

**National Petroleum Services Company K.S.C.P.
and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 JUNE 2017 (UNAUDITED)



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL PETROLEUM SERVICES COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Petroleum Services Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 June 2017, the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three month and six month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulation, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six month period ended 30 June 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

QAIS M. AL NISF
LICENCE NO. 38 A
BDO AL NISF & PARTNERS

25 July 2017
Kuwait

National Petroleum Services Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
As at 30 June 2017

		30 June 2017 KD	(Audited) 31 December 2016 KD	30 June 2016 KD
	Notes			
ASSETS				
Non-current assets				
Property, plant and equipment		8,864,854	8,367,545	8,507,840
Intangible assets		3,035	16,524	42,849
Financial assets available for sale	3	43,058	49,766	48,750
		<u>8,910,947</u>	<u>8,433,835</u>	<u>8,599,439</u>
Current assets				
Inventories		2,982,061	2,706,938	2,958,715
Trade receivable		9,168,076	8,070,180	6,192,774
Prepayments and other receivables		1,430,957	893,662	733,400
Financial assets at fair value through profit or loss		2,427,678	2,396,954	1,037,256
Term deposits	4	4,000,000	4,000,000	4,000,000
Bank balances and cash		4,293,070	5,891,933	2,444,456
		<u>24,301,842</u>	<u>23,959,667</u>	<u>17,366,601</u>
TOTAL ASSETS		<u>33,212,789</u>	<u>32,393,502</u>	<u>25,966,040</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		5,760,951	5,760,951	5,760,951
Share premium		3,310,705	3,310,705	3,310,705
Treasury shares	5	(585,062)	(585,062)	(585,062)
Treasury shares reserve	5	33,825	33,825	33,825
Statutory reserve		3,541,472	3,541,472	2,723,364
Voluntary reserve		3,541,472	3,541,472	2,723,364
Foreign currency translation reserve		5,643	5,643	5,643
Cumulative changes in fair value		14,540	21,212	20,118
Retained earnings		8,685,979	9,124,176	6,833,045
Equity attributable to equity holders of the Parent Company		<u>24,309,525</u>	<u>24,754,394</u>	<u>20,825,953</u>
Non-controlling interests		35,155	39,162	30,257
Total equity		<u>24,344,680</u>	<u>24,793,556</u>	<u>20,856,210</u>
Liabilities				
Non-current liability				
Employees' end of service benefits		1,653,466	1,591,972	1,608,758
Current liability				
Accounts payable and accruals	6	7,214,643	6,007,974	3,501,072
Total liabilities		<u>8,868,109</u>	<u>7,599,946</u>	<u>5,109,830</u>
TOTAL EQUITY AND LIABILITIES		<u>33,212,789</u>	<u>32,393,502</u>	<u>25,966,040</u>

Omran Habib Jawhar Hayat
Chairman



The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2017

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Sales and services revenue		6,689,200	6,881,653	13,963,487	11,787,083
Cost of sales and services		(4,505,369)	(3,988,938)	(9,101,476)	(7,160,997)
GROSS PROFIT		2,183,831	2,892,715	4,862,011	4,626,086
Interest income		-	-	88,185	-
Other income		10,523	102,647	16,034	102,988
(Loss) gain on sale of property, plant and equipment		-	(116,145)	15,000	(116,145)
Net investments income	7	40,521	20,560	78,043	146,170
Administrative expenses	8	(397,913)	(416,615)	(772,498)	(787,977)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KFAS, PROVISION FOR NLST, ZAKAT AND DIRECTORS' REMUNERATION		1,836,962	2,483,162	4,286,775	3,971,122
Kuwait Foundation for the Advancement of Sciences (KFAS)		(16,533)	(22,427)	(38,581)	(35,819)
National Labour Support Tax (NLST)		(45,925)	(62,299)	(107,170)	(99,498)
Zakat		(18,370)	(25,827)	(42,868)	(41,910)
Directors' remuneration		(33,000)	(19,500)	(66,000)	(39,000)
PROFIT FOR THE PERIOD		1,723,134	2,353,109	4,032,156	3,754,895
Attributable to:					
Equity holders of the Parent Company		1,728,315	2,358,967	4,036,163	3,774,481
Non-controlling interests		(5,181)	(5,858)	(4,007)	(19,586)
		1,723,134	2,353,109	4,032,156	3,754,895
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	9	30.90 fils	42.18 fils	72.17 fils	67.49 fils

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2017

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Profit for the period	1,723,134	2,353,109	4,032,156	3,754,895
Other comprehensive (loss) income				
<i>Items that may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Unrealised (loss) gain on financial assets available for sale	(7,066)	8,343	(6,672)	4,936
Other comprehensive (loss) income for the period	(7,066)	8,343	(6,672)	4,936
Total comprehensive income for the period	1,716,068	2,361,452	4,025,484	3,759,831
Attributable to:				
Equity holders of the Parent Company	1,721,249	2,367,310	4,029,491	3,779,417
Non-controlling interests	(5,181)	(5,858)	(4,007)	(19,586)
	1,716,068	2,361,452	4,025,484	3,759,831

National Petroleum Services Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2017

	Attributable to equity holders of the Parent Company												Non- controlling interests KD	Sub total KD	Retained earnings KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Voluntary reserve KD	Statutory reserve KD	Treasury shares reserve KD	Treasury shares KD	Share premium KD	Share capital KD	Total KD
At 1 January 2017	5,760,951	3,310,705	(585,062)	33,825	3,541,472	3,541,472	5,643	21,212	9,124,176	24,754,394	39,162	24,793,556											24,793,556	
Profit (loss) for the period	-	-	-	-	-	-	-	-	4,036,163	4,036,163	(4,007)	4,032,156											4,032,156	
Other comprehensive loss for the period	-	-	-	-	-	-	-	(6,672)	-	(6,672)	-	(6,672)											(6,672)	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(6,672)	4,036,163	4,029,491	(4,007)	4,025,484											4,025,484	
Dividends (Note 10)	-	-	-	-	-	-	-	-	(4,474,360)	(4,474,360)	-	(4,474,360)											(4,474,360)	
At 30 June 2017	5,760,951	3,310,705	(585,062)	33,825	3,541,472	3,541,472	5,643	14,540	8,685,979	24,309,525	35,155	24,344,680											24,344,680	
At 1 January 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	2,723,364	5,643	15,182	6,414,335	20,402,307	49,843	20,452,150											20,452,150	
Profit (loss) for the period	-	-	-	-	-	-	-	-	3,774,481	3,774,481	(19,586)	3,754,895											3,754,895	
Other comprehensive income for the period	-	-	-	-	-	-	-	4,936	-	4,936	-	4,936											4,936	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	4,936	3,774,481	3,779,417	(19,586)	3,759,831											3,759,831	
Dividends (Note 10)	-	-	-	-	-	-	-	-	(3,355,771)	(3,355,771)	-	(3,355,771)											(3,355,771)	
At 30 June 2016	5,760,951	3,310,705	(585,062)	33,825	2,723,364	2,723,364	5,643	20,118	6,833,045	20,825,953	30,257	20,856,210											20,856,210	

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

National Petroleum Services Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)
For the period ended 30 June 2017

		Six months ended 30 June	
	Notes	2017 KD	2016 KD
OPERATING ACTIVITIES			
Profit for the period		4,032,156	3,754,895
Adjustments to reconcile profit for the period to net cash flows:			
Depreciation and amortisation		725,979	798,279
(Gain) loss on disposal of property, plant and equipment		(15,000)	116,145
Net investments income	7	(78,043)	(146,170)
Interest income		(88,185)	-
Provision for employees' end of service benefits		209,574	211,063
		<u>4,786,481</u>	<u>4,734,212</u>
Working capital adjustments:			
Inventories		(275,123)	110,475
Trade receivables		(1,097,896)	(651,146)
Prepayments and other receivables		(537,295)	(387,271)
Accounts payable and accruals		893,462	(832,185)
Cash flows from operations		<u>3,769,629</u>	<u>2,974,085</u>
Employees' end of service benefits paid		<u>(148,080)</u>	<u>(18,565)</u>
Net cash flows generated from operating activities		<u>3,621,549</u>	<u>2,955,520</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,209,799)	(350,527)
Proceeds from disposal of property, plant and equipment		15,000	-
Purchase of financial assets at fair value through profit or loss	13	(28,680)	(900,000)
Proceeds from sale of financial assets at fair value through profit or loss	7	-	150,000
Dividend income received	7	76,035	11,370
Interest income received		88,185	-
Investment expenses paid		-	(11,211)
Net cash flows used in investing activities		<u>(1,059,259)</u>	<u>(1,100,368)</u>
FINANCING ACTIVITIES			
Dividends paid		<u>(4,161,153)</u>	<u>(3,301,932)</u>
Net cash flows used in financing activities		<u>(4,161,153)</u>	<u>(3,301,932)</u>
NET DECREASE IN BANK BALANCES AND CASH		(1,598,863)	(1,446,780)
Bank balances and cash at 1 January		<u>5,891,933</u>	<u>3,891,236</u>
BANK BALANCES AND CASH AT 30 JUNE		<u>4,293,070</u>	<u>2,444,456</u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The Group comprises of National Petroleum Services Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group"). The Parent Company was established as a Kuwaiti shareholding company on 3 January 1993 and was listed on the Kuwait Stock Exchange Market on 18 October 2003.

The registered office of the Parent Company is at Industrial Shuaiba - Plot 3 - P.O. Box 9801 Al-Ahmadi, Postal Code 61008, State of Kuwait.

The objectives of the Parent Company are as follows:

- Performing all support services for wells drilling, repairing and preparation for production as well as wells maintenance related services.
- Importing and exporting chemicals necessary for the execution of the works stated above.
- Establishing industrial firms for the purpose of manufacturing and producing the equipments and materials necessary for achieving such objectives after obtaining the approval of the competent authorities.
- Importing and owning machines, tools and materials necessary for achieving its objectives.
- Owning lands and real estate necessary for establishing its entities and equipments.
- Concluding agreements and obtaining privileges which it deems necessary for achieving its objectives.
- Possessing the needed patents, and trademarks.
- Obtaining and granting agencies in respect of the Parent Company's business.
- Conducting studies, queries and researches relevant to the Parent Company's objectives.

The Parent Company may practice all of the above mentioned activities inside or outside the State of Kuwait. The Parent Company may also have an interest or participate in any way with entities practicing activities similar to its own or which may assist it in achieving its objectives inside or outside the state of Kuwait, or may acquire those entities or have them affiliated to it.

The interim condensed consolidated financial information for the period ended 30 June 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 25 July 2017.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group effective from 1 January 2017, and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is also the functional currency of the Group.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2016. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six month period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For more details please refer to the annual consolidated financial statements and its related disclosures for the financial year ended 31 December 2016.

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 June 2017

3 FINANCIAL ASSETS AVAILABLE FOR SALE

	30 June 2017 KD	(Audited) 31 December 2016 KD	30 June 2016 KD
Fund and managed portfolios	3,223	3,223	3,223
Quoted equity securities	39,835	46,543	45,527
	<u>43,058</u>	<u>49,766</u>	<u>48,750</u>
Movement during the period/year is as follows:			
Balance at beginning of the period/year	49,766	43,814	43,814
Unrealised (loss) gain	(6,672)	6,030	4,936
Impairment loss	(36)	(78)	-
Balance at end of the period/year	<u>43,058</u>	<u>49,766</u>	<u>48,750</u>

4 TERM DEPOSITS

Term deposits amounting to KD 4,000,000 (31 December 2016: KD 4,000,000 and 30 June 2016: KD 4,000,000) are denominated in Kuwaiti Dinars and are placed with local banks.

Term deposits have maturity of more than 3 months and less than 12 months from the placement date and earn interest at the respective short-term deposit rates.

5 TREASURY SHARES AND TREASURY SHARES RESERVE

	30 June 2017	(Audited) 31 December 2016	30 June 2016
Number of treasury shares	1,680,000	1,680,000	1,680,000
Percentage of issued shares	2.92%	2.92%	2.92%
Market value (KD)	2,276,400	1,377,600	1,310,400
Cost (KD)	585,062	585,062	585,062

The balance in the treasury shares reserve of KD 33,825 (31 December 2016: KD 33,825 and 30 June 2016: KD 33,825) is not available for distribution. Reserves and retained earnings equivalent to the cost of the treasury shares held are not available for distribution throughout the holding period of treasury shares.

6 ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2017 KD	(Audited) 31 December 2016 KD	30 June 2016 KD
Trade payables	486,370	375,130	321,255
Staff accruals and other accrued expenses	5,957,126	4,581,035	2,254,119
Advance received from subcontractor	511,056	511,056	511,056
Accrued leave	-	-	136,913
KFAS, NLST and Zakat payable	194,091	425,753	238,729
Directors' remuneration	66,000	115,000	39,000
	<u>7,214,643</u>	<u>6,007,974</u>	<u>3,501,072</u>

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

As at 30 June 2017

7 NET INVESTMENTS INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	30,528	11,370	76,035	11,370
Realised gain on sale of financial assets at fair value through profit or loss	-	-	-	150,000
Impairment loss on financial assets available for sale	-	-	(36)	-
Unrealized gain (loss) on financial assets at fair value through profit or loss	9,993	11,311	2,044	(3,989)
Investment expenses	-	(2,121)	-	(11,211)
	<u>40,521</u>	<u>20,560</u>	<u>78,043</u>	<u>146,170</u>

8 ADMINISTRATIVE EXPENSES

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Staff costs	274,478	278,222	521,462	542,782
Professional fees	7,430	25,732	19,785	33,939
Depreciation and amortisation	14,059	20,295	28,754	40,809
Other expenses	101,946	92,366	202,497	170,447
	<u>397,913</u>	<u>416,615</u>	<u>772,498</u>	<u>787,977</u>

9 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share attributable to the equity holders of the Parent Company is calculated by dividing the profit for the period attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares during the period, less weighted average number of treasury shares outstanding as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<u>1,728,315</u>	<u>2,358,967</u>	<u>4,036,163</u>	<u>3,774,481</u>
Number of outstanding shares during the period:				
Number of shares issued	57,609,510	57,609,510	57,609,510	57,609,510
Less: weighted average number of treasury shares	<u>(1,680,000)</u>	<u>(1,680,000)</u>	<u>(1,680,000)</u>	<u>(1,680,000)</u>
Weighted average number of shares outstanding during the period	<u>55,929,510</u>	<u>55,929,510</u>	<u>55,929,510</u>	<u>55,929,510</u>
Basic and diluted earnings per share	<u>30.90 fils</u>	<u>42.18 fils</u>	<u>72.17 fils</u>	<u>67.49 fils</u>

As there are no dilutive instruments outstanding, hence basic and diluted earnings per share are identical.

10 DIVIDENDS AND BONUS SHARES

The shareholders at the Annual General Meeting and the Extraordinary General Meeting held on 17 May 2017 and 14 June 2017, respectively, approved the distribution of cash dividends of 80 fils per share (31 December 2015: 60 fils per share) amounting to KD 4,474,360 (31 December 2015: KD 3,355,771) and bonus shares of 42,390,490 shares (approximately 73.58% of outstanding shares as at 31 December 2016) (31 December 2015: nil). As of the date of this interim condensed consolidated financial information, the legal proceedings in respect of the issuance of bonus shares are still in progress.

11 CONTINGENCIES AND COMMITMENTS

As at 30 June 2017, the Group had contingent liabilities in respect of letter of guarantees arising in the ordinary course of the business, amounting to KD 6,330,234 (31 December 2016: KD 6,642,556 and 30 June 2016: KD 4,627,320). Management does not anticipate any liabilities to arise which might have a material effect on the Group's financial position.

At 30 June 2017, the Group had capital commitments relating to the purchase of property, plant and equipment amounting to KD 4,712,968 (31 December 2016: KD 3,614,265 and 30 June 2016: KD 925,539). Commitments have maturity of less than 12 months from the reporting date. Delivery is expected within twelve months from the reporting date.

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 June 2017

12 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the products and services and has two reportable operating segments i.e. oil field services and non-oil field services. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment. The segment performance is evaluated based on gross profit or loss.

Oil field services

Oil field services comprise of cementing and stimulation formulations for different applications and operating environments for Oil Rigs. It mainly includes well cementing services, and well intervention services.

Non-oil field services

Non-oil field services comprise of a number of diversified activities with health, safety and environmental services, engineering and consultancy services.

The following table presents revenue and segment results information in respect of the Group's operating segments for the six months ended 30 June 2017 and 30 June 2016 respectively:

	Six months ended 30 June 2017			Six months ended 30 June 2016		
	Oil field services KD	Non-oil field services KD	Total KD	Oil field services KD	Non-oil field services KD	Total KD
Segment revenue	11,024,935	2,938,552	13,963,487	9,383,972	2,403,111	11,787,083
Segment cost	(6,439,612)	(2,661,864)	(9,101,476)	(5,334,561)	(1,826,436)	(7,160,997)
Segment results	4,585,323	276,688	4,862,011	4,049,411	576,675	4,626,086
Unallocated costs			(1,027,117)			(1,004,204)
Unallocated income			197,262			133,013
Profit for the period			4,032,156			3,754,895

The Group has no inter-segment revenues and costs requiring adjustments and eliminations.

National Petroleum Services Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 June 2017

12 SEGMENT INFORMATION (continued)

The following table presents segment assets information in respect of the Group's business segments:

	As at 30 June 2017			As at 31 December 2016			As at 30 June 2016		
	Oil field Services KD	Non-oil field services KD	Total KD	Oil field Services KD	Non-oil field services KD	Total KD	Oil field Services KD	Non-oil field services KD	Total KD
Segment assets	29,005,528	1,736,525	30,742,053	27,993,345	1,953,437	29,946,782	23,177,341	1,702,693	24,880,034
Unallocated assets			2,470,736			2,446,720			1,086,006
			33,212,789			32,393,502			25,966,040
Segment liabilities	8,823,933	44,176	8,868,109	7,580,585	19,361	7,599,946	5,099,151	10,679	5,109,830

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at 30 June 2017

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than six months), the carrying amounts approximate their fair values.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<i>At 30 June 2017</i>	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
Financial assets available for sale	39,835	3,223	43,058
Financial assets at fair value through profit or loss	35,640	2,392,038	2,427,678
	<u>75,475</u>	<u>2,395,261</u>	<u>2,470,736</u>
 <i>At 31 December 2016</i>	 <i>Level 1 KD</i>	 <i>Level 3 KD</i>	 <i>Total KD</i>
Financial assets available for sale	46,543	3,223	49,766
Financial assets at fair value through profit or loss	30,360	2,366,594	2,396,954
	<u>76,903</u>	<u>2,369,817</u>	<u>2,446,720</u>
 <i>At 30 June 2016</i>	 <i>Level 1 KD</i>	 <i>Level 3 KD</i>	 <i>Total KD</i>
Financial assets available for sale	45,527	3,223	48,750
Financial assets at fair value through profit or loss	29,040	1,008,216	1,037,256
	<u>74,567</u>	<u>1,011,439</u>	<u>1,086,006</u>

During the period ended 30 June 2017, there were no transfers between different levels of fair value measurement.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The movement in Level 3 fair value hierarchy during the period is given below:

30 June 2017

	<i>At 1 January 2017 KD</i>	<i>Net purchases and sales KD</i>	<i>Loss recorded in interim condensed consolidated statement of income KD</i>	<i>At 30 June 2017 KD</i>
Assets measured at fair value				
Financial assets available for sale	3,223	-	-	3,223
Financial assets at fair value through profit or loss	2,366,594	28,680	(3,236)	2,392,038
	<u>2,369,817</u>	<u>28,680</u>	<u>(3,236)</u>	<u>2,395,261</u>

31 December 2016

	<i>At 1 January 2016 KD</i>	<i>Net purchases and sales KD</i>	<i>Gain recorded in consolidated statement of income KD</i>	<i>At 31 December 2016 KD</i>
Assets measured at fair value				
Financial assets available for sale	3,223	-	-	3,223
Financial assets at fair value through profit or loss	112,865	2,249,463	4,266	2,366,594
	<u>116,088</u>	<u>2,249,463</u>	<u>4,266</u>	<u>2,369,817</u>

30 June 2016

	<i>At 1 January 2016 KD</i>	<i>Net purchases and sales KD</i>	<i>Loss recorded in interim condensed consolidated income statement KD</i>	<i>At 30 June 2016 KD</i>
Assets measured at fair value				
Financial assets available for sale	3,223	-	-	3,223
Financial assets at fair value through profit or loss	112,865	900,000	(4,649)	1,008,216
	<u>116,088</u>	<u>900,000</u>	<u>(4,649)</u>	<u>1,011,439</u>