

Interim Financial Information form for Kuwaiti companies

نموذج نتائج البيانات المالية المرحلية للشركات الكويتية

Interim Financial Information for the <u>Third Quarter</u> Period Ended <u>31/07/2017</u> Form in KD			نموذج نتائج البيانات المالية المرحلية عن فترة الربع الثالث المنتهية في 31/07/2017 (د.ك.)
شركة أركان الكويت العقارية ش.م.ك.ع			اسم الشركة
Arkan Al- Kuwait Real Estate Company K.S.C.P			Company's Name
الأحد الموافق 10 سبتمبر 2017			تاريخ اجتماع مجلس الإدارة
Sunday 10 th September 2017			The Date of Board of Directors Meeting
نسبة التغير Change Percentage	الفترة المقارنة Comparative Period 31/07/2016	الفترة الحالية Current Period 31/07/2017	البيان Statement
% 5	2,770,238	2,911,391	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% 5	11.2	11.8	ربحية / (خسارة) السهم الأساسية والمخفضة - فلس Diluted Earnings per share - Fils
% 80	1,066,751	1,920,813	الموجودات المتداولة Current Assets
% 39	38,703,518	53,727,882	إجمالي الموجودات Total Assets
% 275	5,419,494	20,323,598	المطلوبات المتداولة Current Liabilities
% 239	6,036,782	20,462,810	إجمالي المطلوبات Total Liabilities
% 2	32,666,736	33,265,072	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% 13	3,694,341	4,171,735	اجمالي الإيرادات التشغيلية Total Operating Revenue
% 5	2,897,738	3,045,388	صافي الربح / (الخسارة) التشغيلي Net Operating Profit (Loss)
% 5	% 11	% 11.6	صافي الربح (الخسارة) / رأس المال المدفوع Net Profit (Loss)/ Paid-up Share Capital

- يعود سبب الارتفاع / (الانخفاض) في صافي الربح / (الخسارة) إلى:
ارتفاع أرباح بيع العقارات الإستثمارية وإيرادات التأجير

- The increase (decrease) in the net profit/(loss) is due to the followings:

Increase from sale of investment properties and Rental Income

- بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة مبلغ 0 دينار كويتي.
- Total revenues realized from dealing with related parties amounting to KD. 0
- بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة مبلغ 0 دينار كويتي.
- Total expenditures incurred from dealing with related parties amounting to KD. 0

الاسم	المسمى الوظيفي	التوقيع	ختم الشركة
عبدالرحمن حمد التركيت	عضو مجلس الإدارة والرئيس التنفيذي		

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ARKAN AL-KUWAIT REAL ESTATE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Arkan Al-Kuwait Real Estate Company K.S.C.P. (“the Company”) as at 31 July 2017 and the related interim condensed statement of income and interim condensed statement of comprehensive income for the three months and nine months period then ended and the related interim condensed statement of cash flows and interim condensed statement of changes in equity for the nine months period then ended. The management of the Company is responsible for the preparation and presentation of this interim condensed 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 financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed 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 financial information is in agreement with the books of account of the 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. 1 of 2016 as amended and its executive regulations, or of the Company’s Memorandum of Incorporation and Articles of Association during the nine months period ended 31 July 2017 that might have had a material effect on the business of the Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

MOHAMMAD HAMAD AL SULTAN
LICENSE NO. 100 A
AL SULTAN AND PARTNERS
MEMBER OF BAKER TILLY
INTERNATIONAL

XX September 2017
Kuwait

Arkan Al-Kuwait Real Estate Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 July 2017

	Notes	Three months ended		Nine months ended	
		31 July		31 July	
		2017	2016	2017	2016
		KD	KD	KD	KD
INCOME					
Real estate rental income		862,361	603,448	2,352,069	1,772,583
Real estate expenses		(42,700)	(43,667)	(177,676)	(92,702)
Net real estate income		819,661	559,781	2,174,393	1,679,881
Gain on sale of investment properties	3	1,275,000	645,000	1,980,477	1,697,089
Gain on sale of available for sale investments		-	-	-	141,013
Management and incentive fees		3,431	3,579	7,589	16,143
Dividend income		3,504	31,854	3,504	59,736
Other income		2,761	50,375	5,772	100,479
		2,104,357	1,290,589	4,171,735	3,694,341
EXPENSES					
Salaries expenses		(96,901)	(78,656)	(281,175)	(238,896)
End of service benefits and leave expense		(18,408)	(25,955)	(58,996)	(143,321)
Other staff costs		(24,297)	(21,305)	(54,092)	(41,482)
Finance costs		(221,741)	(84,139)	(570,050)	(243,156)
General and administrative expenses		(61,560)	(50,558)	(162,034)	(129,748)
		(422,907)	(260,613)	(1,126,347)	(796,603)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOR SUPPORT TAX ("NLST") AND ZAKAT					
		1,681,450	1,029,976	3,045,388	2,897,738
KFAS		(15,133)	(9,270)	(27,408)	(26,080)
NLST		(42,037)	(25,749)	(76,135)	(72,443)
Zakat		(16,815)	(10,299)	(30,454)	(28,977)
PROFIT FOR THE PERIOD		1,607,465	984,658	2,911,391	2,770,238
BASIC AND DILUTED EARNINGS PER SHARE					
	4	6.5 fils	4.0 fils	11.8 fils	11.2 fils

The attached notes 1 to 11 form part of this interim condensed financial information.

Arkan Al-Kuwait Real Estate Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 July 2017

		31 July 2017 KD	(Audited) 31 October 2016 KD	31 July 2016 KD
ASSETS				
Non-current assets				
Furniture and equipment		142,121	156,181	160,737
Investment properties	5	49,068,021	40,451,707	34,379,102
Available- for-sale investments		2,596,927	2,596,927	3,096,928
		<u>51,807,069</u>	<u>43,204,815</u>	<u>37,636,767</u>
Current assets				
Advance payment on acquisition of investment properties		-	2,757,060	-
Accounts receivable and other assets		440,423	65,603	251,214
Cash and bank balances		1,480,390	845,359	815,537
		<u>1,920,813</u>	<u>3,668,022</u>	<u>1,066,751</u>
TOTAL ASSETS		<u><u>53,727,882</u></u>	<u><u>46,872,837</u></u>	<u><u>38,703,518</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		25,114,998	25,114,998	25,114,998
Share premium		77,200	77,200	77,200
Employees' share option reserve		68,734	68,734	68,734
Treasury shares	7	(182,758)	(182,758)	(182,758)
Statutory reserve		3,053,714	3,053,714	2,797,893
Retained earnings		5,133,184	4,201,559	4,790,669
Total equity		<u>33,265,072</u>	<u>32,333,447</u>	<u>32,666,736</u>
Non-current liabilities				
Employees' end of service benefits		139,212	258,987	617,288
Current liabilities				
Islamic finance payables	8	19,794,293	13,568,855	5,010,739
Accounts payable and other liabilities		529,305	711,548	408,755
		<u>20,323,598</u>	<u>14,280,403</u>	<u>5,419,494</u>
Total liabilities		<u>20,462,810</u>	<u>14,539,390</u>	<u>6,036,782</u>
TOTAL EQUITY AND LIABILITIES		<u><u>53,727,882</u></u>	<u><u>46,872,837</u></u>	<u><u>38,703,518</u></u>

Fahad Abdullrahman Al-Mukhaizem
Chairman

Abdulrahman Hamad Al Terkait
Board member and Chief Executive Officer

The attached notes 1 to 11 form part of this interim condensed financial information.