

**THE ENERGY HOUSE HOLDING COMPANY K.S.C.P.  
AND SUBSIDIARIES**

**Condensed consolidated interim financial information  
and independent auditors' review report for the period  
from 1 January 2015 to 31 March 2015 (Unaudited)**

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**

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## **Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information**

**The Board of Directors**  
**The Energy House Holding Company K.S.C.P.**  
**State of Kuwait**

### *Introduction*

We have reviewed the accompanying 31 March 2015 condensed consolidated interim information of The Energy House Holding Company K.S.C.P. ("the Company") and subsidiaries (together "the Group"), which comprises the interim consolidated statement of financial position as at 31 March 2015, the interim consolidated statements of profit or loss, other comprehensive income, cash flows and changes in equity for the three month period then ended, and notes to the condensed consolidated interim financial information. The Company's management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim 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 condensed consolidated interim financial information as at 31 March 2015 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.



***Report on Review of Other Legal and Regulatory Requirements***

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the accounting records. We further report that nothing has come to our attention indicating any contravention during the three month period ended 31 March 2015 of the Companies Law No. 25 of 2012, as amended, and its Executive Regulations or of the Company's Memorandum and Articles of Association, that might have had material effect on the Company's activities or on its consolidated financial position.

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Kuwait 14 April 2015



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**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Interim consolidated statement of financial position (unaudited)**  
**As at 31 March 2015**

	<b>Note</b>	<b>31 March 2015 KD (Unaudited)</b>	<b>31 December 2014 KD (Audited)</b>	<b>31 March 2014 KD (Unaudited)</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		9,254,931	8,864,202	9,482,397
Intangible assets and goodwill		282,738	306,882	726,954
Investment property		7,751,287	8,001,328	6,860,446
Investment in associates		3,612,141	4,041,115	3,702,931
Financial assets available for sale		31,852,535	31,863,404	35,444,249
Financial assets at fair value through profit or loss		6,522,507	6,910,008	6,034,411
		<u>59,276,139</u>	<u>59,986,939</u>	<u>62,251,388</u>
<b>Current assets</b>				
Inventories		2,019,699	1,704,222	1,617,029
Accounts receivable and other assets		10,019,780	9,280,938	7,917,305
Bank balances, cash and term deposits	5	5,150,316	5,710,707	5,389,819
		<u>17,189,795</u>	<u>16,695,867</u>	<u>14,924,153</u>
<b>Total assets</b>		<u><b>76,465,934</b></u>	<u><b>76,682,806</b></u>	<u><b>77,175,541</b></u>
<b>EQUITY</b>				
Share capital		75,000,000	75,000,000	75,000,000
Share premium		193,550	193,550	193,550
Statutory reserve		472,723	472,723	472,723
Voluntary reserve		314,957	314,957	314,957
Other reserves		(812,986)	(812,986)	(488,728)
Foreign currency translation reserve		(1,019,933)	(903,050)	(1,690,989)
Fair value reserve		28,115	28,115	28,115
Accumulated losses		(12,255,131)	(11,577,180)	(11,174,028)
<b>Equity attributable to shareholders of the Company</b>		<u><b>61,921,295</b></u>	<u><b>62,716,129</b></u>	<u><b>62,655,600</b></u>
Non-controlling interests		6,059,209	6,075,685	4,977,947
<b>Total equity</b>		<u><b>67,980,504</b></u>	<u><b>68,791,814</b></u>	<u><b>67,633,547</b></u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provision for staff indemnity		668,099	628,938	549,056
		<u>668,099</u>	<u>628,938</u>	<u>549,056</u>
<b>Current liabilities</b>				
Accounts payable and other liabilities		7,616,688	7,187,257	8,017,741
Finance lease liabilities		-	74,797	207,873
Murabaha payables	7	200,643	-	767,324
		<u>7,817,331</u>	<u>7,262,054</u>	<u>8,992,938</u>
<b>Total liabilities</b>		<u><b>8,485,430</b></u>	<u><b>7,890,992</b></u>	<u><b>9,541,994</b></u>
<b>Total equity and liabilities</b>		<u><b>76,465,934</b></u>	<u><b>76,682,806</b></u>	<u><b>77,175,541</b></u>



Saad Ali Al Shuwaib  
Chairman



Khaled A. Al Sumaiti  
Vice Chairman

The accompanying notes set out on pages 8 to 14 form an integral part of this condensed consolidated interim financial information

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Interim consolidated statement of profit or loss (unaudited)**  
*For the three month period ended 31 March 2015*

	Notes	Three month period ended 31 March	
		2015 KD	2014 KD
<b>Revenue</b>			
Contract revenue		3,271,358	1,849,343
Rendering of services		623,853	1,307,314
		<u>3,895,211</u>	<u>3,156,657</u>
<b>Cost of revenue</b>			
Contract costs		(2,697,771)	(1,673,787)
Cost of rendering of services		(766,223)	(982,321)
		<u>(3,463,994)</u>	<u>(2,656,108)</u>
<b>Gross profit</b>		431,217	500,549
Other income		65,087	714,175
Unrealised loss on financial assets at fair value through profit or loss		(541,655)	(385,307)
Gain on deemed disposal of financial assets at fair value through profit or loss		-	83,395
Rental income from investment property		68,279	98,209
Staff costs		(447,810)	(428,034)
General and administration expenses		(317,932)	(412,950)
Impairment losses on trade receivables		-	(510,270)
Foreign exchange gain / (loss)		230,227	(47,199)
Amortization of intangible assets		(24,386)	(24,114)
<b>Operating loss</b>		<u>(536,973)</u>	<u>(411,546)</u>
Finance costs		(19,733)	(27,224)
Finance income		9,630	17,764
Gain on deemed disposal of associate		-	5,241
Share of results from associates		(255,785)	(104,107)
Monetary (loss) / gain from hyperinflation	10	(238,710)	921,534
<b>(Loss) / profit for the period before taxation</b>		<u>(1,041,571)</u>	<u>401,662</u>
Taxation on foreign operations		(26,965)	(70,290)
<b>Net (loss) / profit for the period</b>		<u>(1,068,536)</u>	<u>331,372</u>
<b>Attributable to:</b>			
Shareholders of the Company		(1,024,585)	234,309
Non-controlling interests		(43,951)	97,063
		<u>(1,068,536)</u>	<u>331,372</u>
<b>Basic and diluted (loss) / earnings per share attributable to shareholders of the Company ( fils)</b>	8	<u>(1.366)</u>	<u>0.312</u>

The accompanying notes set out on pages 8 to 14 form an integral part of this condensed consolidated interim financial information

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Interim consolidated statement of other comprehensive income (unaudited)**  
*For the three month period ended 31 March 2015*

	<b>Three month period ended 31 March</b>	
	<b>2015</b>	<b>2014</b>
	<b>KD</b>	<b>KD</b>
<b>Net (loss) / profit for the period</b>	<b>(1,068,536)</b>	<b>331,372</b>
<b>Other comprehensive income</b>		
<i>Items that are or may be reclassified subsequently to the consolidated statement of profit or loss</i>		
Share of foreign currency translation reserve of associates	-	(152,816)
Exchange differences arising on translation of foreign operations	<b>(282,282)</b>	<b>(10,035)</b>
<b>Total other comprehensive loss for the period</b>	<b>(282,282)</b>	<b>(162,851)</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(1,350,818)</b>	<b>168,521</b>
<b>Attributable to:</b>		
Shareholders of the Company	<b>(1,141,468)</b>	<b>70,158</b>
Non-controlling interests	<b>(209,350)</b>	<b>98,363</b>
	<b>(1,350,818)</b>	<b>168,521</b>

The accompanying notes set out on pages 8 to 14 form an integral part of this condensed consolidated interim financial information

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Interim consolidated statement of cash flows (unaudited)**  
*For the three month period ended 31 March 2015*

	Three month period ended 31 March	
	2015 KD	2014 KD
Note		
<b>Cash flows from operating activities</b>		
Net (loss) / profit for the period	(1,068,536)	331,372
<i>Adjustments for:</i>		
Rental income from investment property	(68,279)	(98,209)
Share of results of associates	255,785	104,107
Gain on disposal of property and equipment	-	(619,113)
Depreciation and amortization	211,785	277,708
Impairment losses on trade receivables	-	510,270
Unrealised loss on financial assets at fair value through profit or loss	541,655	385,307
Gain on deemed disposal of financial assets at fair value through profit or loss	-	(83,395)
Gains on deemed disposal of associate	-	(5,241)
Monetary loss / (gain) from hyperinflation	238,710	(921,534)
Taxation	26,965	70,290
Finance costs	19,733	27,224
Provision for staff indemnity	34,390	29,857
	<u>192,208</u>	<u>8,643</u>
<i>Changes in:</i>		
Inventories	(42,019)	267,912
Accounts receivable and other assets	(738,842)	(522,845)
Accounts payable and other liabilities	402,466	(193,168)
<b>Cash used in operations</b>	<u>(186,187)</u>	<u>(439,458)</u>
Provision for staff indemnity paid	(970)	(4,546)
Taxes paid	-	(10,975)
<b>Net cash used in operating activities</b>	<u>(187,157)</u>	<u>(454,979)</u>
<b>Cash flows from investing activities</b>		
Net movement in restricted bank balances and deposits	351,465	2,587
Investment in Wakala deposits	-	(250,000)
Withdrawal of Wakala deposits	-	1,300,000
Purchase of investments at fair value through profit or loss	(53,641)	(300,660)
Purchase of property and equipment	(394,371)	(144,478)
Proceeds from disposal of property and equipment	-	940,532
Rental income received	68,279	98,209
<b>Net cash (used in) / generated from investing activities</b>	<u>(28,268)</u>	<u>1,646,190</u>
<b>Cash flows from financing activities</b>		
Net movement in murabaha payables	180,910	(785,891)
Net movement finance lease liabilities	(74,797)	(31,674)
<b>Net cash generated from / (used in) financing activities</b>	<u>106,113</u>	<u>(817,565)</u>
Effect of foreign currency translation and hyperinflation adjustments	(99,614)	(178,273)
<b>Net change in cash and cash equivalents</b>	<u>(208,926)</u>	<u>195,373</u>
Cash and cash equivalents at beginning of the period	3,291,365	3,365,726
<b>Cash and cash equivalents at end of the period</b>	<u>5</u> <u>3,082,439</u>	<u>3,561,099</u>

The accompanying notes set out on pages 8 to 14 form an integral part of this condensed consolidated interim financial information

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Interim consolidated statement of changes in equity (unaudited)**  
**For the three month period ended 31 March 2015**

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Other reserves KD	Foreign currency translation reserve KD	Fair value reserve KD	Accumulated losses KD	Equity attributable to shareholders of the Company KD	Non-controlling interests KD	Total equity KD
Balance at 1 January 2015 (audited)	75,000,000	193,550	472,723	314,957	(812,986)	(903,050)	28,115	(11,577,180)	62,716,129	6,075,685	68,791,814
Net loss for the period	-	-	-	-	-	-	-	(1,024,585)	(1,024,585)	(43,951)	(1,068,536)
Other comprehensive loss for the period	-	-	-	-	-	(116,883)	-	-	(116,883)	(165,399)	(282,282)
Total comprehensive loss for the period	-	-	-	-	-	(116,883)	-	(1,024,585)	(1,141,468)	(209,350)	(1,350,818)
Equity adjustments due to hyperinflation (note 10)	-	-	-	-	-	-	-	346,634	346,634	192,874	539,508
Balance at 31 March 2015 (unaudited)	75,000,000	193,550	472,723	314,957	(812,986)	(1,019,933)	28,115	(12,255,131)	61,921,295	6,059,209	67,980,504
Balance at 1 January 2014 (audited)	75,000,000	193,550	472,723	314,957	(488,728)	(1,526,838)	28,115	(11,408,337)	62,585,442	4,879,584	67,465,026
Net profit for the period	-	-	-	-	-	-	-	234,309	234,309	97,063	331,372
Other comprehensive loss for the period	-	-	-	-	-	(164,151)	-	-	(164,151)	1,300	(162,851)
Total comprehensive income for the period	-	-	-	-	-	(164,151)	-	-	-	-	-
Balance at 31 March 2014 (unaudited)	75,000,000	193,550	472,723	314,957	(488,728)	(1,690,989)	28,115	(11,174,028)	62,655,600	4,977,947	67,633,547

The accompanying notes set out on pages 8 to 14 form an integral part of this condensed consolidated interim financial information

## **1. Incorporation and activities**

The Energy House Holding Company K.S.C.P. ("the Company") is a Kuwaiti shareholding company registered in the State of Kuwait on 1 October 1996 and its shares are listed on the Kuwait Stock Exchange.

The principal activities of the Company are as follows:

- Ownership of shares of Kuwaiti or foreign shareholding companies or companies with limited liability, or establishing, managing, lending and sponsoring such companies;
- Financing and sponsoring entities in which the Company has an ownership interest of not less than 20%;
- Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such as rights for the benefit of the Company inside or outside the State of Kuwait;
- Owning real-estates to promote its activities; and
- Utilizing available financial surplus of the Company by investing them in portfolios managed by specialized companies.

The above activities of the Company and its subsidiaries (together "the Group") are organized in business units as explained in note 12.

The Group carries out its activities as per Islamic Shari'ah.

The Company is a subsidiary of Development Enterprise Holding Company K.S.C. (Closed) ("DEH") ("the Parent Company"), which in turn is a subsidiary of Kuwait Finance House K.S.C. ("the Ultimate Parent Company"), a Company listed on the Kuwait Stock Exchange.

The address of the Company's registered office is Arraya Tower 2, Sharq Area, 25<sup>th</sup> floor, Kuwait City and the postal address is P.O. Box 21909, Safat 13080, State of Kuwait.

The Annual General Assembly of the Company held on 18 March 2015, approved the following:

- consolidated financial statements of the Group for the year ended 31 December 2014; and
- no dividends for the year ended 31 December 2014.

This condensed consolidated interim financial information of the Group was approved for issue by the Board of Directors of the Company on 14 April 2015

## **2. Basis of preparation**

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated financial position and performance of the Group, since the last annual consolidated financial statements as at and for the year ended 31 December 2014. This condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2015*

Operating results for the three month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

**3. Significant accounting policies**

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the most recent annual audited consolidated financial statements for the year ended 31 December 2014.

**4. Judgements and estimates**

The preparation of condensed consolidated interim 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 condensed consolidated interim 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.

**5. Bank balances, cash and term deposits**

	<b>31 March 2015 KD (Unaudited)</b>	<b>31 December 2014 KD (Audited)</b>	<b>31 March 2014 KD (Unaudited)</b>
Bank balances and cash	<b>3,350,316</b>	3,910,707	3,339,819
Wakala deposits	<b>1,800,000</b>	1,800,000	2,050,000
Bank balances and cash in the interim consolidated statement of financial position	<b>5,150,316</b>	5,710,707	5,389,819
Restricted bank balances and wakala deposits	<b>(2,067,877)</b>	(2,419,342)	(1,828,720)
Cash and cash equivalents in the interim consolidated statement of cash flows	<b>3,082,439</b>	3,291,365	3,561,099

Restricted bank balances and wakala deposits represent margin deposits that are held as security against letters of guarantee issued by banks on behalf of the Group (note 11).

**The Energy House Holding Company K.S.C.P. and subsidiaries**

**State of Kuwait**

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

*for the three month period ended 31 March 2015*

**6. Related party transactions**

Related parties represent major shareholders, Directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Company and its subsidiaries which are related parties to the Company have been eliminated on consolidation and are not disclosed in this note. Transactions with related parties are as follows:

<i>Interim consolidated statement of financial position</i>	<b>31 March 2015 KD (Unaudited)</b>	<b>31 December 2014 KD (Audited)</b>	<b>31 March 2014 KD (Unaudited)</b>
<i>The Ultimate Parent Company</i>			
Bank balances, cash and term deposits	<b>845,895</b>	786,153	1,284,182
Murabaha payables secured against financial assets	-	-	751,324
<i>The Parent Company</i>			
Accounts payable and other liabilities	<b>3,012</b>	-	-
Accounts receivables and other assets	-	-	3,818
<i>Entities related to the shareholders</i>			
Accounts receivables and other assets	<b>10,550</b>	11,898	31,389
Accounts payable and other liabilities	<b>296,613</b>	58,194	140,928
<i>Transactions included in the interim consolidated statement of profit or loss</i>		<b>Three month period ended 31 March</b>	
		<b>2015 KD (Unaudited)</b>	<b>2014 KD (Unaudited)</b>
<i>The Ultimate Parent Company</i>			
Finance income		<b>3,948</b>	-
Murabaha finance cost		-	27,224
<i>Compensation of key management personnel</i>			
Short term benefits		<b>149,473</b>	120,886
Termination benefits		<b>10,098</b>	8,889
		<b>159,571</b>	<b>129,775</b>

**7. Murabaha payables**

Murabaha facility was obtained by a subsidiary carrying effective profit rate of 9.09% per annum. The facility is secured against a building occupied by the subsidiary (31 December 2014 and 31 March 2014: secured against deposits of the Company and the Parent Company amounted to KD 250,000 and KD 500,000, respectively).

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**

**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2015*

**8. Basic and diluted (loss) / earnings per share attributable to shareholders of the Company**

Basic and diluted (loss) / earnings per share attributable to shareholders of the Company is calculated as follows:

	<b>Three month period ended 31 March</b>	
	<b>2015 (Unaudited)</b>	<b>2014 (Unaudited)</b>
(Loss) / Profit for the period attributable to shareholders of the Company (KD)	<b>(1,024,585)</b>	234,309
Weighted average number of outstanding shares	<b>750,000,000</b>	750,000,000
Basic and diluted (loss) / earnings per share attributable to shareholders of the Company (fils)	<b>(1.366)</b>	0.312

**9. Fair values of financial assets**

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the financial position date. The quoted market price used for financial assets held by the Group is the current bid price.

The investment in an unquoted fund is carried at net asset value provided by the fund manager.

The fair value of investment property is determined based on the valuation performed as at 31 December 2014 by accredited independent valuator who is the industry specialists in valuing this type of investment property.

Fair value measurements recognised in the consolidated statement of financial position

The table below analyses the assets carried at fair value. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Level 1 KD</b>	<b>Level 2 KD</b>	<b>Total fair value KD</b>
<b>31 March 2015</b>			
<b>Financial assets at fair value through profit or loss</b>			
Investment in an unquoted fund	-	6,522,507	6,522,507
<b>Financial assets available for sale</b>			
Quoted equity securities	336,935	-	336,935
<b>Investment property</b>	-	7,751,287	7,751,287
	<u>336,935</u>	<u>14,273,794</u>	<u>14,610,729</u>

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2015*

**9. Fair values of financial assets (continued)**

	<b>Level 1 KD</b>	<b>Level 2 KD</b>	<b>Total fair value KD</b>
<b>31 December 2014</b>			
<b>Financial assets at fair value through profit or loss</b>			
Investment in an unquoted fund	-	6,910,008	6,910,008
<b>Financial assets available for sale</b>			
Quoted equity securities	347,804	-	347,804
<b>Investment property</b>	-	8,001,328	8,001,328
	<u>347,804</u>	<u>14,911,336</u>	<u>15,259,140</u>
<b>31 March 2014</b>			
<b>Financial assets at fair value through profit or loss</b>			
Investment in an unquoted fund	-	6,034,411	6,034,411
<b>Financial assets available for sale</b>			
Quoted equity securities	328,649	-	328,649
<b>Investment property</b>	-	6,860,446	6,860,446
	<u>328,649</u>	<u>12,894,857</u>	<u>13,223,506</u>

During the periods ended 31 March 2015, 31 December 2014 and 31 March 2014, there were no transfers between Level 1 and Level 2 fair value measurements.

**10. Hyperinflation adjustment**

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the statement of financial position date and that corresponding figures for previous periods be stated in the same terms to the latest statement of financial position date. This has been applied in Hagleig, a subsidiary, and hence the restatement has been calculated by means of conversion factors derived from the Consumer Price Index (CPI) provided by The International Monetary Fund (IMF) and the Central Bank of Sudan (CBS). The conversion factors used to restate the financial statements of the subsidiary are as follows:

	<b>Index</b>	<b>Conversion Factor</b>
31 March 2015	459.500	3.002
31 December 2014	428.300	1.151
31 December 2013	314.826	1.198
31 December 2012	262.793	1.444
31 December 2011	181.944	1.189
31 December 2010	153.043	1

**10. Hyperinflation adjustment (continued)**

The above mentioned restatement is affected as follows:

- i. Financial statements prepared in the currency of a hyperinflationary economy are stated after applying the measuring unit current at statement of financial position date and corresponding figures for the previous period are stated on the same basis. Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the statement of financial position date. Monetary items are money held and items to be recovered or paid in money;
- ii. Non-monetary assets and liabilities that are not carried at amounts current at the statement of financial position date and components of shareholders' equity are restated by applying the relevant conversion factors;
- iii. Comparative financial statements are restated using general inflation indices in terms of the measuring unit current at the statement of financial position date. Investment property and available for sale investments are indexed based on recent fair valuations. The resulting adjustments are taken directly to the consolidated statement of changes in equity;
- iv. All items in the income statement are restated by applying the relevant quarterly average or year-end conversion factors; and
- v. The effect on the net monetary position of the Group is included in the consolidated statement of profit or loss as a monetary gain or loss from hyperinflation.

The application of the IAS 29 restatement procedures has the effect of amending certain accounting policies at the subsidiary's level which are used in the preparation of the financial statements under the historical cost conversion.

The movement in non-monetary assets and liabilities due to hyperinflation is as follows:

	<b>31 March 2015 KD (Unaudited)</b>	<b>31 December 2014 KD (Audited)</b>	<b>31 March 2014 KD (Unaudited)</b>
Property and equipment	228,363	245,935	531,540
Investment in associate	(175,962)	461,046	238,253
Investment property	-	905,271	-
Financial assets available for sale	-	7,668	-
Inventories	273,458	408,346	199,620
Provision for staff indemnity	(9,489)	(36,470)	(17,627)
Other impact on the consolidated statement of profit or loss	(15,572)	188,119	(30,252)
	<u>300,798</u>	<u>2,179,915</u>	<u>921,534</u>

**The Energy House Holding Company K.S.C.P. and subsidiaries**  
**State of Kuwait**  
**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2015*

**11. Commitments and contingent liabilities**

	<b>31 March 2015 KD (Unaudited)</b>	<b>31 December 2014 KD (Audited)</b>	<b>31 March 2014 KD (Unaudited)</b>
<b>Capital commitments</b>			
Commitment towards contribution of fund expenses	<b>1,065,634</b>	62,623	150,717
Financial assets available for sale	<b>7,110,000</b>	6,993,000	6,768,000
	<b><u>8,175,634</u></b>	<u>7,055,623</u>	<u>6,918,717</u>
<b>Contingent liabilities</b>			
Letters of guarantee	<b><u>2,067,877</u></b>	<u>2,419,342</u>	<u>1,883,869</u>

No material liabilities are anticipated to arise out of contingent liabilities. The letters of guarantee are partly secured against Wakala deposits and restricted bank balances (note 5).

**12. Segment information**

For management purposes, the Group is organised into two operating segments based on business units as follows:

- Energy** : Exploration, drilling, development and production of oil and gas, alternate and renewable sources of energy, licensing and other activities related to the energy sector; and
- Others** : Investment and other related services.

	<b>Energy KD</b>	<b>Others KD</b>	<b>Total KD</b>
<b>Three months ended 31 March 2015 (Unaudited)</b>			
Segment revenues	<b>3,895,211</b>	-	<b>3,895,211</b>
(Loss) / profit for the period	<b><u>(1,146,445)</u></b>	<u>77,909</u>	<u>(1,068,536)</u>
<b>Three months ended 31 March 2014 (Unaudited)</b>			
Segment revenues	3,156,657	-	3,156,657
Profit for the period	<u>215,419</u>	<u>115,953</u>	<u>331,372</u>
<b>As at 31 March 2015 (Unaudited)</b>			
Segment assets	<b><u>68,714,647</u></b>	<u>7,751,287</u>	<u>76,465,934</u>
<b>As at 31 December 2014 (Audited)</b>			
Segment assets	<u>68,681,478</u>	<u>8,001,328</u>	<u>76,682,806</u>
<b>As at 31 March 2014 (Unaudited)</b>			
Segment assets	<u>68,925,535</u>	<u>8,250,006</u>	<u>77,175,541</u>