

HUMANSOFT HOLDING COMPANY K.S.C.P.
AND SUBSIDIARIES



INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION AND INDEPENDENT AUDITORS' REVIEW
REPORT FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014
(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.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Humansoft Holding Company K.S.C.P. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2014 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 2014 that might have had a material effect on the business of the Group or on its financial position.


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4 November 2014

HUMANSOFT HOLDING COMPANY K.S.C.P. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Financial Position as at 30 September 2014 (Unaudited)



		(Audited)	
	30 September 2014	31 December 2013	30 September 2013
Notes	KD	KD	KD
ASSETS			
Current assets			
Cash and bank balances	3	8,548,401	7,269,033
Trade and other receivables	4	19,523,559	6,678,250
Inventories		102,794	87,125
		<u>28,174,754</u>	<u>14,034,408</u>
Non-current assets			
Property and equipment		19,940,879	21,292,053
Intangible assets	12	7,104,114	8,632,039
Investment in associates		510,799	545,563
Investment available for sale		468	468
		<u>27,556,260</u>	<u>30,470,123</u>
Total assets		<u><u>55,731,014</u></u>	<u><u>44,504,531</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdrafts	3	82,271	69,950
Short-term loan	6	2,500,000	-
Trade and other payables		577,837	742,702
Accruals and other liabilities		2,980,693	3,643,554
Deferred income	7	13,245,066	3,105,279
Retentions payable		478,444	543,498
Current portion of long-term debts	8	3,012,000	3,012,000
		<u>22,876,311</u>	<u>11,116,983</u>
Non-current liabilities			
Long-term debts	8	3,788,230	5,293,715
Provision for staff indemnity		1,025,961	822,808
		<u>4,814,191</u>	<u>6,116,523</u>
Total liabilities		<u><u>27,690,502</u></u>	<u><u>17,233,506</u></u>
Equity			
Share capital		12,223,680	11,424,000
Share premium		1,512,000	1,512,000
Statutory reserve		2,183,780	2,183,780
Voluntary reserve		2,183,780	2,183,780
Treasury shares		(116,725)	(37,753)
Gain on sale of treasury shares		564,013	495,654
Retained earnings		9,471,595	9,517,781
Foreign currency translation reserve		18,389	(8,217)
Total equity		<u><u>28,040,512</u></u>	<u><u>27,271,025</u></u>
Total liabilities and equity		<u><u>55,731,014</u></u>	<u><u>44,504,531</u></u>


Mr. Tareq Fahad Al Othman
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.P. AND SUBSIDIARIES


Interim Condensed Consolidated Statement of Profit or Loss
– period from 1 January 2014 to 30 September 2014 (Unaudited)



	Notes	Three months ended		Nine months ended	
		30 September 2014	30 September 2013	30 September 2014	30 September 2013
		KD	KD	KD	KD
Revenues		9,340,624	6,814,587	19,809,589	15,154,294
Cost of operations	9	(1,586,692)	(2,184,155)	(5,035,220)	(4,769,870)
Gross profit		7,753,932	4,630,432	14,774,369	10,384,424
General and administrative expenses	10	(3,108,994)	(2,324,766)	(6,188,702)	(5,312,783)
Selling expenses	11	(681,915)	(632,826)	(1,628,570)	(1,292,397)
Impairment of goodwill	12	(1,552,500)	-	(1,552,500)	-
Finance charges		(128,336)	(106,237)	(378,938)	(379,132)
Share of profit / (loss) of associates		10,050	(3,000)	(40,257)	4,596
Other income		87,003	22,181	161,136	63,032
Profit before contribution to Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Directors' remuneration		2,379,240	1,585,784	5,146,538	3,467,740
Contribution to KFAS	13	(34,128)	(14,339)	(61,857)	(32,725)
NLST		(101,811)	(41,910)	(172,605)	(92,668)
Zakat		(40,929)	(16,811)	(73,245)	(38,678)
Directors' remuneration		-	-	(100,000)	-
Profit for the period		2,202,372	1,512,724	4,738,831	3,303,669
Basic and diluted earnings per share (fils)	14	18.08	12.38	38.89	27.04

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.P. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 
– period from 1 January 2014 to 30 September 2014 (Unaudited)

	Three months ended		Nine months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Profit for the period	<u>2,202,372</u>	<u>1,512,724</u>	<u>4,738,831</u>	<u>3,303,669</u>
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	<u>29,150</u>	<u>(20,072)</u>	<u>26,606</u>	<u>(2,433)</u>
Other comprehensive income / (loss) for the period	<u>29,150</u>	<u>(20,072)</u>	<u>26,606</u>	<u>(2,433)</u>
Total comprehensive income for the period	<u><u>2,231,522</u></u>	<u><u>1,492,652</u></u>	<u><u>4,765,437</u></u>	<u><u>3,301,236</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.P. AND SUBSIDIARIES



Interim Condensed Consolidated Statement of Changes in Equity - period from 1 January 2014 to 30 September 2014 (Unaudited)

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Gain on sale of treasury shares KD	Retained earnings KD	Foreign currency translation reserve KD	Total KD
Balance as at 1 January 2014	11,424,000	1,512,000	2,183,780	2,183,780	(37,753)	495,654	9,517,781	(8,217)	27,271,025
Total comprehensive income for the period	-	-	-	-	-	-	4,738,831	26,606	4,765,437
Cash dividend (Note 17)	-	-	-	-	-	-	(3,985,337)	-	(3,985,337)
Sale of treasury shares	-	-	-	-	28,318	68,359	-	-	96,677
Purchase of treasury shares	-	-	-	-	(107,290)	-	-	-	(107,290)
Issue of bonus shares (Note 17)	799,680	-	-	-	-	-	(799,680)	-	-
Balance as at 30 September 2014	12,223,680	1,512,000	2,183,780	2,183,780	(116,725)	564,013	9,471,595	18,389	28,040,512
Balance as at 1 January 2013	11,424,000	1,512,000	1,644,156	1,644,156	(37,753)	495,654	7,161,012	(10,663)	23,832,562
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	3,303,669	(2,433)	3,301,236
Cash dividend	-	-	-	-	-	-	(1,708,501)	-	(1,708,501)
Balance as at 30 September 2013	11,424,000	1,512,000	1,644,156	1,644,156	(37,753)	495,654	8,756,180	(13,096)	25,425,297

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.P. AND SUBSIDIARIES

Interim Condensed Consolidated Statement of Cash Flows
- period from 1 January 2014 to 30 September 2014 (Unaudited)



	Notes	Nine months ended	
		30 September 2014	30 September 2013
		KD	KD
OPERATING ACTIVITIES			
Profit before contribution to KFAS, NLST and Zakat and Directors' remuneration		5,146,538	3,467,740
Adjustments for:			
Depreciation and amortisation	10	1,982,934	1,038,071
Impairment of goodwill	12	1,552,500	-
Finance charges		378,938	379,132
Provision for staff indemnity		272,053	193,158
Allowance for doubtful debts		104,520	91,079
Property and equipment written off		174	-
Share of loss / (profit) of associates		40,257	(4,596)
Interest income		(114)	(201)
		<u>9,477,800</u>	<u>5,164,383</u>
Increase in trade and other receivables		(12,948,454)	(6,946,838)
Increase in inventories		(15,669)	(17,476)
(Decrease) / increase in trade and other payables		(164,865)	269
(Decrease) / increase in accruals and other liabilities		(776,319)	1,490,015
Increase in deferred income		10,139,787	5,403,366
Decrease in retentions payable		(65,054)	(326,443)
		<u>5,647,226</u>	<u>4,767,276</u>
Payment of staff indemnity		(71,412)	(45,259)
Payment of KFAS		(49,975)	(23,051)
Payment of NLST		(143,096)	(68,894)
Payment of Zakat		(58,654)	(33,507)
Payment of Directors' remuneration		(100,000)	-
Net cash from operating activities		<u>5,224,089</u>	<u>4,596,565</u>
INVESTING ACTIVITIES			
Payments for capital work in progress		(34,697)	(420,324)
Purchase of property and equipment		(555,308)	(249,350)
Payments for intangible assets		(58,930)	(1,420)
Interest income received		114	201
Net cash used in investing activities		<u>(648,821)</u>	<u>(670,893)</u>
FINANCING ACTIVITIES			
Purchase of treasury shares		(107,290)	-
Proceeds from sale of treasury shares		96,677	-
Increase in short-term loan		2,500,000	-
Finance charges paid		(378,005)	(384,619)
Decrease in long-term debts		(1,505,485)	(783,369)
Dividend		(3,928,794)	(1,678,249)
Net cash used in financing activities		<u>(3,322,897)</u>	<u>(2,846,237)</u>
Net increase in cash and cash equivalents		<u>1,252,371</u>	<u>1,079,435</u>
Effects of exchange rate changes on cash and cash equivalents		14,676	2,155
Cash and cash equivalents at beginning of the period		7,199,083	5,170,234
Cash and cash equivalents at end of the period	3	<u>8,466,130</u>	<u>6,251,824</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.P. AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information
– period from 1 January 2014 to 30 September 2014 (Unaudited)



1. INCORPORATION AND PRINCIPAL ACTIVITIES

Humansoft Holding Company K.S.C.P. ("the Parent Company") is a Kuwaiti shareholding company incorporated on 14 September 1997.

The principal activities of the Parent Company are as follows:

1. Owning shares of Kuwaiti shareholding or foreign companies, as well as owning shares or stocks in Kuwaiti or foreign limited liability companies or participating in the establishment of these companies, in their two types, and their management, lending and guarantee for others.
2. Lending companies, in which it owns shares and guaranteeing them with third parties. In this case, the company's share in the capital of the borrowing company should not be less than 20%.
3. Owning industrial property rights such as patents, industrial trademarks, or industrial fees or any other related rights and lease them to other companies to exploit them, whether inside or outside Kuwait.
4. Owning movables and properties necessary to carry out its operations within parameters allowed as per law.
5. Exploit surplus funds available with the company through investing in portfolios managed by specialized companies.

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 2014 was authorised for issue by the Board of Directors of the Parent Company on 4 November 2014.

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 2013.

During the period the Group has adopted all the standards that came into effect for annual period beginning 1 January 2014. 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 2014. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2013.

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

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are not relevant to the Group, as none of the entities in the Group qualify to be an investment entity under IFRS 10.

HUMANSOFT HOLDING COMPANY K.S.C.P. AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information
– period from 1 January 2014 to 30 September 2014 (Unaudited)



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New and amended standards (Continued)

IAS 32: Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amendment)

These amendments are effective for annual periods beginning on or after 1 January 2014 and clarifies the meaning of “currently has a legally enforceable right to set-off” and the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments do not have any impact on the consolidated 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 2013.

3. CASH AND CASH EQUIVALENTS

	30 September 2014	(Audited) 31 December 2013	30 September 2013
	KD	KD	KD
Cash on hand and at banks	8,470,101	7,192,343	6,174,854
Short-term deposits with banks	78,300	76,690	76,970
Cash and bank balances	8,548,401	7,269,033	6,251,824
Less: Bank overdrafts	(82,271)	(69,950)	-
Cash and cash equivalents	8,466,130	7,199,083	6,251,824

Overdraft facilities from local banks are denominated in KD and as at 30 September 2014 bear interest ranging from 2% - 2.5% (31 December 2013: 2% - 2.5% and 30 September 2013: 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 967,729 (31 December 2013: KD 980,050 and 30 September 2013: KD 1,050,000).

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 2013: 0.2% and 30 September 2013: 0.2%) per annum.

HUMANSOFT HOLDING COMPANY K.S.C.P. AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information
– period from 1 January 2014 to 30 September 2014 (Unaudited)



4. TRADE AND OTHER RECEIVABLES

	30 September 2014	(Audited) 31 December 2013	30 September 2013
	KD	KD	KD
Trade receivables	19,059,736	6,549,846	11,251,284
Less: Allowance for doubtful debts	(573,540)	(467,738)	(454,263)
	<u>18,486,196</u>	<u>6,082,108</u>	<u>10,797,021</u>
Prepaid expenses	529,765	374,808	443,829
Advance to suppliers	333,607	82,754	182,456
Others	173,991	138,580	161,919
	<u>19,523,559</u>	<u>6,678,250</u>	<u>11,585,225</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 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
a) Consolidated statement of profit and loss				
General and administrative expenses	<u>12,333</u>	<u>12,379</u>	<u>30,255</u>	<u>36,776</u>
b) Compensation of key management personnel				
Short-term benefits	168,092	143,176	556,137	429,471
Post-employment benefits	<u>3,653</u>	<u>3,106</u>	<u>21,850</u>	<u>9,338</u>
	<u>171,745</u>	<u>146,282</u>	<u>577,987</u>	<u>438,809</u>

6. SHORT-TERM LOAN

This represents revolving short-term loan from a local bank denominated in KD and bearing interest rate of 2.5% (31 December and 30 September 2013: Nil) per annum over the CBK discount rate. The loan is secured by the corporate guarantee of the Parent Company and assignment of receivables from a government entity.

7. DEFERRED INCOME

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

8. LONG-TERM DEBTS

	30 September 2014	(Audited) 31 December 2013	30 September 2013
	KD	KD	KD
Current portion	3,012,000	3,012,000	2,726,500
Non-current portion	<u>3,788,230</u>	<u>5,293,715</u>	<u>5,593,113</u>
	<u>6,800,230</u>	<u>8,305,715</u>	<u>8,319,613</u>

HUMANSOFT HOLDING COMPANY K.S.C.P. AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information
– period from 1 January 2014 to 30 September 2014 (Unaudited)



8. LONG-TERM DEBTS (CONTINUED)

Long-term loans amounting to KD 6,800,230 (31 December 2013: KD 8,305,715 and 30 September 2013: KD 8,319,613) are secured by mortgage of land with a carrying value of KD 5,297,030 (31 December 2013 and 30 September 2013: 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 6,140,770 (31 December 2013: KD 6,894,285 and 30 September 2013: KD 7,347,887).

9. COST OF OPERATIONS

	Three months ended		Nine months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Staff salaries and related costs	1,431,636	1,665,350	4,555,727	3,952,140
Facilities costs	84,304	466,748	272,925	658,289
Material costs	68,889	50,197	198,670	150,382
Others	1,863	1,860	7,898	9,059
	<u>1,586,692</u>	<u>2,184,155</u>	<u>5,035,220</u>	<u>4,769,870</u>

10. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Staff salaries and related costs	815,500	1,157,041	1,816,329	2,324,757
Facilities costs	384,369	296,715	1,058,165	887,970
Depreciation and amortisation	1,375,778	439,543	1,982,934	1,038,071
Other administrative expenses	533,347	431,467	1,331,274	1,061,985
	<u>3,108,994</u>	<u>2,324,766</u>	<u>6,188,702</u>	<u>5,312,783</u>

As part of its expansion plans, the Group has decided to construct new buildings to accommodate more students for its higher education programs. For this purpose, during the quarter, the Group has commenced demolition of certain land improvements which is expected to complete by the end of 2014. Accordingly the Group is charging accelerated depreciation on the entire net book value of these land improvements as of 1 July 2014 over the six months period ending 31 December 2014. This has resulted in a decrease in consolidated profit for the three-month and nine-month periods ended 30 September 2014 of KD 1,046,583.

11. SELLING EXPENSES

	Three months ended		Nine months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Staff salaries and related costs	93,896	101,600	283,173	325,503
Advertising and sales promotion	477,238	457,215	1,084,647	748,331
Allowance for doubtful debts	62,832	40,052	104,520	91,079
Others	47,949	33,959	156,230	127,484
	<u>681,915</u>	<u>632,826</u>	<u>1,628,570</u>	<u>1,292,397</u>

HUMANSOFT HOLDING COMPANY K.S.C.P. AND SUBSIDIARIES

Notes to the Interim Condensed Consolidated Financial Information
– period from 1 January 2014 to 30 September 2014 (Unaudited)



12. IMPAIRMENT OF GOODWILL

During the period, the Group impaired the entire amount of goodwill amounting to KD 1,552,500 that was accounted on acquisition of Excellence Training and Development Company W.L.L. by Humansoft Learning Company K.S.C. (Closed), a subsidiary of the Parent Company, reported under the 'training and career development programs' business segment. The impairment loss is computed based on value in use calculations using a pre-tax discount rate of 13% per annum and terminal growth rate of 3%. The decrease in cash flows based on value in use calculations is mainly on account of Excellence Training and Development Company W.L.L. losing its authorization to offer a major line of service during the three-month period ended 30 September 2014.

13. 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 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Al Arabia Education Enterprises Company K.S.C. (Closed)	35,423	13,995	61,857	30,785
Humansoft Learning Company K.S.C. (Closed)	(1,295)	344	-	1,940
	<u>34,128</u>	<u>14,339</u>	<u>61,857</u>	<u>32,725</u>

14. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated as follows:

	Three months ended		Nine months ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	KD	KD	KD	KD
Profit for the period	<u>2,202,372</u>	<u>1,512,724</u>	<u>4,738,831</u>	<u>3,303,669</u>
Number of shares outstanding:	Shares			
Weighted average number of paid up shares	<u>122,236,800</u>	<u>122,236,800</u>	<u>122,236,800</u>	<u>122,236,800</u>
Less: Weighted average number of treasury shares outstanding	<u>(399,362)</u>	<u>(40,125)</u>	<u>(389,244)</u>	<u>(40,125)</u>
Weighted average number of outstanding shares	<u>121,837,438</u>	<u>122,196,675</u>	<u>121,847,556</u>	<u>122,196,675</u>
Basic and diluted earnings per share (fils)	<u>18.08</u>	<u>12.38</u>	<u>38.89</u>	<u>27.04</u>

Earnings per share for the three months and nine months period ended 30 September 2013 was 13.25 fils and 28.93 fils respectively, before retroactive adjustment to the number of shares following the bonus issue (note 17).

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15. 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 career development programs	English training	Learning solutions	Higher education	Others	Total
9 months ended 30 September 2014						
Segment revenues	1,167,195	671,002	585,737	17,385,655	-	19,809,589
Segment expenses	(1,093,235)	(610,258)	(472,526)	(8,456,223)	(645,023)	(11,277,265)
Depreciation and amortisation	(34,238)	(14,059)	(7,708)	(1,924,521)	(2,408)	(1,982,934)
Impairment of goodwill	(1,552,500)	-	-	-	-	(1,552,500)
Finance charges	-	-	-	(372,516)	(6,422)	(378,938)
Share of loss of associates	-	-	-	-	(40,257)	(40,257)
Other income	19,583	-	31	139,829	1,693	161,136
(Loss) / profit for the period	<u>(1,493,195)</u>	<u>46,685</u>	<u>105,534</u>	<u>6,772,224</u>	<u>(692,417)</u>	<u>4,738,831</u>
Assets						
Segment total assets	<u>918,420</u>	<u>542,217</u>	<u>514,765</u>	<u>46,438,387</u>	<u>7,317,225</u>	<u>55,731,014</u>
Liabilities						
Segment total liabilities	<u>565,903</u>	<u>277,942</u>	<u>375,618</u>	<u>25,874,745</u>	<u>596,294</u>	<u>27,690,502</u>

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15. SEGMENT INFORMATION (CONTINUED)

	Training and career development programs	English training	Learning solutions	Higher education	Others	Total
9 months ended 30 September 2013						
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 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 associates	-	-	-	-	4,596	4,596
Other income	201	-	400	62,176	255	63,032
Profit / (loss) for 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>
Assets						
Segment total assets	<u>927,907</u>	<u>416,763</u>	<u>347,248</u>	<u>37,465,675</u>	<u>8,446,495</u>	<u>47,604,088</u>
Liabilities						
Segment total liabilities	<u>586,794</u>	<u>227,841</u>	<u>191,130</u>	<u>20,838,511</u>	<u>334,515</u>	<u>22,178,791</u>

16. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2014	(Audited) 31 December 2013	30 September 2013
Commitments	KD	KD	KD
Capital commitments for construction	<u>474,636</u>	<u>434,073</u>	<u>1,076,582</u>
Operating lease commitments for land	<u>1,233,000</u>	<u>1,323,500</u>	<u>1,323,500</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>780,500</u>	<u>871,000</u>	<u>871,000</u>
	<u>1,233,000</u>	<u>1,323,500</u>	<u>1,323,500</u>
Contingent liabilities			
Letters of guarantee	<u>1,180,718</u>	<u>1,186,576</u>	<u>1,209,271</u>

17. DIVIDEND DISTRIBUTION

The Shareholders' annual general assembly held on 15 June 2014 approved the audited consolidated financial statements of the Group for the year ended 31 December 2013 and the payment of cash dividend of 35 fils per share to the shareholders (31 December 2012: 15 fils per share) and bonus shares of 7 % (31 December 2012 - Nil).

18. FINANCIAL RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the annual audited consolidated financial statements for the year ended 31 December 2013.