

**HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED)  
AND SUBSIDIARIES**

**HUMANSOFT**

**H O L D I N G**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION AND INDEPENDENT AUDITORS' REVIEW  
REPORT FOR THE PERIOD FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013  
(UNAUDITED)**

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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### TO THE BOARD OF DIRECTORS OF HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED)

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Humansoft Holding Company K.S.C. (Closed) ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2013 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three month and nine month periods then ended, and changes in equity and cash flows for the nine-month period then ended. The Parent Company's management 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 IAS 34.

#### *Report on other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that to the best of our knowledge and belief, no violation of the Companies Law No. 25 of 2012, as amended, or the Memorandum and Articles of Association of the Parent Company have occurred during the nine-month period ended 30 September 2013 that might have had a material effect on the business of the Group or on its financial position.



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Talal Yousef Al-Muzaini

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6 November 2013



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Ali Abdulrahman Al-Hasawi

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# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2013 (Unaudited)



|                                      |                      | (Audited)           |                      |
|--------------------------------------|----------------------|---------------------|----------------------|
|                                      | 30 September<br>2013 | 31 December<br>2012 | 30 September<br>2012 |
|                                      | KD                   | KD                  | KD                   |
| <b>ASSETS</b>                        |                      |                     |                      |
| <b>Current assets</b>                |                      |                     |                      |
| Cash and bank balances               | 3 6,251,824          | 5,358,060           | 4,595,944            |
| Trade and other receivables          | 4 11,613,543         | 4,757,904           | 7,884,257            |
| Inventories                          | 84,483               | 67,007              | 77,705               |
|                                      | <u>17,949,850</u>    | <u>10,182,971</u>   | <u>12,557,906</u>    |
| <b>Non-current assets</b>            |                      |                     |                      |
| Property and equipment               | 20,603,574           | 20,912,940          | 20,648,760           |
| Intangible assets                    | 8,555,357            | 8,611,668           | 8,594,494            |
| Investment in associates             | 523,157              | 523,923             | 500,225              |
| Investment available for sale        | 468                  | 468                 | 468                  |
|                                      | <u>29,682,556</u>    | <u>30,048,999</u>   | <u>29,743,947</u>    |
| <b>Total assets</b>                  | <u>47,632,406</u>    | <u>40,231,970</u>   | <u>42,301,853</u>    |
| <b>LIABILITIES AND EQUITY</b>        |                      |                     |                      |
| <b>Current liabilities</b>           |                      |                     |                      |
| Bank overdrafts                      | 3 -                  | 187,826             | 162,193              |
| Short-term loan                      | 750,000              | 750,000             | 750,000              |
| Trade and other payables             | 590,099              | 589,830             | 729,853              |
| Accruals and other liabilities       | 3,570,538            | 2,012,602           | 1,904,301            |
| Deferred income                      | 6 7,721,009          | 2,317,643           | 5,587,486            |
| Retentions payable                   | 484,382              | 810,825             | 481,937              |
| Current portion of long-term debts   | 7 2,726,500          | 1,991,000           | 2,096,500            |
|                                      | <u>15,842,528</u>    | <u>8,659,726</u>    | <u>11,712,270</u>    |
| <b>Non-current liabilities</b>       |                      |                     |                      |
| Long-term debts                      | 7 5,593,113          | 7,111,982           | 6,749,092            |
| Retentions payable                   | -                    | -                   | 389,162              |
| Provision for staff indemnity        | 747,687              | 599,382             | 552,049              |
|                                      | <u>6,340,800</u>     | <u>7,711,364</u>    | <u>7,690,303</u>     |
| <b>Total liabilities</b>             | <u>22,183,328</u>    | <u>16,371,090</u>   | <u>19,402,573</u>    |
| <b>Equity</b>                        |                      |                     |                      |
| Share capital                        | 11,424,000           | 11,424,000          | 11,424,000           |
| Share premium                        | 1,512,000            | 1,512,000           | 1,512,000            |
| Statutory reserve                    | 1,644,156            | 1,644,156           | 1,388,033            |
| Voluntary reserve                    | 1,644,156            | 1,644,156           | 1,388,033            |
| Treasury shares                      | (9,435)              | (9,435)             | (7,957)              |
| Gain on sale of treasury shares      | 495,654              | 495,654             | 495,654              |
| Retained earnings                    | 8,751,643            | 7,161,012           | 6,716,505            |
| Foreign currency translation reserve | (13,096)             | (10,663)            | (16,988)             |
| <b>Total equity</b>                  | <u>25,449,078</u>    | <u>23,860,880</u>   | <u>22,899,280</u>    |
| <b>Total liabilities and equity</b>  | <u>47,632,406</u>    | <u>40,231,970</u>   | <u>42,301,853</u>    |

  
Mr. Hassan Qasem Al-Ali  
Vice Chairman

The accompanying notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

## HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES


Interim Condensed Consolidated Statement of Profit or Loss  
– period from 1 January 2013 to 30 September 2013 (Unaudited)



|   | Notes | Three months ended   |                      | Nine months ended    |                      |
|---|-------|----------------------|----------------------|----------------------|----------------------|
|   |       | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|   |       | KD                   | KD                   | KD                   | KD                   |
| Revenues  |       | 6,814,587            | 4,816,738            | 15,154,294           | 11,020,994           |
| Cost of operations  | 8     | (2,184,155)          | (1,813,551)          | (4,769,870)          | (3,600,557)          |
| Gross profit  |       | 4,630,432            | 3,003,187            | 10,384,424           | 7,420,437            |
| General and administrative expenses   | 9     | (2,324,766)          | (2,045,478)          | (5,312,783)          | (4,327,960)          |
| Selling expenses  | 10    | (632,826)            | (358,593)            | (1,292,397)          | (838,446)            |
| Property and equipment written off  |       | -                    | (412,631)            | -                    | (634,699)            |
| Finance charges   |       | (106,237)            | (51,632)             | (379,132)            | (172,975)            |
| Share of (loss) / profit of associates  |       | (3,000)              | 5,250                | 4,596                | 33,564               |
| Other income  |       | 22,181               | 25,080               | 63,032               | 79,405               |
| <b>Profit before contribution to Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat</b> |       | 1,585,784            | 165,183              | 3,467,740            | 1,559,326            |
| Contribution to KFAS  | 11    | (14,339)             | (4,423)              | (32,725)             | (17,476)             |
| NLST  |       | (41,910)             | (5,020)              | (92,668)             | (42,216)             |
| Zakat   |       | (16,811)             | (5,232)              | (38,678)             | (20,612)             |
| <b>Profit for the period</b>  |       | <u>1,512,724</u>     | <u>150,508</u>       | <u>3,303,669</u>     | <u>1,479,022</u>     |
| <b>Basic and diluted earnings per share (fils)</b>  | 12    | <u>13.25</u>         | <u>1.32</u>          | <u>28.93</u>         | <u>12.95</u>         |

The accompanying notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

## HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income   
– period from 1 January 2013 to 30 September 2013 (Unaudited)

|   | Three months ended      |                       | Nine months ended       |                         |
|---|-------------------------|-----------------------|-------------------------|-------------------------|
|   | 30 September<br>2013    | 30 September<br>2012  | 30 September<br>2013    | 30 September<br>2012    |
|   | KD                      | KD                    | KD                      | KD                      |
| <b>Profit for the period</b>  | <u>1,512,724</u>        | <u>150,508</u>        | <u>3,303,669</u>        | <u>1,479,022</u>        |
| <b>Other comprehensive income</b>   |                         |                       |                         |                         |
| <i>Items that may be reclassified subsequently to<br/>profit or loss:</i> |                         |                       |                         |                         |
| Exchange differences on translating foreign<br>operations                 | <u>(20,072)</u>         | <u>317</u>            | <u>(2,433)</u>          | <u>2,157</u>            |
| <b>Other comprehensive (loss) / income for the<br/>period</b>             | <u>(20,072)</u>         | <u>317</u>            | <u>(2,433)</u>          | <u>2,157</u>            |
| <b>Total comprehensive income for the period</b>                          | <u><u>1,492,652</u></u> | <u><u>150,825</u></u> | <u><u>3,301,236</u></u> | <u><u>1,481,179</u></u> |

The accompanying notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES



Interim Condensed Consolidated Statement of Changes in Equity - period from 1 January 2013 to 30 September 2013 (Unaudited)

|  | Share capital<br>KD | Share premium<br>KD | Statutory reserve<br>KD | Voluntary reserve<br>KD | Treasury shares<br>KD | Gain on sale of treasury shares<br>KD | Retained earnings<br>KD | Foreign currency translation reserve<br>KD | Total<br>KD       |
|--|---------------------|---------------------|-------------------------|-------------------------|-----------------------|---------------------------------------|-------------------------|--|-------------------|
| <b>Balance as at 1 January 2013</b>                | 11,424,000          | 1,512,000           | 1,644,156               | 1,644,156               | (9,435)               | 495,654                               | 7,161,012               | (10,663)                                   | 23,860,880        |
| Total comprehensive income / (loss) for the period | -                   | -                   | -                       | -                       | -                     | -                                     | 3,303,669               | (2,433)                                    | 3,301,236         |
| Dividend (Note 15)                                 | -                   | -                   | -                       | -                       | -                     | -                                     | (1,713,038)             | -  | (1,713,038)       |
| <b>Balance as at 30 September 2013</b>             | <b>11,424,000</b>   | <b>1,512,000</b>    | <b>1,644,156</b>        | <b>1,644,156</b>        | <b>(9,435)</b>        | <b>495,654</b>                        | <b>8,751,643</b>        | <b>(13,096)</b>                            | <b>25,449,078</b> |
| <b>Balance as at 1 January 2012</b>                | <b>11,424,000</b>   | <b>1,512,000</b>    | <b>1,388,033</b>        | <b>1,388,033</b>        | <b>-</b>              | <b>495,654</b>                        | <b>5,237,483</b>        | <b>(19,145)</b>                            | <b>21,426,058</b> |
| Total comprehensive income for the period          | -                   | -                   | -                       | -                       | -                     | -                                     | 1,479,022               | 2,157                                      | 1,481,179         |
| Purchase of treasury shares                        | -                   | -                   | -                       | -                       | (7,957)               | -                                     | -                       | -  | (7,957)           |
| <b>Balance as at 30 September 2012</b>             | <b>11,424,000</b>   | <b>1,512,000</b>    | <b>1,388,033</b>        | <b>1,388,033</b>        | <b>(7,957)</b>        | <b>495,654</b>                        | <b>6,716,505</b>        | <b>(16,988)</b>                            | <b>22,899,280</b> |

The accompanying notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Cash Flows  
- period from 1 January 2013 to 30 September 2013 (Unaudited)



|   | Notes | Nine months ended    |                      |
|---|-------|----------------------|----------------------|
|   |       | 30 September<br>2013 | 30 September<br>2012 |
|   |       | KD                   | KD                   |
| <b>OPERATING ACTIVITIES</b>                                   |       |                      |                      |
| Profit before contribution to KFAS, NLST and Zakat            |       | 3,467,740            | 1,559,326            |
| Adjustments for:  |       |                      |                      |
| Depreciation and amortisation                                 | 9     | 1,038,071            | 636,204              |
| Provision for staff indemnity                                 |       | 193,158              | 140,882              |
| Allowance for doubtful debts                                  |       | 91,079               | 38,420               |
| Finance charges   |       | 379,132              | 172,975              |
| Property and equipment written off                            |       | -                    | 634,699              |
| Share of profit of associates                                 |       | (4,596)              | (33,564)             |
| Interest income   |       | (201)                | (449)                |
|   |       | <u>5,164,383</u>     | <u>3,148,493</u>     |
| Increase in trade and other receivables                       |       | (6,946,838)          | (3,309,560)          |
| Increase in inventories                                       |       | (17,476)             | (24,241)             |
| Increase in trade and other payables                          |       | 269                  | 121,463              |
| Increase in accruals and other liabilities                    |       | 1,524,804            | 776,470              |
| Increase in deferred income                                   |       | 5,403,366            | 3,902,673            |
| (Decrease) / increase in retentions payable                   |       | (326,443)            | 428,434              |
|   |       | <u>4,802,065</u>     | <u>5,043,732</u>     |
| Payment of staff indemnity                                    |       | (45,259)             | (49,979)             |
| Payment of KFAS   |       | (23,051)             | (22,533)             |
| Payment of NLST   |       | (68,894)             | (57,076)             |
| Payment of Zakat  |       | (33,507)             | (24,644)             |
| <b>Net cash from operating activities</b>                     |       | <u>4,631,354</u>     | <u>4,889,500</u>     |
| <b>INVESTING ACTIVITIES</b>                                   |       |                      |                      |
| Payments for capital work in progress                         |       | (420,324)            | (5,294,063)          |
| Purchase of property and equipment                            |       | (249,350)            | (155,995)            |
| Payments for intangible assets                                |       | (1,420)              | (9,649)              |
| Interest income received                                      |       | 201                  | 449                  |
| <b>Net cash used in investing activities</b>                  |       | <u>(670,893)</u>     | <u>(5,459,258)</u>   |
| <b>FINANCING ACTIVITIES</b>                                   |       |                      |                      |
| Purchase of treasury shares                                   |       | -                    | (7,957)              |
| Finance charges paid  |       | (384,619)            | (334,222)            |
| (Decrease) / increase in long-term debts                      |       | (783,369)            | 3,137,816            |
| Dividend  |       | (1,713,038)          | -                    |
| <b>Net cash (used in) / from financing activities</b>         |       | <u>(2,881,026)</u>   | <u>2,795,637</u>     |
| <b>Net increase in cash and cash equivalents</b>              |       | <u>1,079,435</u>     | <u>2,225,879</u>     |
| Effects of exchange rate changes on cash and cash equivalents |       | 2,155                | (3,647)              |
| Cash and cash equivalents at beginning of the period          |       | 5,170,234            | 2,211,519            |
| <b>Cash and cash equivalents at end of the period</b>         | 3     | <u>6,251,824</u>     | <u>4,433,751</u>     |

The accompanying notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.



# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January 2013 to 30 September 2013 (Unaudited)



## 1. INCORPORATION AND PRINCIPAL ACTIVITIES

Humansoft Holding Company K.S.C. (Closed) (“the Parent Company”) is a closed Kuwaiti shareholding company incorporated on 14 September 1997.

The Parent Company and its subsidiaries (together referred to as “the Group”) are engaged in establishing and managing private universities and colleges, providing computer education, language training, executive courses and electronic commerce and media. The Group is also permitted to invest surplus funds in shares and other securities and to acquire interests in related businesses in Kuwait and abroad.

The Parent Company is listed on the Kuwait Stock Exchange and its registered office is P.O. Box 305, Dasman 15454, State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2013 was authorised for issue by the Board of Directors of the Parent Company on 6 November 2013.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, “*Interim Financial Reporting*”. Accordingly, it does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of the Group for the year ended 31 December 2012.

During the period the Group has adopted all the standards that came into effect for annual period beginning 1 January 2013. The adoption of these standards did not have any material impact on this interim condensed consolidated financial information.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending 31 December 2013. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2012.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent Company.

### 2.2 New and amended standards

#### *IFRS 10 Consolidated Financial Statements*

IFRS 10 replaces the consolidation guidance in IAS 27 “*Consolidated and Separate Financial Statements*” and SIC-12 “*Consolidation - Special Purpose Entities*” by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure or rights, to variable returns from its involvement with the investee and 3) the ability to use its power over the investee to affect the amount of the returns. The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.2 New and amended standards (Continued)**

*IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

The adoption of this standard has not resulted in any material additional disclosures. The Group will review before the year end and may disclose any additional disclosure in the annual consolidated financial statements of the Group.

*IFRS 13 Fair Value Measurement*

IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements.

The adoption of this standard has not resulted in any material additional disclosures. The Group will review before the year end and may disclose any additional disclosure in the annual consolidated financial statements of the Group.

*IAS 1 Financial Statement Presentation*

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The adoption of this standard resulted in presentation changes in statement of profit or loss and other comprehensive income. The amendments also preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income'.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2013 did not have any material impact on the accounting policies, financial position or performance of the Group.

**2.3 Judgements and estimates**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2012.

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January 2013 to 30 September 2013 (Unaudited)



## 3. CASH AND CASH EQUIVALENTS

|                                | 30 September<br>2013 | (Audited)<br>31 December<br>2012 | 30 September<br>2012 |
|--------------------------------|----------------------|----------------------------------|----------------------|
|                                | KD                   | KD                               | KD                   |
| Cash on hand and at banks      | 6,174,854            | 5,166,460                        | 4,405,194            |
| Short-term deposits with banks | 76,970               | 191,600                          | 190,750              |
| Cash and bank balances         | 6,251,824            | 5,358,060                        | 4,595,944            |
| Less: Bank overdrafts          | -                    | (187,826)                        | (162,193)            |
| Cash and cash equivalents      | <u>6,251,824</u>     | <u>5,170,234</u>                 | <u>4,433,751</u>     |

Overdraft facilities from local banks are denominated in KD and as at 30 September 2013 bear interest ranging from 2% - 2.5% (31 December 2012: 2% - 2.5% and 30 September 2012: 2% - 2.5%) per annum over the Central Bank of Kuwait discount rate.

As at the interim condensed consolidated statement of financial position date, the undrawn bank overdraft facilities amounted to KD 1,050,000 (31 December 2012: KD 862,174 and 30 September 2012: KD 887,807).

The short-term deposits with banks are denominated in U.A.E. dirhams and are placed with local banks and carry an effective interest rate of 0.2% (31 December 2012: 0.2% and 30 September 2012: 0.2%) per annum.

## 4. TRADE AND OTHER RECEIVABLES

|                                    | 30 September<br>2013 | (Audited)<br>31 December<br>2012 | 30 September<br>2012 |
|------------------------------------|----------------------|----------------------------------|----------------------|
|                                    | KD                   | KD                               | KD                   |
| Trade receivables                  | 11,251,284           | 4,570,192                        | 7,415,923            |
| Less: Allowance for doubtful debts | (454,263)            | (363,573)                        | (300,005)            |
|                                    | 10,797,021           | 4,206,619                        | 7,115,918            |
| Prepaid expenses                   | 472,147              | 316,523                          | 413,706              |
| Advance to suppliers               | 182,456              | 55,381                           | 166,908              |
| Others                             | 161,919              | 179,381                          | 187,725              |
|                                    | <u>11,613,543</u>    | <u>4,757,904</u>                 | <u>7,884,257</u>     |

## 5. RELATED PARTY TRANSACTIONS

Related parties comprise major shareholders and executive officers of the Group, their families and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

|  | Three months ended   |                      | Nine months ended    |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|  | KD                   | KD                   | KD                   | KD                   |
| <b>a) Statement of income</b>                      |                      |                      |                      |                      |
| General and administrative expenses                | <u>5,000</u>         | <u>5,000</u>         | <u>15,000</u>        | <u>15,000</u>        |
| <b>b) Compensation of key management personnel</b> |                      |                      |                      |                      |
| Short-term benefits                                | 143,176              | 456,314              | 429,471              | 651,592              |
| Post-employment benefits                           | 3,106                | 1,933                | 9,338                | 5,770                |
|  | <u>146,282</u>       | <u>458,247</u>       | <u>438,809</u>       | <u>657,362</u>       |

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information  
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## 6. DEFERRED INCOME

This represents fees received in advance to be recognized as revenue as and when the service is rendered.

## 7. LONG-TERM DEBTS

|                     | 30 September<br>2013 | (Audited)<br>31 December<br>2012 | 30 September<br>2012 |
|---------------------|----------------------|----------------------------------|----------------------|
|                     | KD                   | KD                               | KD                   |
| Current portion     | 2,726,500            | 1,991,000                        | 2,096,500            |
| Non-current portion | 5,593,113            | 7,111,982                        | 6,749,092            |
|                     | <u>8,319,613</u>     | <u>9,102,982</u>                 | <u>8,845,592</u>     |

Long-term loans amounting to KD 8,319,613 (31 December 2012: KD 8,951,982 and 30 September 2012: KD 8,579,092) are secured by mortgage of land with a carrying value of KD 5,297,030 (31 December 2012 and 30 September 2012: KD 5,297,030) and included in property and equipment.

As at the interim condensed consolidated statement of financial position date, the undrawn long-term debts amounted to KD 7,347,887 (31 December 2012: KD 1,888,018 and 30 September 2012: KD 2,718,408).

## 8. COST OF OPERATIONS

|                                  | Three months ended   |                      | Nine months ended    |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|                                  | KD                   | KD                   | KD                   | KD                   |
| Staff salaries and related costs | 1,665,350            | 870,903              | 3,952,140            | 2,368,621            |
| Facilities costs                 | 466,748              | 903,654              | 658,289              | 1,107,262            |
| Material costs                   | 50,197               | 36,660               | 150,382              | 114,789              |
| Others                           | 1,860                | 2,334                | 9,059                | 9,885                |
|                                  | <u>2,184,155</u>     | <u>1,813,551</u>     | <u>4,769,870</u>     | <u>3,600,557</u>     |

## 9. GENERAL AND ADMINISTRATIVE EXPENSES

|                                  | Three months ended   |                      | Nine months ended    |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|                                  | KD                   | KD                   | KD                   | KD                   |
| Staff salaries and related costs | 1,157,041            | 1,403,297            | 2,324,757            | 2,292,022            |
| Facilities costs                 | 296,715              | 254,877              | 887,970              | 643,417              |
| Depreciation and amortisation    | 439,543              | 206,841              | 1,038,071            | 636,204              |
| Others                           | 431,467              | 180,463              | 1,061,985            | 756,317              |
|                                  | <u>2,324,766</u>     | <u>2,045,478</u>     | <u>5,312,783</u>     | <u>4,327,960</u>     |

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

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## 10. SELLING EXPENSES

|                                  | Three months ended   |                      | Nine months ended    |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|                                  | KD                   | KD                   | KD                   | KD                   |
| Staff salaries and related costs | 101,600              | 96,884               | 325,503              | 296,203              |
| Advertising and sales promotion  | 457,215              | 174,111              | 748,331              | 366,456              |
| Allowance for doubtful debts     | 40,052               | 29,065               | 91,079               | 38,420               |
| Others                           | 33,959               | 58,533               | 127,484              | 137,367              |
|                                  | <u>632,826</u>       | <u>358,593</u>       | <u>1,292,397</u>     | <u>838,446</u>       |

## 11. CONTRIBUTION TO KFAS

This represents contribution to the Kuwait Foundation for Advancement of Science (“KFAS”) computed at 1% of profit for the period after transfer to statutory reserve. Provision for contribution to KFAS is comprised of the following:

|  | Three months ended   |                      | Nine months ended    |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|  | KD                   | KD                   | KD                   | KD                   |
| Al Arabia Education Enterprises<br>Company K.S.C. (Closed) | 13,995               | 4,261                | 30,785               | 17,099               |
| Humansoft Learning Company<br>K.S.C. (Closed)              | 344                  | 162                  | 1,940                | 377                  |
|  | <u>14,339</u>        | <u>4,423</u>         | <u>32,725</u>        | <u>17,476</u>        |

## 12. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated as follows:

|   | Three months ended   |                      | Nine months ended    |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30 September<br>2013 | 30 September<br>2012 | 30 September<br>2013 | 30 September<br>2012 |
|   | KD                   | KD                   | KD                   | KD                   |
| Profit for the period   | <u>1,512,724</u>     | <u>150,508</u>       | <u>3,303,669</u>     | <u>1,479,022</u>     |
| Number of shares outstanding:                                   | Shares               |                      |                      |                      |
| Weighted average number of<br>paid up shares                    | <u>114,240,000</u>   | <u>114,240,000</u>   | <u>114,240,000</u>   | <u>114,240,000</u>   |
| Less: Weighted average number<br>of treasury shares outstanding | <u>(37,500)</u>      | <u>(4,315)</u>       | <u>(37,500)</u>      | <u>(13,067)</u>      |
| Weighted average number of<br>outstanding shares                | <u>114,202,500</u>   | <u>114,235,685</u>   | <u>114,202,500</u>   | <u>114,226,933</u>   |
| <b>Basic and diluted earnings<br/>per share (fils)</b>          | <u>13.25</u>         | <u>1.32</u>          | <u>28.93</u>         | <u>12.95</u>         |

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

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## 13. SEGMENT INFORMATION

*Primary segment information – business segments:*

The Group is organised into functional divisions in order to manage its various lines of business. All of the segment revenue reported below is from external customers. For the purpose of segment reporting, the Parent Company's management has divided the Group's activities into the following business segments:

- a) Training and Career Development Programs
- b) English Training
- c) Learning Solutions
- d) Higher Education

Segment results include revenues and expenses directly attributable to a segment. There are no significant inter-segment transactions.

Segment information by business segments is as follows:

|   | Training and<br>career<br>development<br>programs | English<br>training | Learning<br>solutions | Higher<br>education | Others           | Total             |
|---|---|---------------------|-----------------------|---------------------|------------------|-------------------|
| <b>9 months ended<br/>30 September 2013</b> |   |                     |                       |                     |                  |                   |
| Segment revenues                            | 1,169,038   | 689,767             | 484,229               | 12,811,260          | -                | 15,154,294        |
| Segment expenses                            | (1,045,543)                                       | (492,793)           | (436,998)             | (8,165,973)         | (359,743)        | (10,501,050)      |
| Depreciation and<br>amortisation            | (35,754)  | (10,268)            | (6,722)               | (982,982)           | (2,345)          | (1,038,071)       |
| Finance charges                             | -   | -                   | -                     | (368,211)           | (10,921)         | (379,132)         |
| Share of profit of<br>associates            | -   | -                   | -                     | -                   | 4,596            | 4,596             |
| Other income                                | 201   | -                   | 400                   | 62,176              | 255              | 63,032            |
| Profit / (loss) for<br>the period           | <u>87,942</u>                                     | <u>186,706</u>      | <u>40,909</u>         | <u>3,356,270</u>    | <u>(368,158)</u> | <u>3,303,669</u>  |
| <b>Assets</b>                               |   |                     |                       |                     |                  |                   |
| Segment total assets                        | <u>927,907</u>                                    | <u>416,763</u>      | <u>347,248</u>        | <u>37,465,675</u>   | <u>8,474,813</u> | <u>47,632,406</u> |
| <b>Liabilities</b>                          |   |                     |                       |                     |                  |                   |
| Segment total<br>liabilities                | <u>586,794</u>                                    | <u>227,841</u>      | <u>191,130</u>        | <u>20,838,511</u>   | <u>339,052</u>   | <u>22,183,328</u> |

# HUMANSOFT HOLDING COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES

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## 13. SEGMENT INFORMATION (CONTINUED)

|   | Training<br>and career<br>development<br>programs | English<br>training | Learning<br>solutions | Higher<br>education | Others           | Total             |
|---|---|---------------------|-----------------------|---------------------|------------------|-------------------|
| <b>9 months ended<br/>30 September 2012</b> |   |                     |                       |                     |                  |                   |
| Segment revenues                            | 993,895   | 689,594             | 493,089               | 8,844,416           | -                | 11,020,994        |
| Segment expenses                            | (862,733)   | (511,188)           | (496,340)             | (6,308,787)         | (666,714)        | (8,845,762)       |
| Depreciation and<br>amortisation            | (33,096)  | (9,135)             | (9,471)               | (582,301)           | (2,201)          | (636,204)         |
| Finance charges                             | -   | -                   | -                     | (148,038)           | (24,937)         | (172,975)         |
| Share of profit of<br>associates            | -   | -                   | -                     | -                   | 33,564           | 33,564            |
| Other income                                | 426   | 6,241               | 13,791                | 57,583              | 1,364            | 79,405            |
| Profit / (loss) for<br>the period           | <u>98,492</u>                                     | <u>175,512</u>      | <u>1,069</u>          | <u>1,862,873</u>    | <u>(658,924)</u> | <u>1,479,022</u>  |
| <b>Assets</b>                               |   |                     |                       |                     |                  |                   |
| Segment total assets                        | <u>3,025,883</u>                                  | <u>587,743</u>      | <u>349,162</u>        | <u>32,385,472</u>   | <u>5,953,593</u> | <u>42,301,853</u> |
| <b>Liabilities</b>                          |   |                     |                       |                     |                  |                   |
| Segment total<br>liabilities                | <u>502,435</u>                                    | <u>233,639</u>      | <u>190,655</u>        | <u>17,892,040</u>   | <u>583,804</u>   | <u>19,402,573</u> |

## 14. COMMITMENTS AND CONTINGENT LIABILITIES

|   | 30 September<br>2013 | (Audited)<br>31 December<br>2012 | 30 September<br>2012 |
|---|----------------------|----------------------------------|----------------------|
|   | KD                   | KD                               | KD                   |
| <b>Commitments</b>  |                      |                                  |                      |
| Capital commitments for construction  | <u>1,076,582</u>     | <u>617,826</u>                   | <u>819,781</u>       |
| Operating lease commitments for land  | <u>1,323,500</u>     | <u>1,414,000</u>                 | <u>1,414,000</u>     |
| Minimum operating lease commitments under the operating lease are as follows: |                      |                                  |                      |
| Not later than one year   | 90,500               | 90,500                           | 90,500               |
| Later than one year but not later than five years                             | 362,000              | 362,000                          | 362,000              |
| Later than five years   | <u>871,000</u>       | <u>961,500</u>                   | <u>961,500</u>       |
|   | <u>1,323,500</u>     | <u>1,414,000</u>                 | <u>1,414,000</u>     |
| <b>Contingent liabilities</b>   |                      |                                  |                      |
| Letters of guarantee  | <u>1,209,271</u>     | <u>1,202,393</u>                 | <u>1,201,843</u>     |

## 15. ANNUAL GENERAL ASSEMBLY

The annual general assembly of the shareholders' held on 12 May 2013 approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2012 and also approved the Board of Directors' proposal to distribute dividend of KD 1,713,038 for the year ended 31 December 2012 (31 December 2011: Nil).