,511)	384,348
Segment assets	4,796,491	2,938,094	3,185,517	10,920,102
Segment liabilities	795,932	1,667,700	-	2,463,632
Depreciation	133,628	110,020	-	243,648
Purchase of property and equipment	109,375	60,262	-	169,637

	Nine months ended 30 September	
	2015	2014
Adjustments		
Segment profit	621,266	384,348
Unallocated costs	(28,477)	(19,036)
Segment profit	592,789	365,312

16 CONTINGENCES

The parent company had letters of guarantee amounting to KD 4,103,142 (31 December 2014: 5,019,631 and 30 September 2014: 5,316,201). In addition, the parent company has guaranteed its associate against banking facilities amounting to KD 2,772,662 (31 December 2014: 5,198,642 and 30 September 2014: 4,574,790).