

Seef Properties B.S.C.

**REVIEWED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2015

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SEEF PROPERTIES B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Seef Properties B.S.C. ('the Company') and its subsidiary (together 'the Group') as at 31 March 2015, comprising of the interim consolidated statement of financial position as at 31 March 2015 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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. Consequently, it 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 statements are not prepared, in all material respects, in accordance with IAS 34.


Partner's registration No. 115
..... 2015
Manama, Kingdom of Bahrain

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015 (Reviewed)

	Note	31 March 2015 Reviewed BD	31 December 2014 Audited BD
ASSETS			
Non-current assets			
Furniture, equipment and vehicles		3,714,403	3,294,951
Capital work-in-progress		1,345,127	1,784,805
Investment properties		108,183,500	108,183,500
Investment in joint venture		5,194,598	5,104,068
		<u>118,437,628</u>	<u>118,367,324</u>
Current assets			
Trade and other receivables		1,400,104	1,456,912
Cash and bank balances	3	18,870,169	16,892,945
		<u>20,270,273</u>	<u>18,349,857</u>
TOTAL ASSETS		<u>138,707,901</u>	<u>136,717,181</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		46,000,000	46,000,000
Statutory reserve		17,125,000	17,125,000
Furniture and fixtures replacement reserve		164,243	149,963
Retained earnings		63,688,815	66,783,112
Total equity		<u>126,978,058</u>	<u>130,058,075</u>
Liabilities			
Non-current liability			
Employees' end of service benefits		228,308	214,519
Current liabilities			
Unclaimed dividends	5	9,368,438	4,658,763
Accounts and other payables		2,133,097	1,785,824
		<u>11,501,535</u>	<u>6,444,587</u>
Total liabilities		<u>11,729,843</u>	<u>6,659,106</u>
TOTAL EQUITY AND LIABILITIES		<u>138,707,901</u>	<u>136,717,181</u>


Essa Mohamed Najibi
Chairman


Sager Shaheen Sager
Vice Chairman


Robert Addison
General Manager

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2015 (Reviewed)

	Note	Three months ended 31 March	
		2015 BD	2014 BD
Income			
Property rental income and service charges		2,343,268	2,306,091
Income from serviced apartments		637,635	604,720
Leisure and recreational income		438,561	178,900
		3,419,464	3,089,711
Less: cost of sales		560,613	514,628
Gross profit		2,858,851	2,575,083
Other operating income		303,960	247,242
Profit on term deposits		89,896	118,036
Operating profit		3,252,707	2,940,361
Expenses			
Staff costs		416,786	397,662
General, administration, marketing and advertisement		403,230	477,102
Depreciation		159,030	127,747
Directors' remuneration	9	210,500	198,000
Donations and charitable contributions		165,000	160,000
Provision for doubtful debts		13,000	13,000
		1,367,546	1,373,511
Share of profit (loss) from joint venture		99,671	(3,531)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,984,832	1,563,319
Basic and diluted earnings per share	6	4.31 Fils	3.40 Fils



Essa Mohamed Najibi
Chairman



Sager Shaheen Sager
Vice Chairman



Robert Addison
General Manager

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2015 (Reviewed)

	Note	Three months ended 31 March	
		2015 BD	2014 BD
OPERATING ACTIVITIES			
Profit for the period		1,984,832	1,563,319
Adjustments for:			
Depreciation		219,234	164,474
Gain on disposal of furniture, equipment and vehicles		-	(524)
Profit on term deposits		(89,896)	(118,036)
Provision for doubtful debts		13,000	13,000
Directors' remuneration		210,500	198,000
Donations and charitable contributions		165,000	160,000
Employees' end of service benefits		17,626	14,220
Write-back of accruals no longer payable		-	(50)
Elimination of intercompany charges		9,141	37,164
Share of (profit) loss from joint venture		(99,671)	3,531
Operating profit before working capital changes		2,429,766	2,035,098
Working capital changes:			
Trade and other receivables		65,735	(158,125)
Accounts and other payables		189,524	129,490
		2,685,025	2,006,463
Direct utilisation of furniture and fixtures replacement reserve		(4,849)	(6,566)
Employees' end of service benefits paid		(3,837)	(10,304)
Directors' remuneration paid		(210,500)	(180,783)
Donations and charitable contributions paid		(7,251)	(33,493)
Net cash flows from operating activities		2,458,588	1,775,317
INVESTING ACTIVITIES			
Net movement in term deposits		3,165,000	1,968,500
Profit on term deposits received		67,969	159,128
Purchase of furniture, equipment and vehicles		(195,083)	(37,854)
Proceeds from disposal of furniture, equipment and vehicles		-	524
Expenditure incurred on capital work-in-progress		(3,925)	(444,881)
Additions to investment properties		-	(973)
Net cash flows from investing activities		3,033,961	1,644,444
FINANCING ACTIVITIES			
Dividends paid	5	(350,325)	(102,265)
Movement in bank balances representing unclaimed dividends		(2,088,928)	(2,278,276)
Net cash flows used in financing activities		(2,439,253)	(2,380,541)
INCREASE IN CASH AND CASH EQUIVALENTS			
		3,053,296	1,039,220
Cash and cash equivalents at 1 January		6,484,237	5,282,060
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	9,537,533	6,321,280

Non-cash items:

- During the period ended 31 March 2014, the Group has written back certain accruals no longer payable amounting to BD 50 which have been excluded from the movement of other payables and accruals. No such transaction during the period ended 31 March 2015.
- During the period ended 31 March 2015, the Group transferred BD 443,603 from capital work-in-progress to furniture, equipment and vehicles (31 March 2014: BD 11,948). These amounts have been excluded from the statement of cash flows.

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2015 (Reviewed)

	Note	Share capital BD	Statutory reserve BD	Furniture and fixtures replacement reserve BD	Retained earnings* BD	Total BD
Balance as at 1 January 2015		46,000,000	17,125,000	149,963	66,783,112	130,058,075
Total comprehensive income		-	-	-	1,984,832	1,984,832
Dividends declared for 2014	4	-	-	-	(5,060,000)	(5,060,000)
Transfer to furniture and fixtures replacement reserve		-	-	19,129	(19,129)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(4,849)	-	(4,849)
Balance as at 31 March 2015		46,000,000	17,125,000	164,243	63,688,815	126,978,058
Balance as at 1 January 2014		46,000,000	16,043,000	143,610	61,675,256	123,861,866
Total comprehensive income		-	-	-	1,563,319	1,563,319
Dividends declared for 2013	4	-	-	-	(4,600,000)	(4,600,000)
Transfer to furniture and fixtures replacement reserve		-	-	18,142	(18,142)	-
Direct utilisation of furniture and fixtures replacement reserve		-	-	(6,566)	-	(6,566)
Balance as at 31 March 2014		46,000,000	16,043,000	155,186	58,620,433	120,818,619

* Retained earnings include BD 25,000 (2014: BD 25,000) relating to the statutory reserve of the subsidiary.

The attached notes 1 to 10 form part of these interim condensed consolidated financial statements.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

1 ACTIVITIES

Seef Properties B.S.C. ('the Company') is a public joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 44344. The postal address of the Company's registered head office is at P O Box 20084, Building 2102, Road 2825, Block 428, Seef District, Kingdom of Bahrain.

The Company had the following wholly owned subsidiary at the date of the interim consolidated statement of financial position.

<i>Name</i>	<i>Ownership interest</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Fraser Suites Seef - Bahrain S.P.C.	100%	Kingdom of Bahrain	Hotel, tourist furnished flats and restaurants for tourist services management.

The Company and its wholly owned subsidiary are collectively referred to as the "Group".

The Group is primarily engaged in the real estate business and also provides leisure and recreational game facilities. The Group owns and manages the Seef Mall, the Isa Town Mall, Fraser Suites - Seef and other commercial facilities and properties in the Kingdom of Bahrain and operates the Magic Island, leisure and recreational games facilities.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 2015.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements of the Group for the three months ended 31 March 2015 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014. In addition, results for the three-month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015.

Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. As required by IAS 34, the nature and the impact of each new standard or amendment is described below:

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination.

The following other new standards and amendments apply for the first time in 2015. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*;
- IFRS 2 *Share-based Payment*;
- IFRS 3 *Business Combinations*; and
- IFRS 8 *Operating Segments*.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

3 CASH AND BANK BALANCES

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following as at the date of the interim consolidated statement of financial position.

	31 March 2015 Reviewed BD	<i>31 December 2014 Audited BD</i>	<i>31 March 2014 Reviewed BD</i>
Cash on hand, bank balances and term deposits	18,870,169	16,892,945	19,334,452
less: Term deposits with original maturity of more than three months	(5,889,645)	(9,054,645)	(9,246,786)
Bank balances representing unclaimed dividends *	(3,442,991)	(1,354,063)	(3,766,386)
	<u>9,537,533</u>	<u>6,484,237</u>	<u>6,321,280</u>

Bank balances are held in commercial banks in the Kingdom of Bahrain and are non-interest bearing. Term deposits are placed for varying periods ranging between one month to one year. The profit rates on term deposits as at 31 March 2015 range between 1.00% to 4.00% (31 March 2014: 1.80% to 4.15%).

* Refer to note 5 for details of unclaimed dividends.

4 DIVIDENDS DECLARED

At the Annual General Meeting held on 17 March 2015, the Company's shareholders approved to pay a final dividend of BD 0.011 per share totalling BD 5,060,000. Dividends paid amounting to BD 350,325 relate to 2014 and before.

At the Annual General Meeting held on 17 March 2014, the Company's shareholders approved to pay a final dividend of BD 0.010 per share totalling BD 4,600,000. Dividends paid amounting to BD 4,399,212 relate to 2013 and before.

5 UNCLAIMED DIVIDENDS

	31 March 2015 Reviewed BD	<i>31 December 2014 Audited BD</i>	<i>31 March 2014 Reviewed BD</i>
Balance at the beginning of the period / year	4,658,763	4,457,975	4,457,975
Dividends declared (note 4)	5,060,000	4,600,000	4,600,000
Dividends paid	(350,325)	(4,399,212)	(102,265)
Balance at the end of the period / year	<u>9,368,438</u>	<u>4,658,763</u>	<u>8,955,710</u>

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

6 EARNINGS PER SHARE

	<i>For the three months ended</i>	
	31 March 2015 Reviewed	31 March 2014 Reviewed
Profit for the period – BD	1,984,832	1,563,319
Weighted average number of shares outstanding	460,000,000	460,000,000
Basic and diluted earnings per share	4.31 Fils	3.40 Fils

No separate figure for diluted earnings per share has been presented as the Company has not issued any financial instruments which may have a dilutive effect.

7 COMMITMENTS AND CONTINGENCIES

a) Capital commitments

Capital expenditure commitments outstanding as at the reporting date but not yet provided for, relating to the projects in malls and properties are as follows:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD
Seef Mall, Isa Town Mall and Magic Island renovation works	174,465	156,170

The Group's share of capital expenditure commitments outstanding as at the reporting date but not yet provided for, relating to the development of Muharraq Seef Mall are as follows:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD
Muharraq Seef Mall	125,590	48,995

b) Operating lease commitments

The Group has entered into leases with commercial malls in the Kingdom of Bahrain for operating its leisure and recreational facilities. The Group's share of the joint venture's operating lease relating to the land on which Muharraq Seef Mall is being developed is included in the following disclosed gross commitments.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

7 COMMITMENTS AND CONTINGENCIES (continued)

b) *Operating lease commitments (continued)*

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31 March 2015 Reviewed BD	31 December 2014 Audited BD
Within one year	125,000	125,000
After one year but not more than five years	500,000	500,000
More than five years	4,239,583	4,270,833
	4,864,583	4,895,833

c) *Other commitments*

Muharraq Mall Co. W.L.L. is expected to pay a royalty charge of 2.75% of its gross rental income receivable commencing from the year 2022 until the end of the lease term in 2053.

d) *Legal cases*

In the ordinary course of business, the Group is subject to legal claims. The Company has provided for certain claims relating to employees.

A third party has filed a claim against the Group towards damages caused by theft. The Group lost the case, however, it has filed an appeal against the ruling. The third party is seeking damages equal to BD 202,811 (2014: BD 202,811). The case is still ongoing as at 31 March 2015. Management believes that it is possible, but not probable, that the third party will succeed. Accordingly, no provision for any liability has been made in these interim condensed consolidated financial statements.

e) *Guarantee*

On 1 September 2013, Muharraq Mall Co. W.L.L., the joint venture, obtained an Islamic financing facility from a financial institution amounting to BD 8.01 million (equivalent of USD 21.25 million) to finance the construction of Muharraq Seef Mall. On 31 August 2014, the existing facility was increased to BD 9.9 million (equivalent of USD 26.25 million). This financing is secured by joint and several corporate guarantees undertaken by the Company and other two venturers.

8 SEGMENT INFORMATION

For management purposes, the Group is organised into four main business segments:

Malls and properties	-	Management of real estate including malls
Serviced apartments	-	Management of apartments
Leisure and entertainment	-	Operating leisure and recreational games facilities
Other	-	All activities other than property management and leisure activities

The operations of malls and properties include the management of Seef Mall and Isa Town Mall, and other properties in Hamad Town, Isa Town, Saar and Um-Al Hassam.

Serviced apartments represent Fraser Suites Seef - Bahrain, which generates income from the leasing of furnished serviced apartments and tourist restaurants.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

8 SEGMENT INFORMATION (continued)

The Group owns and operates leisure and recreational games facilities in different commercial malls in the Kingdom of Bahrain under its brand name, Magic Island.

The Group also earns income from the promotional space and car park areas in addition to other miscellaneous income.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim condensed consolidated financial statements. Group financing (finance revenue) is managed on a group basis and is not allocated to operating segments.

Transfer prices between operating segments are on an arm's-length basis in a manner similar to transactions with third parties.

Segment assets include all operating assets used by a segment and consist primarily of furniture, equipment and vehicles, investment properties and trade and other receivables.

Segment liabilities include all operating liabilities and consist primarily of employees' end of service benefits, unclaimed dividends and accounts and other payables.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

8 SEGMENT INFORMATION (continued)

	Malls and properties		Serviced apartments		Leisure and entertainment		Others		Elimination		Consolidated	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2015 Reviewed BD	2014 Reviewed BD	2015 Reviewed BD	2014 Reviewed BD	2015 Reviewed BD	2014 Reviewed BD	2015 Reviewed BD	2014 Reviewed BD	2015 Reviewed BD	2014 Reviewed BD	2015 Reviewed BD	2014 Reviewed BD
Income from external operations	2,343,268	2,306,091	637,635	604,720	438,561	178,900	-	-	-	-	3,419,464	3,089,711
Inter-segment income	55,185	38,935	-	-	-	-	-	-	(55,185)	(38,935)	-	-
Less: cost of sales	195,698	246,699	170,667	156,122	249,433	150,742	-	-	(55,185)	(38,935)	560,613	514,628
Gross profit	2,202,755	2,098,327	466,968	448,598	189,128	28,158	-	-	-	-	2,858,851	2,575,083
Other operating income	-	-	-	-	1,186	632	302,774	246,610	-	-	303,960	247,242
Profit on term deposits	-	-	-	-	-	-	89,896	118,036	-	-	89,896	118,036
Operating profit	2,202,755	2,098,327	466,968	448,598	190,314	28,790	392,670	364,646	-	-	3,252,707	2,940,361
Expenses												
Staff costs	347,336	332,603	69,450	65,059	-	-	-	-	-	-	416,786	397,662
General and administration, marketing and advertisement	265,663	361,194	107,915	109,778	29,652	6,130	-	-	-	-	403,230	477,102
Depreciation	59,707	71,151	14,878	43,522	84,445	13,074	-	-	-	-	159,030	127,747
Directors' remuneration	210,500	198,000	-	-	-	-	-	-	-	-	210,500	198,000
Donations and charitable contributions	165,000	160,000	-	-	-	-	-	-	-	-	165,000	160,000
Provision for doubtful debts	13,000	13,000	-	-	-	-	-	-	-	-	13,000	13,000
Share of profit (loss) from joint venture	1,141,549	962,379	274,725	230,239	76,217	9,586	392,670	364,646	-	-	1,885,161	1,566,850
	99,671	(3,531)	-	-	-	-	-	-	-	-	99,671	(3,531)
Segment profit for the period	1,241,220	958,848	274,725	230,239	76,217	9,586	392,670	364,646	-	-	1,984,832	1,563,319
31 March 2015	129,833,606	128,677,105	12,656,195	12,511,933	3,045,338	2,576,012	-	-	(6,827,238)	(7,047,869)	138,707,901	136,717,181
31 December 2014	11,433,349	6,457,629	7,123,732	7,249,346	-	-	-	-	(6,827,238)	(7,047,869)	11,729,843	6,659,106
Reviewed	Audited	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD	BD

All of the sales and profit of the Group are earned in the Kingdom of Bahrain from the above business segments.

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

9 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Transactions with related parties during the period are as follows:

	<i>For the three months ended</i>	
	31 March 2015 Reviewed BD	31 March 2014 Reviewed BD
<i>Muharraq Mall Co. W.L.L. (a joint venture):</i>		
- Property rental income and service charges	-	4,099
- Cost of sales	8,534	-
- Other operating income	57,111	37,164

On 3 May 2012, the Company entered into a property services agreement with its joint venture, Muharraq Mall Co. W.L.L. to provide development management, lease management, management set-up, tenant coordination and property management.

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	31 March 2014 Reviewed BD	31 December 2014 Audited BD
Muharraq Mall Co. W.L.L.	248,542	351,137

Compensation of key management personnel

The remuneration of directors and members of key management during the period was as follows:

	<i>For the three months ended</i>	
	31 March 2015 Reviewed BD	31 March 2014 Reviewed BD
Directors' remuneration	210,500	198,000
Management short-term benefits	51,935	50,300
Management end of service benefits	2,025	2,025
	264,460	250,325

Outstanding balances at the period end arise in the normal course of business and are interest free and unsecured. The Group only creates an impairment provision for related party balances where it is virtually certain that the debt will not be recovered. For the three months ended 31 March 2015, the Group has not recorded any impairment of amounts owed by related parties (31 March 2014: nil).

Seef Properties B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015 (Reviewed)

9 RELATED PARTY TRANSACTIONS (continued)

The details of total ownership interest held by the directors along with the entities controlled, jointly controlled or significantly influenced by them are as follows:

	31 March 2015	<i>31 December 2014</i>
Number of shares	1,927,680	1,927,680
Percentage of holdings	0.42%	0.42%

10 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of trade and other receivables and bank balances. Financial liabilities consist of accounts and other payables and unclaimed dividends payable which are carried at amortised cost.

The carrying amounts of the Group's financial instruments such as cash and bank balances, trade and other receivables, accounts and other payables, are a reasonable approximation of their fair values. Thus, a fair value disclosure is not required for such financial instruments.

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value as at the reporting date:

		<i>Fair value measurement using</i>			
	<i>Date of valuation</i>	<i>Quoted prices in active markets (Level 1) BD</i>	<i>Significant observable inputs (Level 2) BD</i>	<i>Significant unobservable inputs (Level 3) BD</i>	<i>Total BD</i>
31 March 2015					
Assets measured at fair value					
Investment properties	<i>31 December 2014</i>	-	-	108,183,500	108,183,500
	<i>31 December 2014</i>				

		<i>Fair value measurement using</i>			
	<i>Date of valuation</i>	<i>Quoted prices in active markets (Level 1) BD</i>	<i>Significant observable inputs (Level 2) BD</i>	<i>Significant unobservable inputs (Level 3) BD</i>	<i>Total BD</i>
31 December 2014					
Assets measured at fair value					
Investment properties	<i>31 December 2014</i>	-	-	108,183,500	108,183,500

As at 31 March 2015, the management believes that the fair valuation of investment properties last carried out on 31 December 2014 are not materially different from their carrying amounts.

During the reporting periods ended 31 March 2015 and 31 March 2014 and year ended 31 December 2014, there were no transfers within the levels of fair value hierarchy.