

**ALAFCO AVIATION LEASE AND FINANCE  
COMPANY K.S.C.P.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

**31 DECEMBER 2014**



Building a better  
working world

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C.P.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C.P. (the "parent company") and its subsidiaries (together, the "group") as at 31 December 2014, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The management of the parent company is responsible for the preparation and 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**

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.

### **Conclusion**

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 International Accounting Standard 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 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 Memorandum of Incorporation and Articles of Association during the three months period ended 31 December 2014 that might have had a material effect on the business of the parent company or on its financial position.

WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
EY  
(AL AIBAN, AL OSAIMI & PARTNERS)

DR. SAUD HAMAD AL-HUMAIDI  
LICENSE NO. 51 A  
OF DR. SAUD HAMAD AL-HUMAIDI &  
PARTNERS  
MEMBER OF BAKER TILLY INTERNATIONAL

2 February 2015  
Kuwait

ALAFCO Aviation Lease and Finance Company K.S.C.P.

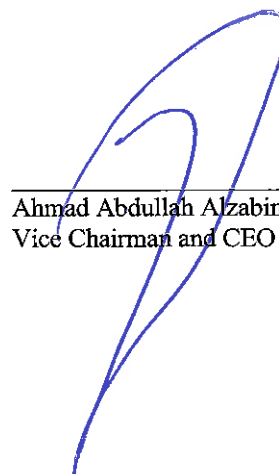
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 December 2014

		31 December 2014 KD	(Audited) 30 September 2014 KD	31 December 2013 KD
<b>ASSETS</b>				
Aircraft, engines and equipment	4	537,403,988	535,792,851	545,266,238
Capital advances	5	39,422,206	38,782,782	27,784,225
Receivables	9	17,091,604	14,935,007	13,579,273
Cash and cash equivalents	6	70,571,181	70,523,531	66,034,921
<b>TOTAL ASSETS</b>		<b>664,488,979</b>	<b>660,034,171</b>	<b>652,664,657</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	7	81,876,015	77,977,157	77,977,157
Share premium		1,162,500	1,162,500	1,162,500
Statutory reserve		17,449,810	17,449,810	15,708,494
Foreign currency translation reserve		6,720,239	3,440,528	(650,113)
Retained earnings		93,566,223	97,041,552	90,510,625
<b>Total equity</b>		<b>200,774,787</b>	<b>197,071,547</b>	<b>184,708,663</b>
<b>LIABILITIES</b>				
Due to financial institutions	8	355,937,645	360,709,492	382,445,140
Security deposits		14,919,349	14,763,788	15,065,653
Maintenance reserve		85,332,633	79,694,799	62,290,764
Other liabilities		7,524,565	7,794,545	8,154,437
<b>Total liabilities</b>		<b>463,714,192</b>	<b>462,962,624</b>	<b>467,955,994</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>664,488,979</b>	<b>660,034,171</b>	<b>652,664,657</b>



Yousef Ahmad Alhumaidi  
Chairman of the Board



Ahmad Abdullah Alzabin  
Vice Chairman and CEO

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME  
(UNAUDITED)

For the period ended 31 December 2014

	<i>Notes</i>	<i>Three months ended 31 December</i>	
		<i>2014 KD</i>	<i>2013 KD</i>
Operating lease income		14,585,475	13,999,037
Consultancy and service income		41,836	236,789
Murabaha income		351,421	397,107
Other income		19,578	57,867
Staff costs		(586,431)	(508,849)
Depreciation	4	(7,167,207)	(6,968,094)
Other operating expenses		(517,753)	(269,320)
Finance costs		(2,205,594)	(2,391,313)
<b>PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT</b>		<b>4,521,325</b>	<b>4,553,224</b>
Contribution to KFAS		(40,692)	(40,979)
NLST		(113,033)	(113,831)
Zakat		(45,213)	(45,532)
<b>PROFIT FOR THE PERIOD</b>		<b>4,322,387</b>	<b>4,352,882</b>
Basic and diluted earnings per share	3	<b>5.28 Fils</b>	5.32 Fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P.  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)  
For the period ended 31 December 2014

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	<i>Three months ended</i>	
	<i>31 December</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	<b>4,322,387</b>	<b>4,352,882</b>
<b>Other comprehensive income:</b>		
<i>Other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Foreign currency translation adjustment	<u>3,279,711</u>	<u>(487,371)</u>
<b>Other comprehensive income (loss) for the period</b>	<u><b>3,279,711</b></u>	<u><b>(487,371)</b></u>
<b>Total comprehensive income for the period</b>	<u><u><b>7,602,098</b></u></u>	<u><u><b>3,865,511</b></u></u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 December 2014

	Share capital KD	Share premium KD	Statutory reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
Balance at 1 October 2014	77,977,157	1,162,500	17,449,810	3,440,528	97,041,552	197,071,547
Profit for the period	-	-	-	-	4,322,387	4,322,387
Other comprehensive income for the period	-	-	-	3,279,711	-	3,279,711
<b>Total comprehensive income for the period</b>	-	-	-	3,279,711	4,322,387	7,602,098
Issue of bonus shares (Note 7)	3,898,858	-	-	-	(3,898,858)	-
Dividend (Note 7)	-	-	-	-	(3,898,858)	(3,898,858)
<b>Balance at 31 December 2014</b>	<b>81,876,015</b>	<b>1,162,500</b>	<b>17,449,810</b>	<b>6,720,239</b>	<b>93,566,223</b>	<b>200,774,787</b>
Balance at 1 October 2013	77,977,157	1,162,500	15,708,494	(162,742)	86,157,743	180,843,152
Profit for the period	-	-	-	-	4,352,882	4,352,882
Other comprehensive loss for the period	-	-	-	(487,371)	-	(487,371)
Total comprehensive (loss) income for the period	-	-	-	(487,371)	4,352,882	3,865,511
Balance at 31 December 2013	77,977,157	1,162,500	15,708,494	(650,113)	90,510,625	184,708,663

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 December 2014

	Notes	Three months ended 31 December	
		2014 KD	2013 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		4,322,387	4,352,882
Adjustments for:			
Depreciation	4	7,167,207	6,968,094
Murabaha income		(351,421)	(397,107)
Finance costs		2,205,594	2,391,313
		<u>13,343,767</u>	<u>13,315,182</u>
Changes in operating assets and liabilities:			
Receivables		(1,957,675)	6,280,290
Payables		(368,554)	(6,419,309)
Maintenance reserve		4,323,879	5,180,230
		<u>15,341,417</u>	<u>18,356,393</u>
Cash from operations		15,341,417	18,356,393
Finance cost payments		(2,323,385)	(2,526,722)
		<u>13,018,032</u>	<u>15,829,671</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of aircraft, engines and equipment	4	(1,786)	(1,531)
Disposal of aircraft, engines and equipment	4	-	12,817,500
Capital advances for purchase of aircraft and engines	5	-	(7,091,523)
Murabaha income received		398,737	216,163
		<u>396,951</u>	<u>5,940,609</u>
Net cash flows from investing activities		396,951	5,940,609
<b>FINANCING ACTIVITIES</b>			
Financing facilities repaid		(10,718,984)	(18,325,703)
Dividends paid		(3,898,858)	-
		<u>(14,617,842)</u>	<u>(18,325,703)</u>
Net cash flows used in financing activities		(14,617,842)	(18,325,703)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<u>(1,202,859)</u>	<u>3,444,577</u>
Foreign currency translation adjustment		1,250,509	(187,891)
Cash and cash equivalents at 1 October		70,523,531	62,778,235
		<u>70,571,181</u>	<u>66,034,921</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	6	<u>70,571,181</u>	<u>66,034,921</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

At 31 December 2014

**1 INCORPORATION AND PRINCIPAL ACTIVITIES**

ALAFCO Aviation Lease and Finance Company K.S.C.P. (ALAFCO) (the “parent company”) is a Kuwaiti shareholding company registered and incorporated in Kuwait on 21 March 2000. The parent company is engaged in providing service to buy aircraft and other related assets on behalf of the aviation companies, coordinating with factories, providing asset management services to different aviation companies, providing operating lease or financing lease services commensurate with the needs and desires of aviation company customers. They also provide project financing to buy aircraft wholly or partly in light of the evaluation studies and the renewal of risk factors associated with such projects, marketing of aircraft to meet the medium-and long-term needs of aviation companies, assisting aviation companies in the marketing of their aircraft through selling and leasing, and participation in providing services associated with financing and providing technical support to aviation companies. The parent company operates in accordance with the Islamic Sharia’a principles. The parent company is a subsidiary of Kuwait Finance House K.S.C.P. (the “ultimate parent company”) and its registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Abdul Aziz Hamid Al Sagar Street, Al-Mirqab, Kuwait.

The shares of the parent company and the ultimate parent company are listed on the Kuwait Stock Exchange.

The interim condensed consolidated financial information includes transactions and balances of the parent company and wholly owned Special Purpose Companies (“SPC”) (its subsidiaries), together referred to as the “group”. All the transactions of SPC’s are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the group for the three months period ended 31 December 2014 was authorised for issue in accordance with a resolution of the board of directors on 2 February 2015.

**2 BASIS OF PREPARATION**

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

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. For more details, please refer to the audited consolidated financial statements for the year ended 30 September 2014. In addition, results for the three months period ended 31 December 2014 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2015.

The functional currency of the group is US dollars. The interim condensed consolidated financial information has been presented in Kuwaiti Dinars.

**New and amended standards and interpretations**

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 30 September 2014, except for the adoption of the following new standards / amendments to IFRS effective as of 1 October 2014:

- *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*
- *Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32*

The adoption of these standards did not have any significant or material impact on the interim condensed consolidated financial information of the group and relevant disclosures will be made in the annual consolidated financial statements of the group.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2014

**2 BASIS OF PREPARATION (continued)**

**Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's interim condensed consolidated financial statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

*IFRS 9 Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

*IFRS 15 Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

*Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Additional disclosures will be made in the annual consolidated financial statements of the Group when these standards become effective.

**3 EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended</i>	
	<i>31 December</i>	
	<i>2014</i>	<i>2013</i>
Profit for the period (KD)	<b>4,322,387</b>	4,352,882
Weighted average number of ordinary shares	<b>818,760,149</b>	818,760,149
Basic and diluted earnings per share	<b>5.28 Fils</b>	5.32 Fils

The basic and diluted earnings per share for the three months period ended 31 December 2013 was 5.58 Fils before retroactive adjustment to the number of shares due to the bonus shares issued this period (Note 7).

ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2014

4 AIRCRAFT, ENGINES AND EQUIPMENT

	<i>Aircraft and engines KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment KD</i>	<i>Total KD</i>
<b>Cost</b>				
At 1 October 2014	680,706,664	218,137	70,475	680,995,276
Additions	-	-	1,786	1,786
Foreign currency adjustment	11,223,036	3,596	1,164	11,227,796
<b>At 31 December 2014</b>	<b>691,929,700</b>	<b>221,733</b>	<b>73,425</b>	<b>692,224,858</b>
<b>Depreciation</b>				
At 1 October 2014	144,965,450	176,638	60,337	145,202,425
Depreciation charge for the period	7,151,909	13,897	1,401	7,167,207
Foreign currency adjustment	2,447,205	3,022	1,011	2,451,238
<b>At 31 December 2014</b>	<b>154,564,564</b>	<b>193,557</b>	<b>62,749</b>	<b>154,820,870</b>
<b>Net carrying amount</b>				
<b>At 31 December 2014</b>	<b>537,365,136</b>	<b>28,176</b>	<b>10,676</b>	<b>537,403,988</b>
At 30 September 2014 (audited)	535,741,214	41,499	10,138	535,792,851
At 31 December 2013	545,190,532	67,622	8,084	545,266,238
	<i>Aircraft and engines KD</i>	<i>Furniture and fixtures KD</i>	<i>Office equipment KD</i>	<i>Total KD</i>
<b>Cost</b>				
At 1 October 2013	696,301,854	214,162	63,189	696,579,205
Additions	-	-	1,531	1,531
Disposal	(27,925,355)	-	-	(27,925,355)
Foreign currency adjustment	(1,846,301)	(567)	(168)	(1,847,036)
<b>At 31 December 2013</b>	<b>666,530,198</b>	<b>213,595</b>	<b>64,552</b>	<b>666,808,345</b>
<b>Depreciation</b>				
At 1 October 2013	129,847,431	136,205	55,615	130,039,251
Depreciation charge for the period	6,956,944	10,147	1,003	6,968,094
Disposal	(15,107,855)	-	-	(15,107,855)
Foreign currency adjustment	(356,854)	(379)	(150)	(357,383)
<b>At 31 December 2013</b>	<b>121,339,666</b>	<b>145,973</b>	<b>56,468</b>	<b>121,542,107</b>
<b>Net carrying amount</b>				
<b>At 31 December 2013</b>	<b>545,190,532</b>	<b>67,622</b>	<b>8,084</b>	<b>545,266,238</b>

Aircraft with carrying value of KD 510,029,868 (30 September 2014: KD 508,183,592 and 31 December 2013: KD 521,560,355) are under finance lease arrangements and are mortgaged against the financing facilities and registered in the name of the lenders (Note 8).

ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2014

5 CAPITAL ADVANCES

	<i>31 December</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2014</i> <i>KD</i>	<i>31 December</i> <i>2013</i> <i>KD</i>
At 1 October	<b>38,782,782</b>	20,747,716	20,747,716
Additions	-	17,649,966	7,091,523
Foreign currency adjustment	<b>639,424</b>	385,100	(55,016)
	<u><b>39,422,206</b></u>	<u>38,782,782</u>	<u>27,784,225</u>

Capital advances represent progress payments made towards the purchase of aircraft and engines. The commitments in this respect are disclosed in Note 10.

6 CASH AND CASH EQUIVALENTS

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

	<i>31 December</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2014</i> <i>KD</i>	<i>31 December</i> <i>2013</i> <i>KD</i>
Cash and balances with financial institutions	<b>10,362,556</b>	1,756,336	2,683,204
Short-term murabahas	<b>60,208,625</b>	68,767,195	63,351,717
Cash and cash equivalents	<u><b>70,571,181</b></u>	<u>70,523,531</u>	<u>66,034,921</u>

Short-term murabahas represent short-term deals in international commodity transactions which earn a profit rate of 2% per annum (30 September 2014: 2-2.5% per annum, 31 December 2013: 2.5% per annum).

7 SHARE CAPITAL AND ANNUAL GENERAL ASSEMBLY

The authorised, issued and fully paid share capital as at 31 December 2014 comprises 818,760,149 ordinary shares (30 September 2014: 779,771,570 ordinary shares, 31 December 2013: 779,771,570 ordinary shares) of 100 fils each, fully paid in cash.

On 11 December 2014, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 September 2014 and approved a cash dividend of 5% for the year ended 30 September 2014 (30 September 2013: 5%) of par value of each share being 5 fils per share (30 September 2013: 5 fils per share) amounting to KD 3,898,858 (30 September 2013: KD 3,898,858).

The shareholders also approved 38,988,579 bonus shares at 5% (2013: Nil) amounting to KD 3,898,858 for the year ended 30 September 2014 (KD Nil for the year ended 30 September 2013) of the paid up share capital.

ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2014

**8 DUE TO FINANCIAL INSTITUTIONS**

	<i>31 December</i> <i>2014</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2014</i> <i>KD</i>	<i>31 December</i> <i>2013</i> <i>KD</i>
Balance due to financial institutions – financing lease facilities	<u>355,937,645</u>	<u>360,709,492</u>	<u>382,445,140</u>

All the above financing lease facilities are secured over respective aircraft (Note 4) and are denominated in US Dollars.

**9 GAIN ON SALE OF SLOTS AND RECEIVABLES**

In the prior year, the Parent Company entered into an agreement for sale of slots for purchase of eight aircraft. As at 31 December 2014, the receivables balance includes KD 13,521,350 (30 September 2014: KD 13,302,035 and 31 December 2013: KD 13,025,006) in relation to the sale of slots comprising of sales proceeds receivable of KD 8,785,500 (30 September 2014: KD 8,643,000 and 31 December 2013: KD 8,450,872) and refundable capital advances of KD 4,735,850 (30 September 2014: KD 4,659,035 and 31 December 2013: KD 4,574,134). Subsequent to the period, the Parent Company received an amount of KD 7,321,250 of the outstanding amount of KD 13,521,350.

**10 CAPITAL COMMITMENTS**

Potential commitments in respect of purchase of aircraft and engines amount to KD 1,646,985,174 (30 September 2014: KD 1,620,271,226 and 31 December 2013: KD 1,399,711,310) (Note 5).

**11 RELATED PARTY TRANSACTIONS**

Related parties represent the ultimate parent company, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of income:

	<i>Three months ended</i> <i>31 December</i>	
	<i>2014</i> <i>KD</i>	<i>2013</i> <i>KD</i>
Murabaha income		
- Ultimate parent company	3,428	1,073
- Other related parties	347,993	396,034
	<u>351,421</u>	<u>397,107</u>
Consultancy and service income		
- Ultimate Parent Company	41,836	40,696
- Other related parties	-	196,093
	<u>41,836</u>	<u>236,789</u>
<i>Key management compensation:</i>		
Salaries and other short term benefits	<u>371,267</u>	<u>255,494</u>

ALAFCO Aviation Lease and Finance Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 December 2014

**11 RELATED PARTY TRANSACTIONS (continued)**

Interim condensed consolidated statement of financial position:

	<i>Ultimate parent company KD</i>	<i>Other related parties KD</i>	<i>31 December 2014 KD</i>	<i>(Audited) 30 September 2014 KD</i>	<i>31 December 2013 KD</i>
Receivables	-	38,656	<b>38,656</b>	84,578	279,617
Cash and cash equivalents	10,361,791	60,208,625	<b>70,570,416</b>	70,522,777	66,034,184
Other liabilities	267,079	-	<b>267,079</b>	-	-

**12 SEGMENT INFORMATION**

The group is engaged primarily in only one business segment, aircraft leasing segment. However, for management purposes, the group is organised into five geographical segments.

**For three months ended 31 December 2014:**

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	3,861,438	6,156,059	3,786,019	338,312	856,482	<b>14,998,310</b>
Segment results	1,370,771	1,846,843	947,859	112,285	243,567	<b>4,521,325</b>
Total assets	221,605,853	221,299,624	155,583,942	32,805,521	33,194,039	<b>664,488,979</b>
Total liabilities	136,517,875	203,074,415	84,121,194	10,413,443	29,587,265	<b>463,714,192</b>
<b>Other segmental information:</b>						
Depreciation	1,884,145	2,645,002	2,102,001	137,919	398,140	<b>7,167,207</b>
Capital expenditure	1,786	-	-	-	-	<b>1,786</b>

**For three months ended 31 December 2013:**

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	4,090,659	5,971,375	3,466,542	329,090	833,134	14,690,800
Segment results	1,717,689	1,769,828	716,629	110,759	238,319	4,553,224
Total assets	217,895,790	223,365,803	145,781,115	32,112,663	33,509,286	652,664,657
Total liabilities	138,192,718	205,119,310	84,381,314	10,377,367	29,885,285	467,955,994
<b>Other segmental information:</b>						
Depreciation	1,829,052	2,572,898	2,044,700	134,160	387,284	6,968,094
Capital expenditure	1,531	-	-	-	-	1,531