



**United Gulf Investment Corporation BSC**  
**Balance sheet at 31 December 2008**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	2	35,179	57,402
Investment in associated undertakings	3	15,272,591	8,511,390
Available-for-sale investments	4	<u>4,790,987</u>	<u>13,078,086</u>
		<u>20,098,757</u>	<u>21,646,878</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	5	1,922,491	3,473,193
Prepayments and other receivables	6	100,016	94,603
Cash and cash equivalents	7	<u>3,265,618</u>	<u>6,367,352</u>
		<u>5,288,125</u>	<u>9,935,148</u>
<b>Total assets</b>		<u>25,386,882</u>	<u>31,582,026</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	10	20,000,000	20,000,000
Treasury shares	10	<u>(17,728)</u>	<u>(17,728)</u>
		19,982,272	19,982,272
Share premium	10	111,093	111,093
Statutory reserve	11	811,416	544,295
Investment fair value reserve	12	1,121,342	9,986,956
Retained earnings		<u>3,328,619</u>	<u>924,528</u>
		<u>25,354,742</u>	<u>31,549,144</u>
<b>Non-current liabilities</b>			
Employees' terminal benefits	9	<u>14,870</u>	<u>9,632</u>
<b>Current liabilities</b>			
Accruals and other payables	8	<u>17,270</u>	<u>23,250</u>
<b>Total equity and liabilities</b>		<u>25,386,882</u>	<u>31,582,026</u>

These financial statements were approved by the Board of Directors on 26<sup>th</sup> February 2009 and signed on its behalf by:

\_\_\_\_\_  
Salah Rashid Al Rashid  
Chairman

\_\_\_\_\_  
Abdulkarim H. Al Mojil  
Managing Director

The accounting policies on pages 6 to 9 and the notes on pages 10 to 19 form an integral part of these financial statements.



**United Gulf Investment Corporation BSC**  
**Statement of income for the year ended 31 December 2008**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
<b>Income</b>			
Realised (losses)/gains on sale of financial assets at fair value through profit or loss		(44,200)	98,257
Unrealised fair value (losses)/gains on financial assets at fair value through profit or loss	5	(1,674,117)	747,649
Dividend income		7,070	139,847
Bank interest income		365,327	214,963
Other income		<u>-</u>	<u>1,697</u>
		<u>(1,345,920)</u>	<u>1,202,413</u>
<b>Expenses</b>			
Staff costs		(215,371)	(254,402)
General and administrative expenses		(219,569)	(100,239)
Directors' attendance fees		(4,163)	(6,425)
Depreciation	2	(26,053)	(19,935)
Finance costs		<u>(304)</u>	<u>(317)</u>
		<u>(465,460)</u>	<u>(381,318)</u>
<b>(Loss)/profit for the year before share of profit in associated undertakings</b>		(1,811,380)	821,095
Share of profits in associated undertakings	3	<u>4,482,592</u>	<u>1,570,425</u>
<b>Net profit for the year transferred to retained earnings</b>	10	<u>2,671,212</u>	<u>2,391,520</u>
<b>Earnings per share</b>	10	<u>13.37 fils</u>	<u>12 fils</u>

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**United Gulf Investment Corporation BSC**

**Statement of changes in shareholders' equity for the year ended 31 December 2008**

(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Investment fair value reserve</u>	<u>Retained earnings/ (accumulated losses)</u>	<u>Total</u>
At 1 January 2007		20,000,000	(17,728)	111,093	305,143	4,029,825	(1,227,840)	23,200,493
Net profit for the year		-	-	-	-	-	2,391,520	2,391,520
Unrealised fair value gains on available-for-sale investments	4	-	-	-	-	5,957,131	-	5,957,131
Transferred to statutory reserve	11	-	-	-	<u>239,152</u>	-	<u>(239,152)</u>	-
At 31 December 2007		<u>20,000,000</u>	<u>(17,728)</u>	<u>111,093</u>	<u>544,295</u>	<u>9,986,956</u>	<u>924,528</u>	<u>31,549,144</u>
At 1 January 2008		20,000,000	(17,728)	111,093	544,295	9,986,956	924,528	31,549,144
Net profit for the year		-	-	-	-	-	2,671,212	2,671,212
Unrealised fair value losses on available-for-sale investments	4	-	-	-	-	(8,865,614)	-	(8,865,614)
Transferred to statutory reserve	11	-	-	-	<u>267,121</u>	-	<u>(267,121)</u>	-
At 31 December 2008		<u>20,000,000</u>	<u>(17,728)</u>	<u>111,093</u>	<u>811,416</u>	<u>1,121,342</u>	<u>3,328,619</u>	<u>25,354,742</u>

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**United Gulf Investment Corporation BSC**  
**Statement of cash flows for the year ended 31 December 2008**  
**(Expressed in Bahrain Dinars)**

	<u>Notes</u>	<u>2008</u>	<u>2007</u>
<b>Operating activities</b>			
Net profit/(loss) for the year		2,671,212	2,391,520
Adjustments for:			
Depreciation	2	26,053	19,935
Share of profits from investment in associated undertakings	3	(4,482,592)	(1,570,425)
Realised (gains)/losses on sale of financial assets at fair value through profit or loss	5	44,200	(98,257)
Unrealised fair value (losses)/gains on financial assets at fair value through profit or loss	5	1,674,117	(747,649)
Dividend income		(7,070)	(139,847)
Bank interest income		(365,327)	(214,963)
Finance costs		304	317
Changes in operating assets and liabilities:			
Prepayments and other receivables		(5,413)	(89,990)
Accruals and other payables		(5,980)	15,132
Employees' terminal benefits, net		<u>5,238</u>	<u>9,632</u>
Net cash used in operating activities		<u>(445,258)</u>	<u>(424,595)</u>
<b>Investing activities</b>			
Purchase of plant and equipment	2	(3,830)	(8,923)
Purchase of financial assets at fair value through profit or loss	5	(1,162,920)	(2,901,255)
Dividends received from associated undertakings	3	90,900	-
Proceeds from sale of financial assets at fair value through profit or loss		995,305	695,113
Purchase of available-for-sale investments	4	(578,515)	(755,000)
Acquisition of additional investment in associated undertakings	3	(2,369,509)	-
Dividend income received		7,070	139,847
Bank interest income received		<u>365,327</u>	<u>214,963</u>
Net cash used in investing activities		<u>(2,531,817)</u>	<u>(2,615,255)</u>
<b>Financing activities</b>			
Finance costs paid		<u>(304)</u>	<u>(317)</u>
Net cash used in financing activities		<u>(304)</u>	<u>(317)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,101,734)</b>	<b>(3,040,167)</b>
Cash and cash equivalents, beginning of the year		<u>6,367,352</u>	<u>9,407,519</u>
Cash and cash equivalents, end of the year	7	<u>3,265,618</u>	<u>6,367,352</u>

The accounting policies on pages 6 to 9 and the notes on pages 10 to 18 form an integral part of these financial statements.