

**ALAFCO AVIATION LEASE AND FINANCE
COMPANY K.S.C. (CLOSED)**

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

31 MARCH 2013



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C. (Closed) (the "parent company") and its subsidiaries (together, the "group") as at 31 March 2013, and the related interim condensed consolidated statements of income and comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six 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 IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

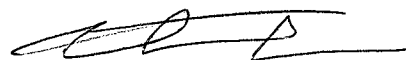
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared in accordance with International Accounting Standard 34.

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 Commercial Companies Law No 25 of 2012, as amended, or of the articles of association of the parent company during the period ended 31 March 2013 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
ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS



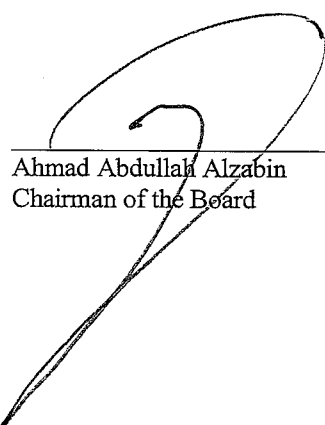
DR. SAUD HAMAD AL-HUMAIDI
LICENSE NO. 51 A
OF DR. SAUD HAMAD AL-HUMAIDI &
PARTNERS
MEMBER OF BAKER TILLY
INTERNATIONAL

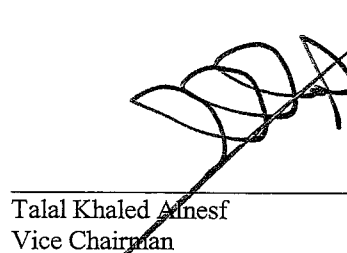
ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 31 March 2013

		<i>(Audited)</i>	
	<i>31 March</i>	<i>30 September</i>	<i>31 March</i>
	<i>2013</i>	<i>2012</i>	<i>2012</i>
<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Aircraft, engines and equipment	4	473,410,144	508,426,577
Capital advances	5	21,012,047	16,436,729
Receivables	9	21,226,414	10,302,327
Cash and balances with financial institutions and short term murabahas	6	65,685,505	43,875,451
TOTAL ASSETS		581,334,110	579,041,084
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	77,977,157	77,977,157
Share premium		1,162,500	1,162,500
Statutory reserve		13,536,119	13,536,119
Foreign currency translation reserve		1,168,323	(1,097,628)
Retained earnings		80,874,476	71,584,071
Total equity		174,718,575	163,162,219
LIABILITIES			
Due to financial institutions	8	338,758,604	353,173,068
Security deposits		12,994,556	14,658,300
Maintenance reserve		49,428,187	40,072,161
Other liabilities		5,434,188	7,975,336
Total liabilities		406,615,535	415,878,865
TOTAL EQUITY AND LIABILITIES		581,334,110	579,041,084


 Ahmad Abdullah Alzabin
 Chairman of the Board


 Talal Khaled Ainesf
 Vice Chairman

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (UNAUDITED)
 For the period ended 31 March 2013

	Notes	Three months ended 31 March		Six months ended 31 March	
		2013	2012	2013	2012
		KD	KD	KD	KD
Operating lease income		12,335,505	13,390,482	26,456,299✓	26,356,587
Consultancy and service income		42,837	44,748	86,198✓	126,146
Murabaha income		378,956	220,457	628,758✓	435,462
Gain on cancellation of aircraft purchase agreements	9	-	-	7,119,167	13,286,441
Other income		453,129	191,741	825,928	194,752
Staff costs		(459,762)	(371,551)	(864,783)	(767,170)
Depreciation	4	(6,093,619)	(6,890,102)	(12,826,202)	(13,809,131)
Impairment loss on aircraft, engines and equipment	4	(2,128,526)	-	(2,128,526)	-
Other operating expenses		(217,043)	(115,683)	(448,972)	(785,152)
Finance costs		(2,176,714)	(2,950,934)	(5,051,566)	(5,929,732)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		2,134,763	3,519,158	13,796,301	19,108,203
Contribution to KFAS		(19,213)	(31,673)	(124,167)	(171,974)
NLST		(53,370)	(87,979)	(344,908)	(477,705)
Zakat		(21,348)	(35,191)	(137,963)	(191,082)
PROFIT FOR THE PERIOD		2,040,832	3,364,315	13,189,263	18,267,442
Basic and diluted earnings per share	3	2.62 Fils	4.31 Fils	16.91 Fils	23.43 Fils

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2013

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	2,040,832	3,364,315	13,189,263	18,267,442
Other comprehensive income:				
Foreign currency translation adjustment	<u>2,182,461</u>	<u>(488,147)</u>	<u>2,265,951</u>	<u>1,163,946</u>
Other comprehensive income (loss) for the period	<u>2,182,461</u>	<u>(488,147)</u>	<u>2,265,951</u>	<u>1,163,946</u>
Total comprehensive income for the period	<u><u>4,223,293</u></u>	<u><u>2,876,168</u></u>	<u><u>15,455,214</u></u>	<u><u>19,431,388</u></u>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2013

	Share capital KD	Share premium KD	Statutory reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
Balance at 1 October 2012	77,977,157	1,162,500	13,536,119	(1,097,628)	71,584,071	163,162,219
Profit for the period	-	-	-	-	13,189,263	13,189,263
Other comprehensive income for the period	-	-	-	2,265,951	-	2,265,951
Total comprehensive income for the period						
Dividend (Note 7)	-	-	-	2,265,951	(3,898,858)	(3,898,858)
Balance at 31 March 2013	77,977,157	1,162,500	13,536,119	1,168,323	80,874,476	174,718,575
Balance at 1 October 2011	77,977,157	1,162,500	10,838,604	(4,094,848)	56,441,048	142,324,461
Profit for the period	-	-	-	-	18,267,442	18,267,442
Other comprehensive income for the period	-	-	-	1,163,946	-	1,163,946
Total comprehensive income for the period						
Dividend (Note 7)	-	-	-	1,163,946	(7,797,716)	(7,797,716)
Balance at 31 March 2012	77,977,157	1,162,500	10,838,604	(2,930,902)	66,910,774	153,958,133

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2013

	Notes	Six months ended 31 March	
		2013 KD	2012 KD
OPERATING ACTIVITIES			
Profit for the period		13,189,263	18,267,442
Adjustments for:			
Depreciation	4	12,826,202	13,809,131
Murabaha income		(628,758)	(435,462)
Finance costs		5,051,566	5,929,732
Impairment loss on aircraft, engines and equipment	4	2,128,526	-
		<u>32,566,799</u>	<u>37,570,843</u>
Changes in operating assets and liabilities:			
Receivables		(8,565,769)	(701,741)
Payables		(4,617,650)	(4,981,395)
Maintenance reserve		8,821,540	6,918,304
		<u>28,204,920</u>	<u>38,806,011</u>
Cash from operations		(5,311,068)	(5,905,646)
Finance cost payments			
Net cash from operating activities		<u>22,893,852</u>	<u>32,900,365</u>
INVESTING ACTIVITIES			
Purchase of aircraft, engines and equipment	4	(2,292)	(311)
Disposal of aircraft, engines and equipment	4	27,065,501	-
Capital advances for purchase of aircraft and engines	5	(6,581,190)	(5,585,394)
Refund of capital advances on cancellation of aircraft purchase agreements	5	-	3,316,252
Murabaha income received		632,959	422,890
Blocked bank account movement		34	323,499
		<u>21,115,012</u>	<u>(1,523,064)</u>
Net cash from (used in) investing activities			
FINANCING ACTIVITIES			
Financing facilities repaid		(19,125,113)	(24,363,268)
Dividend paid	7	(3,898,858)	(7,797,716)
		<u>(23,023,971)</u>	<u>(32,160,984)</u>
Net cash used in financing activities			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Foreign currency translation adjustment		20,984,893	(783,683)
Cash and cash equivalents at 1 October		813,169	296,235
		<u>42,973,830</u>	<u>31,659,313</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	6	<u>64,771,892</u>	<u>31,171,865</u>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2013

1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed) (ALAFCO) (the "parent company") is a closed shareholding company registered and incorporated in Kuwait on 10 May 2000 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is engaged in the business of aircraft leasing and providing of management, marketing and consultancy services to aviation related businesses in line with the Islamic Sharia'a principles. The parent company is a subsidiary of Kuwait Finance House K.S.C. (the "ultimate parent company") and its registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Third Floor, Shuhada 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 six months period ended 31 March 2013 was authorised for issue in accordance with a resolution of the board of directors on 24 April 2013.

The annual consolidated financial statements of the group for the year ended 30 September 2012 were approved by the shareholders of the parent company in the Annual General Assembly meeting held on 17 January 2013.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no 97 of 2013 (the Decree).

According to article 2 and 3 of the Decree, Executive Regulations which shall be issued by the Ministry of Industry and Commerce by 26 September 2013 will determine the basis and rules which the parent company shall adopt to regularise its affairs with the Companies Law as amended.

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 2012. In addition, results for the six months period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2013.

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

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 2012.

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2013

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>Six months ended</i>	
	<i>31 March</i>		<i>31 March</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
Profit for the period (KD)	2,040,832	3,364,315	13,189,263	18,267,442
Weighted average number of ordinary shares	779,771,570	779,771,570	779,771,570	779,771,570
Basic and diluted earnings per share	2.62 Fils	4.31 Fils	16.91 Fils	23.43 Fils

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>
Cost				
At 1 October 2012	635,136,964	212,876	60,547	635,410,387
Additions	370,370	-	2,292	372,662
Disposal	(50,775,130)	-	-	(50,775,130)
Foreign currency adjustment	8,471,505	2,838	808	8,475,151
At 31 March 2013	593,203,709	215,714	63,647	593,483,070
Depreciation and impairment				
At 1 October 2012	126,839,932	94,873	49,005	126,983,810
Depreciation charge for the period	12,802,203	20,323	3,676	12,826,202
Disposal	(23,709,629)	-	-	(23,709,629)
Impairment loss	2,128,526	-	-	2,128,526
Foreign currency adjustment	1,841,857	1,469	691	1,844,017
At 31 March 2013	119,902,889	116,665	53,372	120,072,926
Net carrying amount				
At 31 March 2013	473,300,820	99,049	10,275	473,410,144
At 30 September 2012	508,297,032	118,003	11,542	508,426,577
At 31 March 2012	522,495,282	136,603	13,979	522,645,864

Aircraft with carrying value of KD 459,361,901 (30 September 2012: KD 466,610,993, 31 March 2012: KD 489,609,110) 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. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2013

5 CAPITAL ADVANCES

	<i>31 March</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2012</i> <i>KD</i>	<i>31 March</i> <i>2012</i> <i>KD</i>
At 1 October	16,436,729	15,445,984	15,445,984
Additions	6,581,190	6,170,455	5,585,394
Capital advances refunded on cancellation of aircraft purchase agreements	-	(3,227,140)	-
Capital advances refundable on cancellation of aircraft purchase agreements (Note 9)	(2,225,106)	(2,266,479)	(3,316,252)
Foreign currency adjustment	219,234	313,909	125,003
	<u>21,012,047</u>	<u>16,436,729</u>	<u>17,840,129</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 March</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2012</i> <i>KD</i>	<i>31 March</i> <i>2012</i> <i>KD</i>
Cash and balances with financial institutions	2,224,991	2,843,655	1,706,540
Short-term murabahas	63,460,514	41,031,796	30,356,105
Cash and balances with financial institutions and short term murabahas	65,685,505	43,875,451	32,062,645
Less: blocked bank account (Note 8)	(913,613)	(901,621)	(890,780)
Cash and cash equivalents	<u>64,771,892</u>	<u>42,973,830</u>	<u>31,171,865</u>

In accordance with Islamic Sharia'a, no profit is receivable on cash and balances with financial institutions.

Short-term murabahas represent short-term deals in international commodity transactions which earn a profit rate of 2.5% (30 September 2012: 2.5%, 31 March 2012: 2.8%).

Blocked bank account represents cash and bank balances with financial institutions which are blocked against the financing facilities obtained (Note 8).

7 SHARE CAPITAL AND DIVIDENDS

The authorised, issued and fully paid share capital as at 31 March 2013 comprises 779,771,570 ordinary shares (30 September 2012: 779,771,570 ordinary shares, 31 March 2012: 779,771,570 ordinary shares) of 100 fils each. This consists of 547,500,000 ordinary shares (30 September 2012: 547,500,000 ordinary shares, 31 March 2012: 547,500,000 ordinary shares) which are fully paid in cash and 232,271,570 ordinary shares (30 September 2012: 232,271,570 ordinary shares, 31 March 2012: 232,271,570 ordinary shares) issued as bonus shares.

The Annual General Assembly held on 17 January 2013 approved cash dividend of 5% (30 September 2011: 10%) of par value of each share 5 fils per share (30 September 2011: 10 fils per share) amounting to KD 3,898,858 (30 September 2011: KD 7,797,716).

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2013

8 DUE TO FINANCIAL INSTITUTIONS

	<i>31 March</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2012</i> <i>KD</i>	<i>31 March</i> <i>2012</i> <i>KD</i>
Balance due to financial institutions – financing lease facilities	<u>338,758,604</u>	<u>353,173,068</u>	<u>365,376,160</u>

All the above financing lease facilities are secured over respective aircraft (Note 4) and are denominated in US Dollars. An amount of KD 913,613 (30 September 2012: KD 901,621, 31 March 2012: KD 890,780) included in cash and balances with financial institutions is blocked against the above financing lease facilities (Note 6).

9 GAIN ON CANCELLATION OF AIRCRAFT PURCHASE AGREEMENTS

During the six months period ended 31 March 2013, the parent company entered into an agreement for sale of 'slots for purchase' of four aircraft which resulted in a gain of KD 7,119,167 recorded in the interim condensed consolidated statement of income. The sale proceeds receivable in relation to the sale of slots are included in 'receivables' in the interim condensed consolidated statement of financial position as at the reporting date. The related refundable capital advances for the aircraft amounting to KD 2,225,106 have been included in 'receivables' in the interim condensed consolidated statement of financial position as at the reporting date (Note 5).

During the six months period ended 31 March 2012, the parent company entered into agreements for the cancellation of purchase and subsequent lease of six aircraft, which resulted in a gain of KD 13,286,441.

10 CAPITAL COMMITMENTS

Potential commitments in respect of purchase of aircraft and engines amount to KD 1,423,896,239 (30 September 2012: KD 1,317,800,821, 31 March 2012: KD 1,350,538,081) (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 March</i>		<i>Six months ended</i> <i>31 March</i>	
	<i>2013</i> <i>KD</i>	<i>2012</i> <i>KD</i>	<i>2013</i> <i>KD</i>	<i>2012</i> <i>KD</i>
Murabaha income	378,956	220,457	628,758	435,462
Consultancy and service income	42,837	44,748	86,198	126,146
<i>Key management compensation:</i>				
Salaries and other short term benefits	232,175	215,750	465,631	449,206

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2013

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 March 2013 KD</i>	<i>(Audited) 30 September 2012 KD</i>	<i>31 March 2012 KD</i>
Receivables	-	187,581	187,581	76,280	77,963
Cash and balances with financial institutions and short term murabahas	1,311,378	63,460,513	64,771,891	42,973,096	31,171,140

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 the six months ended 31 March 2013:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	15,881,859	9,878,110	7,054,066	656,921	1,645,394	35,116,350
Segment results	10,619,186	545,309	1,921,709	224,579	485,518	13,796,301
Total assets	233,547,152	136,485,621	137,599,032	38,693,394	35,008,911	581,334,110
Total liabilities	30,566,652	15,053,020	277,575,673	78,545,833	4,874,357	406,615,535
Other segmental information:						
Depreciation	3,866,838	4,161,892	3,768,008	264,796	764,668	12,826,202
Capital expenditure	2,292	-	-	-	-	2,292

For the six months ended 31 March 2012:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>USA KD</i>	<i>Africa KD</i>	<i>Total KD</i>
Segment revenue	21,245,480	9,843,585	6,606,062	645,626	2,058,635	40,399,388
Segment results	15,136,507	2,190,176	1,055,910	204,931	520,679	19,108,203
Total assets	202,367,652	161,306,386	149,688,220	17,221,854	43,195,755	573,779,867
Total liabilities	20,667,793	18,269,019	302,396,377	74,711,199	3,777,346	419,821,734
Other segmental information:						
Depreciation	4,194,039	4,628,965	3,687,483	261,772	1,036,872	13,809,131
Capital expenditure	311	-	-	-	-	311

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2013

13 LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. The group manages this risk by active cash flow management, short term financing facilities with various financial institutions, investment in short term murabahas and generation of funds from its operations. The maturity profile is monitored by the finance department to ensure adequate liquidity is maintained by ensuring facilities from the ultimate parent company are available.

Commitments in respect of purchase of aircraft (Note 10) will be funded through the issue of equity, cash generated from operations and through bank borrowings, which will be arranged as the cash flow needs arise.

The table below summarises the maturity profile of the group's liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flows which include future finance cost payments over the life of these financial liabilities. The liquidity profile of financial liabilities at 31 March 2013 is as follows:

31 March 2013	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	18,627,989	46,453,477	152,214,894	159,330,022	376,626,382
Security deposits	213,675	213,675	3,293,749	9,273,457	12,994,556
Maintenance reserve	-	3,915,817	24,217,708	21,294,662	49,428,187
Other liabilities (excluding lease rent received in advance)	1,073,648	2,324,974	379,080	-	3,777,702
TOTAL LIABILITIES	19,915,312	52,907,943	180,105,431	189,898,141	442,826,827
Capital commitments	-	-	283,903,684	1,139,992,555	1,423,896,239
30 September 2012	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	11,397,701	29,749,150	180,157,380	172,982,493	394,286,724
Security deposits	-	2,741,213	1,646,977	10,270,110	14,658,300
Maintenance reserve	-	-	16,572,845	23,499,316	40,072,161
Other liabilities	1,937,443	2,019,489	590,848	-	4,547,780
TOTAL LIABILITIES	13,335,144	34,509,852	198,968,050	206,751,919	453,564,965
Capital commitments	-	-	246,523,318	1,071,277,503	1,317,800,821
31 March 2012	<i>Within 3 months KD</i>	<i>3 to 12 months KD</i>	<i>1 to 5 years KD</i>	<i>More than 5 years KD</i>	<i>Total KD</i>
Due to financial institutions	11,238,286	30,911,872	179,903,983	189,148,878	411,203,019
Security deposits	350,167	2,708,355	1,783,891	9,560,196	14,402,609
Maintenance reserve	-	1,783,168	11,902,002	18,014,573	31,699,743
Other liabilities (excluding lease rent received in advance)	1,247,156	1,288,355	476,249	2,119	3,013,879
TOTAL LIABILITIES	12,835,609	36,691,750	194,066,125	216,725,766	460,319,250
Capital commitments	-	-	114,959,894	1,235,578,187	1,350,538,081

ALAFCO Aviation Lease and Finance Company K.S.C. (Closed)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2013

14 OPERATING LEASE INCOME

The future minimum lease rent receivable on the operating leases is KD 235,899,352 (30 September 2012: KD 253,152,817, 31 March 2012: KD 278,052,872) and is receivable as follows:

	<i>31 March</i> <i>2013</i> <i>KD</i>	<i>(Audited)</i> <i>30 September</i> <i>2012</i> <i>KD</i>	<i>31 March</i> <i>2012</i> <i>KD</i>
Income receivable within one year	45,209,673	47,572,394	51,841,600
Income receivable within one year to five years	154,502,987	156,548,882	160,744,539
Income receivable after five years	36,186,692	49,031,541	65,466,733
	<u>235,899,352</u>	<u>253,152,817</u>	<u>278,052,872</u>