

**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 2017 TO 31 MARCH 2017  
(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 subsidiaries (together referred to as "the Group") as at 31 March 2017, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-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. 1 of 2016 and its executive regulations or the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2017 that might have had a material effect on the business of the Group or on its financial position.



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13 April 2017

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

Interim Condensed Consolidated Statement of Financial Position as at 31 March 2017  
(Unaudited)



	Notes	31 March 2017 KD	(Audited) 31 December 2016 KD	31 March 2016 KD
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3	27,748,183	19,824,506	24,149,179
Trade and other receivables	4	25,304,559	18,037,809	22,007,954
Inventories		67,089	67,412	95,299
		<u>53,119,831</u>	<u>37,929,727</u>	<u>46,252,432</u>
<b>Non-current assets</b>				
Property and equipment		41,379,851	39,769,288	30,875,105
Intangible assets		7,322,245	7,321,603	7,242,760
Investment in associates		634,164	629,218	568,820
Investment available for sale		468	468	468
		<u>49,336,728</u>	<u>47,720,577</u>	<u>38,687,153</u>
<b>Total assets</b>		<u>102,456,559</u>	<u>85,650,304</u>	<u>84,939,585</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank overdrafts	3	1,301,526	1,499,284	1,110,655
Short-term loan	6	2,000,000	2,000,000	4,000,000
Trade and other payables		1,245,893	1,419,479	1,497,674
Accruals and other liabilities		6,168,343	7,362,524	5,715,473
Deferred income	7	14,319,895	5,081,711	12,413,862
Retentions payable		1,353,534	1,094,119	1,054,574
Current portion of long-term debts	8	3,951,000	3,013,500	3,780,000
		<u>30,340,191</u>	<u>21,470,617</u>	<u>29,572,238</u>
<b>Non-current liabilities</b>				
Long-term debts	8	14,529,366	13,847,513	9,231,230
Provision for staff indemnity		2,204,455	2,080,800	1,744,717
		<u>16,733,821</u>	<u>15,928,313</u>	<u>10,975,947</u>
<b>Total liabilities</b>		<u>47,074,012</u>	<u>37,398,930</u>	<u>40,548,185</u>
<b>Equity</b>				
Share capital		12,223,680	12,223,680	12,223,680
Share premium		1,512,000	1,512,000	1,512,000
Statutory reserve		6,111,840	6,111,840	4,908,463
Voluntary reserve		6,111,840	6,111,840	4,908,463
Treasury shares	16	(288,877)	(288,877)	(116,725)
Gain on sale of treasury shares		564,013	564,013	564,013
Retained earnings		29,041,116	21,903,526	20,292,111
Foreign currency translation reserve		106,935	113,352	99,395
<b>Total equity</b>		<u>55,382,547</u>	<u>48,251,374</u>	<u>44,391,400</u>
<b>Total liabilities and equity</b>		<u>102,456,559</u>	<u>85,650,304</u>	<u>84,939,585</u>

Mr. Tareq Fahad Al Othman  
Chairman

The accompanying notes set out on pages 7 to 12 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 2017 to 31 March 2017 (Unaudited)



	Notes	Three months ended	
		31 March 2017	31 March 2016
		KD	KD
Revenue		15,242,152	14,154,479
Cost of operations	9	(3,652,891)	(3,245,403)
Gross profit		11,589,261	10,909,076
General and administrative expenses	10	(3,377,681)	(3,770,769)
Selling expenses	11	(485,365)	(515,392)
Finance charges		(277,342)	(236,457)
Share of profit of associates		6,829	7,570
Other income		31,869	106,356
<b>Profit before contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”), National Labour Support Tax (“NLST”) and Zakat</b>		<b>7,487,571</b>	<b>6,500,384</b>
Contribution to KFAS	12	(79,309)	(66,622)
NLST		(190,226)	(168,364)
Zakat		(80,446)	(68,794)
<b>Profit for the period</b>		<b>7,137,590</b>	<b>6,196,604</b>
<b>Basic and diluted earnings per share (fils)</b>	13	<b>59</b>	<b>51</b>

The accompanying notes set out on pages 7 to 12 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 2017 to 31 March 2017 (Unaudited)

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
<b>Profit for the period</b>	<u>7,137,590</u>	<u>6,196,604</u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>		
Foreign currency translation adjustments	<u>(6,417)</u>	<u>(16,828)</u>
<b>Other comprehensive loss for the period</b>	<u>(6,417)</u>	<u>(16,828)</u>
<b>Total comprehensive income for the period</b>	<u><u>7,131,173</u></u>	<u><u>6,179,776</u></u>

The accompanying notes set out on pages 7 to 12 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 2017 to 31 March 2017 (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
<b>Balance as at 1 January 2017</b>	12,223,680	1,512,000	6,111,840	6,111,840	(288,877)	564,013	21,903,526	113,352	48,251,374
Total comprehensive income for the period	-	-	-	-	-	-	7,137,590	(6,417)	7,131,173
<b>Balance as at 31 March 2017</b>	<u>12,223,680</u>	<u>1,512,000</u>	<u>6,111,840</u>	<u>6,111,840</u>	<u>(288,877)</u>	<u>564,013</u>	<u>29,041,116</u>	<u>106,935</u>	<u>55,382,547</u>
<b>Balance as at 1 January 2016</b>	12,223,680	1,512,000	4,908,463	4,908,463	(116,725)	564,013	14,095,507	116,223	38,211,624
Total comprehensive income for the period	-	-	-	-	-	-	6,196,604	(16,828)	6,179,776
<b>Balance as at 31 March 2016</b>	<u>12,223,680</u>	<u>1,512,000</u>	<u>4,908,463</u>	<u>4,908,463</u>	<u>(116,725)</u>	<u>564,013</u>	<u>20,292,111</u>	<u>99,395</u>	<u>44,391,400</u>

The accompanying notes set out on pages 7 to 12 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 2017 to 31 March 2017 (Unaudited)


	Notes	Three months ended	
		31 March 2017	31 March 2016
		KD	KD
<b>OPERATING ACTIVITIES</b>			
Profit before contribution to KFAS, NLST and Zakat		7,487,571	6,500,384
Adjustments for:			
Depreciation and amortisation	10	556,444	446,392
Finance charges		277,342	236,457
Provision for staff indemnity		162,701	162,525
(Reversal) / allowance for doubtful debts		(2,680)	96,454
Share of profit of associates		(6,829)	(7,570)
Interest income		-	(24)
		8,474,549	7,434,618
Increase in trade and other receivables		(7,264,138)	(6,377,617)
Decrease / (increase) in inventories		323	(13,565)
Decrease in trade and other payables		(173,586)	(78,034)
(Decrease) / increase in accruals and other liabilities		(379,544)	506,220
Increase in deferred income		9,238,184	7,125,390
Increase in retentions payable		259,415	27,022
		10,155,203	8,624,034
Payment of staff indemnity		(38,552)	(24,820)
Payment of KFAS		(262,002)	-
Payment of NLST		(654,499)	-
Payment of Zakat		(267,733)	-
<b>Net cash from operating activities</b>		<b>8,932,417</b>	<b>8,599,214</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(2,157,829)	(1,556,090)
Payments for intangible assets		(10,788)	(68,411)
Interest income received		-	24
<b>Net cash used in investing activities</b>		<b>(2,168,617)</b>	<b>(1,624,477)</b>
<b>FINANCING ACTIVITIES</b>			
Finance charges paid		(257,726)	(233,215)
Increase in long-term debts (net)		1,619,353	454,975
<b>Net cash from financing activities</b>		<b>1,361,627</b>	<b>221,760</b>
<b>Net increase in cash and cash equivalents</b>		<b>8,125,427</b>	<b>7,196,497</b>
Effects of exchange rate changes on cash and cash equivalents		(3,992)	(13,245)
Cash and cash equivalents at beginning of the period		18,325,222	15,855,272
<b>Cash and cash equivalents at end of the period</b>	3	<b>26,446,657</b>	<b>23,038,524</b>

The accompanying notes set out on pages 7 to 12 form an integral part of this interim condensed consolidated financial information.



**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 three-month period ended 31 March 2017 was authorised for issue by the Board of Directors of the Parent Company on 13 April 2017.

**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 consolidated 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 2016.

During the period the Group has adopted all the standards that came into effect for annual periods beginning 1 January 2017. 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 2017. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2016.

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

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2017 did not have any material impact on the accounting policies, financial position or performance of the Group.

**2.2 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 2016.

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

Notes to the Interim Condensed Consolidated Financial Information  
 – period from 1 January to 31 March 2017 (Unaudited)



### 3. CASH AND CASH EQUIVALENTS

	31 March 2017	(Audited) 31 December 2016	31 March 2016
	KD	KD	KD
Cash and bank balances	27,748,183	19,824,506	24,149,179
Less: Bank overdrafts	(1,301,526)	(1,499,284)	(1,110,655)
Cash and cash equivalents	<u>26,446,657</u>	<u>18,325,222</u>	<u>23,038,524</u>

Overdraft facilities from local banks are denominated in KD and as at 31 March 2017 bear interest ranging from 2% - 2.5% (31 December 2016: 2% - 2.5% and 31 March 2016: 2% - 2.5%) per annum over the Central Bank of Kuwait discount rate.

As at 31 March 2017, the undrawn bank overdraft facilities amounted to KD 1,448,474 (31 December 2016: KD 1,250,716 and 31 March 2016: KD 1,639,345).

### 4. TRADE AND OTHER RECEIVABLES

	31 March 2017	(Audited) 31 December 2016	31 March 2016
		KD	KD
Trade receivables	23,925,379	16,507,467	20,739,543
Less: Allowance for doubtful debts	(452,879)	(455,627)	(384,529)
	23,472,500	16,051,840	20,355,014
Prepaid expenses	783,728	700,443	937,094
Advance to suppliers	871,737	958,320	511,489
Staff receivables	48,191	50,948	40,948
Refundable deposits	128,403	276,258	163,409
	<u>25,304,559</u>	<u>18,037,809</u>	<u>22,007,954</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	
	31 March 2017	31 March 2016
	KD	KD
<b>a) Interim condensed consolidated statement of profit or loss</b>		
General and administrative expenses	-	20,231
<b>b) Compensation of key management personnel</b>		
Short-term benefits	150,236	175,380
Post-employment benefits	8,267	5,530
	<u>158,503</u>	<u>180,910</u>

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

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January to 31 March 2017 (Unaudited)



### 6. SHORT TERM LOAN

	31 March 2017	(Audited) 31 December 2016	31 March 2016
		KD	KD
Short-term loan	2,000,000	2,000,000	4,000,000

The revolving short-term loan is from a local bank, denominated in KD and bearing interest rate of 2.5% (31 December 2016: 2.5% and 31 March 2016: 2.5%) per annum over the CBK discount rate. The loan is secured by the corporate guarantee of the Ultimate Parent Company and assignment of receivables from a government entity. As at the interim condensed consolidated statement of financial position date, the undrawn short term loan amounted to KD 23,000,000 (31 December 2016: KD 23,000,000 and 31 March 2016: KD 21,000,000).

### 7. DEFERRED INCOME

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

### 8. LONG-TERM DEBTS

	31 March 2017	(Audited) 31 December 2016	31 March 2016
	KD	KD	KD
Current portion	3,951,000	3,013,500	3,780,000
Non-current portion	14,529,366	13,847,513	9,231,230
	<u>18,480,366</u>	<u>16,861,013</u>	<u>13,011,230</u>

These debts are secured by mortgage of land with a carrying value of KD 5,297,030 (31 December 2016: KD 5,297,030 and 31 March 2016: 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 8,162,634 (31 December 2016: KD 10,300,987 and 31 March 2016: KD 10,411,770).

### 9. COST OF OPERATIONS

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
Staff salaries and related costs	3,484,370	3,087,465
Facilities costs	98,078	91,931
Material costs	67,194	60,238
Others	3,249	5,769
	<u>3,652,891</u>	<u>3,245,403</u>

### 10. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
Staff salaries and related costs	1,151,422	1,221,122
Facilities costs	595,016	1,143,809
Depreciation and amortisation	556,444	446,392
Other administration expenses	1,074,799	959,446
	<u>3,377,681</u>	<u>3,770,769</u>

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

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January to 31 March 2017 (Unaudited)



### 11. SELLING EXPENSES

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
Staff salaries and related costs	88,213	96,352
Advertising and sales promotion expenses	345,991	277,700
(Reversal)/allowance for doubtful debts	(2,680)	96,454
Others	53,841	44,886
	<u>485,365</u>	<u>515,392</u>

### 12. 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 comprise of the following:

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
Al Arabia Education Enterprises Company K.S.C. (Closed)	<u>79,309</u>	<u>66,622</u>

### 13. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated as follows:

	Three months ended	
	31 March 2017	31 March 2016
	KD	KD
Profit for the period	<u>7,137,590</u>	<u>6,196,604</u>
Number of shares outstanding:	Shares	
Weighted average number of paid up shares	122,236,800	122,236,800
Less: Weighted average number of treasury shares outstanding	(582,448)	(399,362)
Weighted average number of outstanding shares	<u>121,654,352</u>	<u>121,837,438</u>
<b>Basic and diluted earnings per share (fils)</b>	<u>59</u>	<u>51</u>

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

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January to 31 March 2017 (Unaudited)



### 14. 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 segregates the Group's activities into the following business segments:

- Training and Career Development Programs
- English Training
- Learning Solutions
- 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
	KD	KD	KD	KD	KD	KD
<b>3 months ended 31 March 2017</b>						
Segment revenues	280,611	179,120	248,394	14,534,027	-	15,242,152
Segment expenses	(322,550)	(180,481)	(185,935)	(6,118,074)	(502,434)	(7,309,474)
Depreciation and amortisation	(5,384)	(5,557)	(10,174)	(532,613)	(2,716)	(556,444)
Finance charges	-	-	-	(188,269)	(89,073)	(277,342)
Share of profit of associates	-	-	-	-	6,829	6,829
Other income	836	2,987	829	27,217	-	31,869
Profit / (loss) for the period	(46,487)	(3,931)	53,114	7,722,288	(587,394)	7,137,590
<b>Assets</b>						
Segment total assets	757,942	338,116	599,842	93,571,487	7,189,172	102,456,559
<b>Liabilities</b>						
Segment total liabilities	534,516	272,130	323,130	43,809,016	2,135,220	47,074,012
	Training and Career Development Programs	English Training	Learning Solutions	Higher Education	Others	Total
	KD	KD	KD	KD	KD	KD
<b>3 months ended 31 March 2016</b>						
Segment revenues	348,081	200,616	178,372	13,427,410	-	14,154,479
Segment expenses	(347,709)	(198,605)	(172,906)	(6,411,110)	(258,622)	(7,388,952)
Depreciation and amortisation	(7,366)	(6,026)	(6,853)	(425,212)	(935)	(446,392)
Finance charges	-	-	-	(162,615)	(73,842)	(236,457)
Share of profit of associates	-	-	-	-	7,570	7,570
Other income	2,446	2,061	-	101,849	-	106,356
Profit / (loss) for the period	(4,548)	(1,954)	(1,387)	6,530,322	(325,829)	6,196,604
<b>Assets</b>						
Segment total assets	1,011,895	551,757	551,297	74,951,137	7,873,499	84,939,585
<b>Liabilities</b>						
Segment total liabilities	582,478	300,965	411,292	37,027,788	2,225,662	40,548,185

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

Notes to the Interim Condensed Consolidated Financial Information  
– period from 1 January to 31 March 2017 (Unaudited)



**15. COMMITMENTS AND CONTINGENT LIABILITIES**

	31 March 2017	(Audited) 31 December 2016	31 March 2016
	KD	KD	KD
<b>Commitments</b>			
Capital commitments for construction	3,030,024	3,194,883	4,688,932
Capital commitments for software up gradation	24,613	23,015	90,202
Operating commitments for land	1,681,812	1,052,000	1,052,000
Minimum operating lease commitments under the operating lease are as follows:			
Not later than one year	156,676	90,500	90,500
Later than one year but not later than five years	626,704	362,000	362,000
Later than five years	898,432	599,500	599,500
	1,681,812	1,052,000	1,052,000
<b>Contingent liabilities</b>			
Letters of guarantee	1,513,446	1,221,490	1,211,447

**16. TREASURY SHARES**

	31 March 2017	(Audited) 31 December 2016	31 March 2016
Number of shares	582,448	582,448	399,362
Percentage of issued shares	0.48%	0.48%	0.33%
Market value (KD)	1,770,642	1,572,610	263,579

An amount equivalent to the cost of purchase of the treasury shares have been earmarked as non-distributable from statutory reserve, share premium, treasury shares reserve and retained earnings throughout the holding period of treasury shares.

**17. DIVIDEND DISTRIBUTION**

For the year ended 31 December 2016, the Board of Directors, subject to the approval of shareholders have recommended distribution of a cash dividend of 160 fils per share (31 December 2015 - 115 fils per share) on the outstanding shares to the registered shareholders as of the date of the Annual General Meeting.

The annual consolidated financial statements of the Group for the year ended 31 December 2016 are yet to be approved by the Parent Company's shareholders at the forthcoming Annual General Meeting and accordingly the opening balances are subject to shareholders' approval.