بسم الله الرحمن الرحيم

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ...

سورة المائدة (١)

His Highness
Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah
Amir of The State of Kuwait

His Highness
Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
Crown Prince of The State of Kuwait

AL Imtiaz Investment Group K.S.C. (PUBLIC)

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P.O. Box: 29050 Safat 13151 Kuwait

C.R: 106905, Dated 11 April 2005

Paid up Capital: KD 113,361,735 million

E-Mail: info@alimtiaz.com

Website: www.alimtiaz.com

Contents

Board of Directors

Mr. Khalid Sultan Ben Essa	Chairman
Dr. Mohammad Esmael Al-Ansari	Vice Chairman
Mr. Ahmed Mohammed Boodai	Board Member
Mr. Tareq Ibrahim Al-Mansour	Board Member
Mr. Tariq Abdullatif Al-Jaber	Board Member
Mr. Abdullah Dekheel Al-Jassar	Board Member
Mr. Abdulrahman Mohammad Al-Khannah	Board Member
Mr. Nawaf Hussain Marafi	Board Member Group Chief Executive Officer

Fatwa and Shari'a Supervisory Board

Dr. Naif Mohammad Al-Ajami	Chairman
Dr. Nazem Mohammad Al-Mesbah	Member
Dr. Sulaiman Maarafi Safar	Member
Dr. Khaled Shojaa Al-Otaibi	Member
Dr. Ibrahim Abdullah Al-Sabaii	Member
Dr. Mohammad Oud Al-Fuzai	Member

CHAIRMAN'S MESSAGE

Chairman’s Message

Assalam Alaykom wa Rahmatullah wa Barakatoh

Peace and Allah’s Mercy and Blessings be upon you

On behalf of my fellow Board Members, the staff and myself, it gives me great pleasure to welcome you to our annual General Assembly meeting and present to you the 9th annual report for the financial year ending 31 December 2014. Presented herein are the financial statements of the Group, the Independent Auditor’s report, the Fatwa and Shari’a Supervisory Board report, the External Shari’a Auditor’s report and the key financial performance indicators of the Group.

In spite of the many difficulties and challenges facing the Group, and after two consecutive years of losses, 2014 witnessed important business developments that propelled the Group into profitability on both a standalone basis and consolidated basis. The Company and its subsidiaries also recorded significant growth in revenues and substantial reduction in their general and administrative expenses.

The remarkable improvements in the Group’s financial results and indicators were primarily the result of the blessings of Allah Almighty and driven by the efforts of the Executive Management Team. In addition, these improvements were the outcome of adopting a comprehensive strategic plan that was developed in cooperation with a specialized international firm to reformulate the Group's strategy and business model. The new strategy of Al Imtiaz Investment Group is centered on a clear program for strategic transformation, a plan for restructuring the business model of the Company and its subsidiaries and developing their organizational, operational and internal control environments for the next five years.

The strategy transformation program is focused on several primary and promising sectors that are expected to yield attractive economic returns. The Group also commenced restructuring its subsidiary and associate companies to align them towards realizing sustainable growth. The Group also initiated the process of restructuring its investment portfolio and exiting from investments that fall outside the scope of its strategic sectors; with care to ensure that these exits are executed to deliver optimal returns. Proceeds from exiting non-strategic investments will be invested in building new investment positions and acquiring majority shares in subsidiaries that generate higher returns and operating revenues. Finally, the Group and its subsidiaries adopted very strict measures to reduce operating expenses.

The Group achieved remarkable financial results in 2014; realized revenues in 2014 reached KD 26.1 million compared to revenues of (KD 3.4) million realized in 2013. The Company has shifted from a net loss of KD 58 million and a per share loss of 53 Fils in 2013, to a positive net profit of KD 6.2 million and a per share profit of 5.6 Fils in 2014. The Group’s total assets stood at KD 308 million at the end of 2014, while shareholder’s equity increased to KD 177 million, rising from KD 172 million at the end of 2013. Al Imtiaz Investment Group achieved an 18% reduction in its total liabilities in 2014; liabilities decreased to

KD 91 million from KD 111 million in 2013. Total expenses were reduced by 68% to reach KD 19 million in 2014 compared to KD 59 million in 2013, general and administrative expenses dropped by 13% in 2014 compared to 2013.

Accordingly, the Board of Directors recommends the distribution of a 5% cash dividend (5 Fils per share) for the financial year ending 31 December 2014.

The Board of Directors has paid special attention to promote the values and virtues of corporate governance and prudent management. Decisive steps have been taken for institutionalizing a corporate and professional approach into the business processes and systems at Al Imtiaz Investment Group and its subsidiaries, mainly through the adoption of international standards and best practices. A new organizational structure has been approved for the Group in line with the new strategy, which addresses the changes in local and global markets. This organizational structure has been supported with highly qualified and competent national staff and reinforced with independent supervisory and specialized committees.

In conclusion, I would like to reiterate our thanks and appreciation for your continuous support that has enabled our efforts. Allow me to also extend my sincere thanks to my fellow Board Directors, members of the Executive team and our valued staff for their efforts and continuous support in this extremely critical phase for the Company. Thanks are also due to their eminence, members of the Fatwa and Shari'a Supervisory Board for their cooperation and valued contributions.

We pray to Allah that our joint efforts be successful, and we thank you for your attendance and participation.

Praise be to Allah, Lord of the Worlds

Assalam Alaykom wa Rahmatullah wa Barakatoh

Peace and Allah's Mercy and Blessings be upon you

Khalid Sultan Ben Essa
Chairman

EXECUTIVE SUMMARY

Executive Summary

Praise be to Allah the Almighty

Al Imtiaz Investment Group commenced 2014 with the clear goal and objective of rapidly overcoming the challenges and difficulties facing it. The Group set out to return to profitability and institutionalize a professional business environment, following two consecutive years of losses and a shortage of liquidity that was the result of an imbalanced cash cycle. Notwithstanding the internal challenges, the Group also faced a difficult economic environment, made worse by political unrest in the region and around the world and falling oil prices that exerted negative pressures on the fiscal policies of Kuwait and other countries in the region.

Within one year, with thanks and praise to Allah, the Group was able to steer its direction towards improved operational performance, and a return to profitability. During 2014, the Group engaged an international consulting firm to formulate a new strategy and develop an improved business model for the Company and its subsidiaries and associates. The Group commenced implementation of the new strategy with a focus on principal sectors, to ensure sustainable growth, and divestment of non-strategic investments. The Company was also able to overcome the shortage of liquidity it was facing, with only KD 140 thousand in cash at the Parent Company level at year-end 2013. This was primarily generated through exits of investments that have matured, coupled with the divestment of some non-strategic investments. Al Imtiaz, thanks to Allah Almighty, raised KD 15.9 million in cash during 2014 and ended the year with KD 4.2 million after fulfilling all its financial obligations. The consolidated cash position at the Group level reached KD 14.8 million at the end of 2014.

Performance Indicators

Al Imtiaz reduced its losses in the first quarter of 2014, to a net loss of KD 4 million, and continued to improve its performance achieving a net profit of KD 4 million for the second quarter. Profitability continued in the third quarter as the company generated KD 1 million in net profit. Thanks to Allah the Almighty, the Group closed the year with an impressive recovery in its financial performance; consolidated revenues realized in 2014 totaled KD 26.1 million, compared to negative revenues of KD (3.4) million in 2013. The Group managed to realize a net profit of KD 6.2 million and a profit per share of 5.6 Fils at year-end 2014 compared to a net loss of KD (58) million and a loss per share of 53 Fils at year-end 2013. The Group's total assets stood at KD 308 million at year-ended 2014. Shareholder's equity increased to KD 177 million at year-ended 2014, rising from KD 172 million at the end of 2013. The Group reduced its liabilities by 18% to KD 91 million in 2014. Total expenses were reduced by 68% to KD 19 million in 2014 compared to KD 59 million in 2013.

Strategic Transformation Program

In an effort to restructure and develop a new business model for the Company and its subsidiaries and associates, Al Imtiaz Investment Group launched a strategic transformation program. The program is focused on investment in key strategic sectors and calls for consolidating positions in the Group's existing strategic assets that are expected to yield attractive returns. The strategy also considers divestment of non-strategic investments and re-balancing the Company's portfolio to deliver higher yields. The strategy also considers redeployment of liquidity into strategic assets, to further the growth plans of these companies and enhance their ability to deliver higher yields within the sectors they operate in. The strategy also aims to readjust the liabilities of Al Imtiaz Investment Group and its subsidiaries to reduce the debt burden and enhance efficiency of the capital structure.

During 2014, Al Imtiaz Investment Group successfully executed several exits, settlements and asset swaps valued at KD 11.1 million. Some of the more notable transactions included exiting Varel International Energy Services Company and realizing a profit of USD 5.3 million. The Group also sold one of its investments in Arcapita Ventures 1 Fund realizing a profit of USD 6 million.

The Group is continuing its organizational and operational restructuring process to install internal systems, policies and procedures required to enhance its efficiency, improve reporting and fortify corporate governance. The Company is working hard towards building a competent management team of talented Kuwaitis and experienced professionals to face the challenges of the next phase.

Subsidiaries and Associates

To advance the strategy transformation program, the Group concentrated its efforts on restructuring investments that operate in key strategic sectors. Al Bilad Real Estate Investment Company, which represents the real estate arm of the Group, completed the first phase development of public warehouses on its Bahrain Wharf land valued at KD 2.3 million, a significant portion of these warehouses has been leased. The Company also completed developing and leasing Al Bilad Investment Towers in Salmiya for KD 5.2 million. Al Bilad also acquired two commercial plots in Sabah Al Ahmad Sea area for KD 5 million, and sold a plot in Fahad Al Salem area for KD 8.2 million. The Company is also developing its own ambitious five year strategic transformation plan.

Our Investment in the Education sector through Amman Arab University in Jordan moved to its new and permanent location, a new general manager was appointed, and a new plan was launched to establish new colleges and offer a wider variety of disciplines. The university also entered into agreements to provide scholarships to a number of Kuwaiti students. Our investment in Kuwait based Human Soft, continues to deliver, yielding a 70% cash dividend paying 70 Fils per share for 2014.

In the Oil and Gas and Contracting sectors, Triple E Holding (Alimtiaz Engineering and Energy) continued developing its business and building robust relationships with clients in Kuwait. A new strategic plan is under development to diversify revenue sources, grow its businesses and reduce revenue concentration risks. Al Dar Engineering and Contracting (HOT) Company collected KD 6.5 million for work previously completed. The Company is diligently working on restructuring and improving its business model.

Governance

The functions of Internal Audit and Risk Management were reinforced during 2014; two major audit firms were contracted to support the Internal Audit and Risk Management activities of the Group, and ensure that all systems and internal operations fully comply with the governing laws and regulations. Work is also underway to lay the foundation for sound policies and administrative systems that govern the activities of the Board of Directors, Executive Management and their committees.

The Group and its subsidiaries are fully committed to the implementation of international governance standards and the adoption of institutional and professional best practices. The Group has proactively embraced the principles of transparency in all aspects pertaining to its business activities, including anti-fraud measures and policies.

Future Outlook

Thanks be to Allah, we are optimistic about the future of the Group and will continue executing the strategy transformation program to accomplish its objectives. We remain committed to the restructuring efforts in a very deliberate manner to build a robust and professional organization through the diligent efforts and hard work of our employees. We will continue to be transparent in our communication with all stakeholders and strive towards building a sustainable business model that supports the development and growth of the Group and maximizes shareholders value.

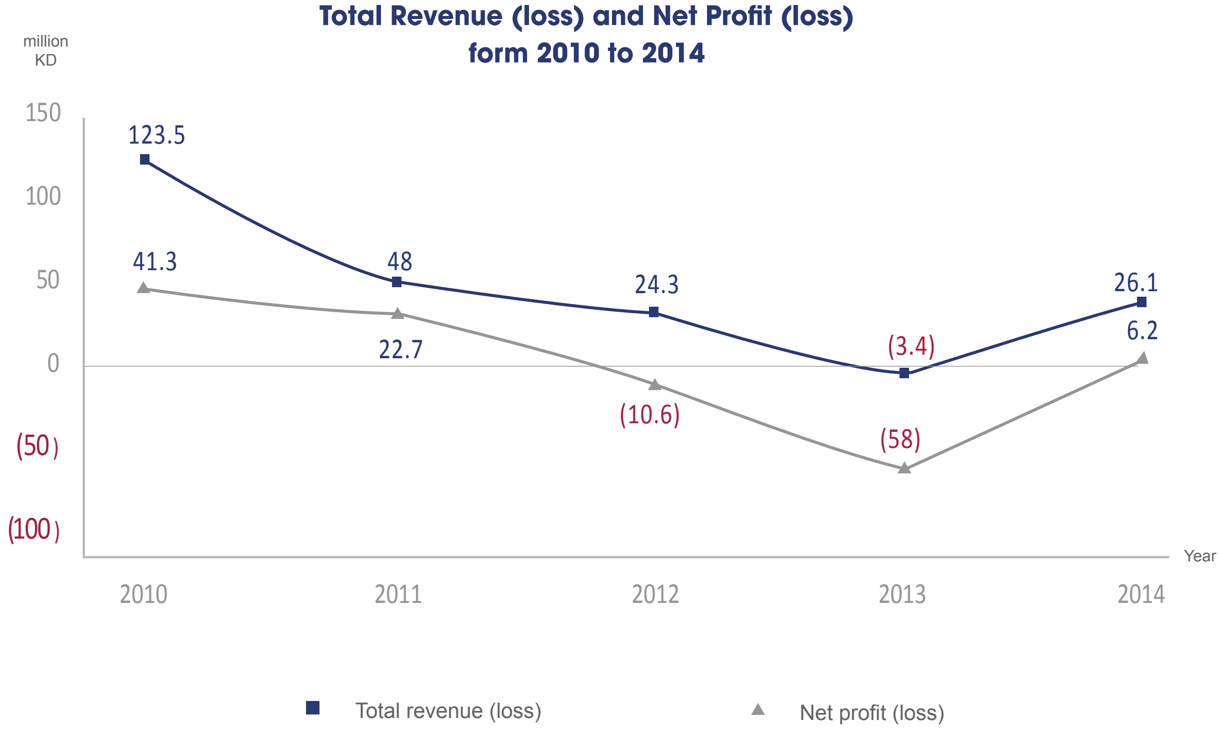
Nawaf Marafi

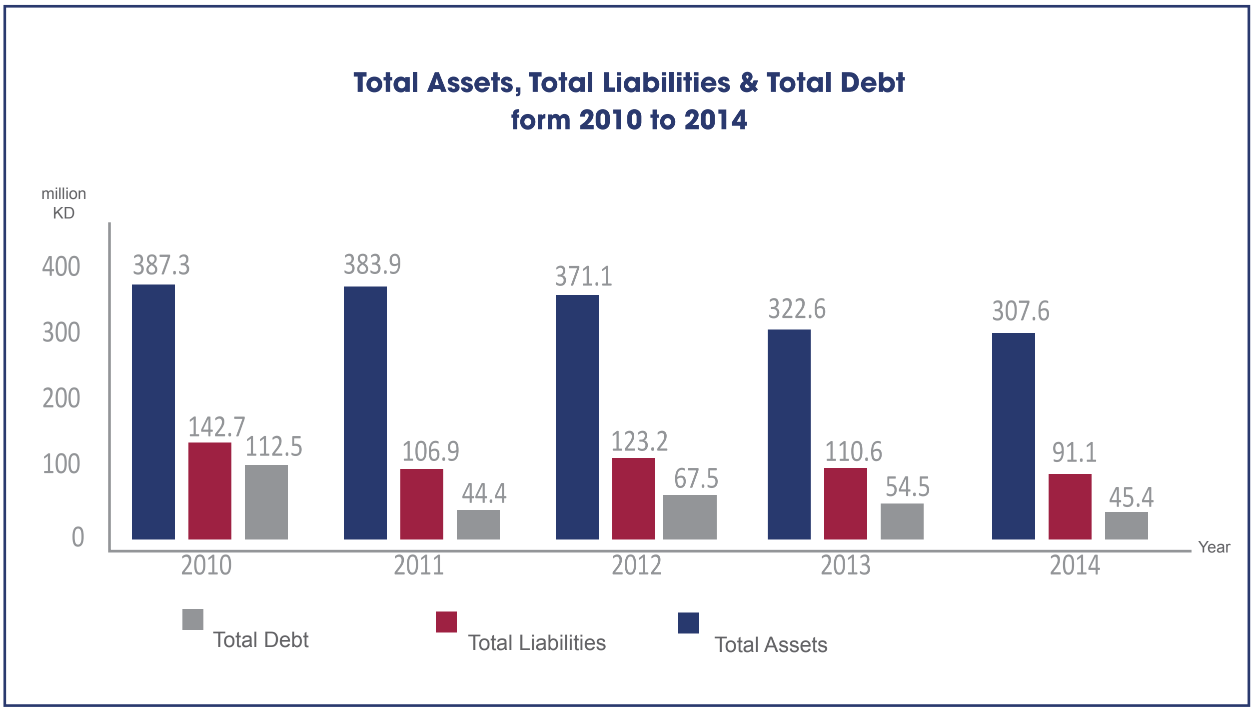
Group Chief Executive Officer

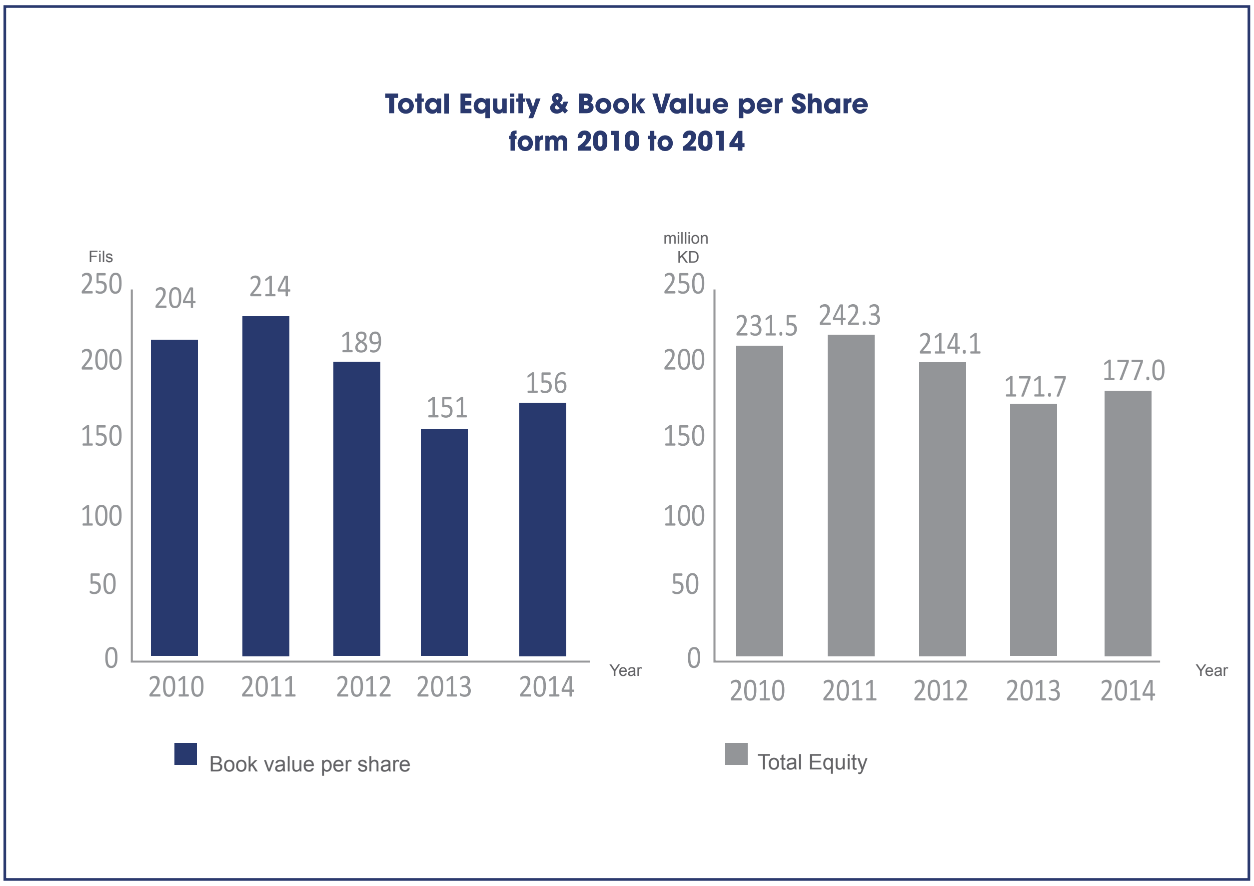
Summary of Key Financial Indicators

Key Financial Indicators as of December 31, 2014 (million KD)			
Indicator	2013	2014	Change 2013 – 2014
Total Revenue (Loss)	(3.4)	26.1	26.1
Net Profit (Loss)	(58)	6.2	6.2
Total Equity	171.7	177.0	5.3
Total Liabilities	110.6	91.1	(19.5)
Total Assets	322.6	307.6	(15.0)
Debt / Equity Ratio	0.6	0.5	N/A
Profit (Loss) per Share - Fils	(52.9)	5.6	N/A
Book Value per Share - Fils	151	156	5

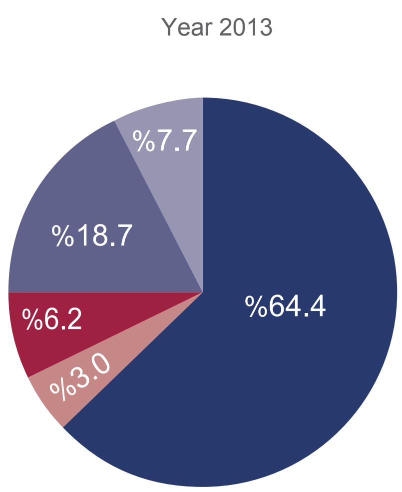
Total Revenue (loss) and Net Profit (loss) form 2010 to 2014

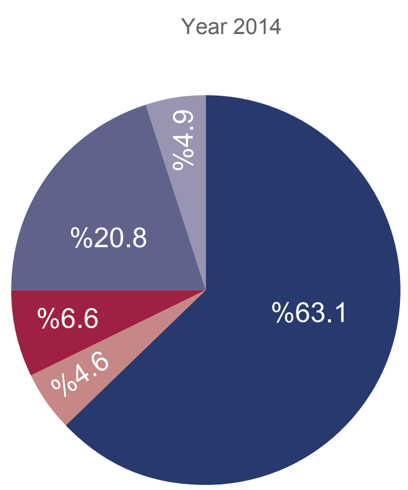



Total Assets, Total Liabilities & Total Debt
form 2010 to 2014
million KD
400
300
200
100
0
387.3
142.7
112.5
383.9
106.9
44.4
371.1
123.2
67.5
322.6
110.6
54.5
307.6
91.1
45.4
2010
2011
2012
2013
2014
Year
Total Debt
Total Liabilities
Total Assets


Total Equity & Book Value per Share
form 2010 to 2014
Fils
250
200
150
100
50
0
204
214
189
151
156
2010
2011
2012
2013
2014
Year
Book value per share
million KD
250
200
150
100
50
0
231.5
242.3
214.1
171.7
177.0
2010
2011
2012
2013
2014
Year
Total Equity

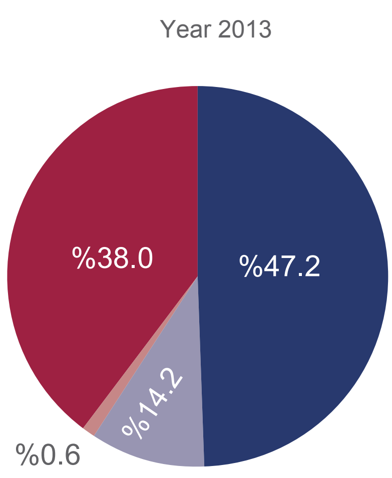
Geographical Distribution of Investments as of December 31, 2014

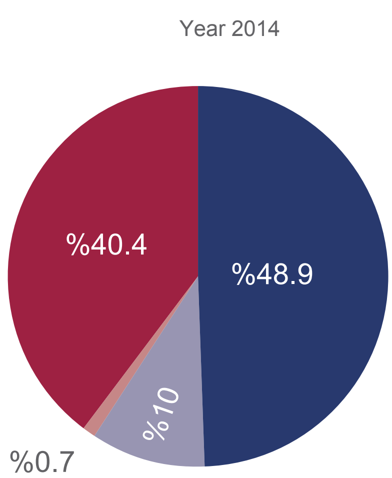




Europe, USA & rest of the World | Other Gulf States | Bahrain | Qatar | Kuwait

Sector Wise Distribution of Investments as of December 31, 2014





Industrial | Services | Banking & Finance | Real Estate & Infrastructure

FATWA & SHARI'A SUPERVISORY BOARD REPORT
AND
EXTERNAL SHARI'A AUDIT REPORT

Fatwa and Shari'a Supervisory Board Report

Praise be to Allah and Peace and Blessings be upon his Prophet Muhammed and all this Family and Companions

Dear Shareholders of Al Imtiaz Investment Group,

Peace and Allah's Mercy and Blessings be upon you

You have assigned us the task of reviewing all contracts and transactions completed by the Company during the period from 1 January 2014 to 31 December 2014. Our responsibility entailed expressing an independent opinion regarding the Company's compliance with the principles of Shari'a "Islamic Law" while carrying out its businesses activities.

The Shari'a Supervisory Unit has completed its audits in accordance with the standards and regulations of the Accounting and Auditing Organization for Islamic Financial Institutions. This organization requires formal planning and execution of audits in order to ascertain all required information, explanations and acknowledgements to confirm the Company's compliance with the principles of Shari'a. We believe that the audit report and activities carried out by the Shari'a Supervisory Unit provides a satisfactory basis for expressing a reasonable opinion.

The execution of contracts and transactions in accordance with the principles of Shari'a is the sole responsibility of the Company's Management.

The Board certifies:

- The Company has fulfilled its duties in executing contracts and transactions in accordance with the principles of Shari'a for the period from 1 January 2014 to 31 December 2014.
- All revenues resulting from sources or methods that are prohibited by Shari'a have been set aside for charitable distribution.
- The calculation of Zakat has been conducted in accordance with the principles approved by the Board.

May Allah bless our Prophet Muhammad, his Family and Companions

Praise be to Allah, Lord of the Worlds

Fatwa and Shari'a Supervisory Board Members

Dr. Naif Mohammad Al Ajami	**Dr. Nazem Mohammad Al Mesbah**	**Dr. Sulaiman Maarafi Safar**
Dr. Khaled Shojaa Al Otaibi	**Dr. Ibrahim Abdullah Al Sabaii**	**Dr. Mohammad Oud Al Fuzai**

External Shari'a Audit Report

In the name of Allah the Most Gracious the Most Merciful

Dear Shareholders of Al Imtiaz Investment Group,

Assalam Alaykom wa Rahmatullah wa Barakatoh

Peace and Allah's Mercy and Blessings be upon you

According to our contract with Al Imtiaz Investment Group under which we have been assigned to carry out the external Shari'a audit work for the Group, we present the following report:

First: Scope of Work

We have audited and reviewed the Company's transactional contracts and all related documents signed by the Company in the financial year ending 31/12/2014. This was done to form our opinion on whether or not the Company acted in compliance with Islamic Shari'a principles and rules in accordance with the resolutions, guidelines and opinions issued by the Fatwa and Shari'a Supervisory Board.

Second: Responsibility of the Fund

The Company's Management is responsible for compliance with the Islamic Shari'a provisions and principles in accordance with the specific resolutions, guidelines and opinions issued by the Fatwa and Shari'a Supervisory Board of the Company.

Third: Responsibility of the External Shari'a Auditor

Our responsibility is to review all transactions conducted by the Company to ensure their compliance with the resolutions of the Fatwa and Shari'a Supervisory Board of the Company, and issue a report in this regard to the Company's shareholders in accordance with the Capital Markets Authority regulations.

Fourth: Description of the External Shari'a Audit Work

In order to complete the requested work, we have planned and executed the external Shari'a audit work according to professionally recognized standards. The completed work included inspecting the Company's Shari'a audit system which is comprised of the Fatwa and Shari'a Supervisory Board and the internal Shari'a auditor.

We have also audited the Company's transactions and obtained the necessary explanations and evidence to ensure compliance with the specific decrees, resolutions and guidelines issued by the Company's Fatwa and Shari'a Supervisory Board. Our work also included reviewing the Company's annual financial statements and their explanatory notes.

All information and explanations obtained, provided us with sufficient evidence to reasonably assess the Company's compliance with the provisions and principles of the Islamic Shari'a as outlined by the Fatwa and Shari'a Supervisory Board of the Company.

Fifth: Our Opinion

In our opinion, the contracts and transactions executed by the Company during the financial year ending 31/12/2014 were in compliance with the provisions and principles of Islamic Shari'a as outlined by the Company's Fatwa and Shari'a Supervisory Board.

Allah the Al-Mighty is the best Guardian

Abdul Sattar Ali Al Qattan
Shura Sharia Consultancy

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014
AND INDEPENDENT AUDITORS' REPORT

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mail@albazie.com www.albazie.com

The Shareholders
Al Imtiaz Investment Group Company - K.S.C. (Public)
State of Kuwait

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Al Imtiaz Investment Group Company - K.S.C. (Public) (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2014, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted in state of Kuwait and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Al Imtiaz Investment Group Company - K.S.C. (Public) (the Parent Company) and its subsidiaries (the Group) as of December 31, 2014, and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted in State of Kuwait.

Report on other Legal and Regulatory Requirements

Also in our opinion, the consolidated financial statements include the disclosures required by the Companies Law No. 25 of 2012, and its amendments and its Executive Regulations, and the Parent Company's Articles of Association and Memorandum of Incorporation, and we obtained the information we required to perform our audit. In addition, proper books of account have been kept, physical stocktaking was carried out in accordance with recognized practice, and the accounting information given in the Director's Report is in agreement with the Parent Company's books. According to the information available to us, there were no contraventions during the financial year ended December 31, 2014 of either the Companies Law No. 25 of 2012 and its amendments and its Executive Regulations or of the Parent Company's Articles of Association and Memorandum of Incorporation which might have materially affected the Group's financial position or results of its operations.

We further report that, during the course of our audit, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulations, And we further report that, we have not become aware of any material violations of Law No. 7 of 2010 concerning the Capital Markets Authority and Organization of Security Activity, and its amendments and Executive regulations during the financial year ended December 31, 2014 that might have materially affected the Group's financial position or results of its operations.

Qais M. Al Nisf
License No. 38-A
BDO Al Nisf & Partners

Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

State of Kuwait
March 16, 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

(All amounts are in Kuwaiti Dinars)

ASSETS	Note	2014	2013 (Restated)
Cash and cash equivalents	3	**14,819,991**	13,296,806
Term deposits	4	**3,071,695**	245,631
Investments at fair value through profit or loss	5	**4,078,583**	4,006,569
Accounts receivable and other debit balances	6	**42,858,345**	48,030,975
Murabaha receivables	7	**4,382,846**	1,927,957
Properties held for trading	8	**-**	7,855,737
Work in progress		**-**	226,427
Other assets		**4,254,630**	6,571,228
Properties under development	9	**26,033,112**	25,038,500
Investments available for sale	10	**76,596,250**	93,454,662
Investment in associates	11	**46,395,508**	47,547,938
Investment properties	12	**52,618,469**	40,811,848
Property, plant and equipment	13	**31,091,055**	32,008,802
Goodwill		**1,395,800**	1,601,983
Total assets		**307,596,284**	322,625,063
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable and other credit balances	15	**42,061,285**	51,850,347
Finance lease obligation	16	**25,566,559**	37,175,081
Murabaha and Wakala payable	17	**19,817,482**	17,307,225
Provision for end of service indemnity		**3,644,380**	4,221,584
Total liabilities		**91,089,706**	110,554,237
Equity:			
Capital	18	**113,361,735**	113,361,735
Share premium	19	**34,108,277**	34,108,277
Treasury shares	20	**(3,682,805)**	(4,654,812)
Statutory reserve	21	**16,724,704**	16,089,426
Voluntary reserve	22	**2,494,745**	30,676,870
Other equity items	23	**7,777,234**	9,598,983
Retained earnings (accumulated losses)		**6,236,743**	(27,447,206)
Equity attributable to the Parent Company's shareholders		**177,020,633**	171,733,273
Non - controlling interests	14	**39,485,945**	40,337,553
Total equity		**216,506,578**	212,070,826
Total liabilities and equity		**307,596,284**	322,625,063

The accompanying notes (1) to (41) form an integral part of the consolidated financial statements.

Khaled Sultan Bin Essa Chairman	Muhammad Ismail Al Ansari Vice Chairman

	Note	2014	2013 (Restated)
Revenue:			
Net investment income	24	**7,798,769**	2,361,747
Murabaha income		**118,178**	71,986
Management, placement and subscription fees		**1,241,657**	1,070,180
Rental income		**1,434,914**	1,478,221
Gross profit on sale of properties held for trading	8	**344,263**	-
Gain on sale of subsidiaries	6	**1,822,231**	-
Gain (loss) on sale of associates	11	**117,209**	(241,236)
Share of results from associates	11	**135,641**	(3,509,601)
Gain on acquisition of a subsidiary		**-**	2,321,048
Loss on sale of investment properties		**(126,441)**	(230,044)
Gain (loss) on sale of lands	6	**985,873**	(1,656,614)
Change in fair value of investment properties	12	**3,566,911**	(2,837,504)
Gain on valuation of lands transferred to properties under development	9	**697,406**	-
Reversal of staff bonus provision	15	**3,161,750**	-
Other income (loss)		**4,784,186**	(2,236,675)
Total revenue (loss)		**26,082,547**	(3,408,492)
Expenses and charges:			
General and administrative expenses	25	**9,245,182**	10,679,315
Finance charges	26	**2,302,422**	3,162,446
Management, placement and subscription cost		**522,086**	295,286
Foreign currency exchange		**(20,924)**	62,286
Impairment and other provisions	27	**4,408,373**	36,558,162
Impairment on investment in associates	11	**-**	4,874,516
Depreciation	13	**2,651,637**	3,109,589
Total expenses and charges		**19,108,776**	58,741,600
Profit (loss) for the year before contribution to National Labour Support Tax (NLST) and Zakat		**6,973,771**	(62,150,092)
NLST	29	**(151,966)**	-
Contribution to Zakat	30	**(39,341)**	-
Net profit (loss) for the year		**6,782,464**	(62,150,092)
Attributable to:			
Parent Company's shareholders		**6,161,476**	(58,171,639)
Non - controlling interests		**620,988**	(3,978,453)
Net profit (loss) for the year		**6,782,464**	(62,150,092)
Earnings (loss) per share (fils)	32	**5.63**	(52.93)

The accompanying notes (1) to (41) form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013 (All amounts are in Kuwaiti Dinars)

	Note	2014	2013 (Restated)
Net profit (loss) for the year		**6,782,464**	(62,150,092)
Other comprehensive (loss) income:			
Item that may be reclassified subsequently to profit or loss			
Changes in fair value of investments available for sale	10	**(3,025,963)**	16,405,600
Share of other comprehensive income from associates	11	**209,875**	387,590
Exchange differences on translating foreign operations	23	**(129,128)**	(36,189)
		(2,945,216)	16,757,001
Item that will not be reclassified subsequently to profit or loss			
Property revaluation surplus	23	**641,445**	-
Other comprehensive (loss) income for the year		**(2,303,771)**	16,757,001
Total comprehensive income (loss) for the year		**4,478,693**	(45,393,091)
Attributable to:			
Parent company's shareholder		**3,857,705**	(41,414,638)
Non - controlling interests		**620,988**	(3,978,453)
Total comprehensive income (loss) for the year		**4,478,693**	(45,393,091)

The accompanying notes from (1) to (41) form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2014

(All amounts are in Kuwaiti Dinars)

	Equity attributable to the Parent Company's shareholders									
	Capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other equity items (Restated)	Retained earnings (accumulated losses) (Restated)	Subtotal	Non - controlling interests	Total
Balance as of December 31, 2012	113,361,735	34,108,277	(3,682,805)	16,089,426	30,676,870	(7,165,293)	30,724,433	214,112,643	33,809,573	247,922,216
Effect of purchase share in subsidiaries	-	-	-	-	-	7,275	-	7,275	-	7,275
Net movement in treasury shares from acquisition of a subsidiary	-	-	(972,007)	-	-	-	-	(972,007)	-	(972,007)
Total comprehensive income (loss) for the year	-	-	-	-	-	16,757,001	(58,171,639)	(41,414,638)	(3,978,453)	(45,393,091)
Change in non-controlling interest	-	-	-	-	-	-	-	-	10,506,433	10,506,433
Balance as of December 31, 2013	113,361,735	34,108,277	(4,654,812)	16,089,426	30,676,870	9,598,983	(27,447,206)	171,733,273	40,337,553	212,070,826
Transferred from voluntary reserve to set off accumulated losses (Note 35)	-	-	-	-	(28,182,125)	-	28,182,125	-	-	-
Effect of purchase share in subsidiaries	-	-	-	-	-	522,140	-	522,140	-	522,140
Net movement in treasury shares from sale of a subsidiary	-	-	972,007	-	-	-	-	972,007	-	972,007
Loss on sale of treasury shares	-	-	-	-	-	(40,118)	(24,374)	(64,492)	-	(64,492)
Transfer to reserves	-	-	-	635,278	-	-	(635,278)	-	-	-
Total comprehensive (loss) income for the year	-	-	-	-	-	(2,303,771)	6,161,476	3,857,705	620,988	4,478,693
Change in non – controlling interests	-	-	-	-	-	-	-	-	(1,472,596)	(1,472,596)
Balance as of December 31, 2014	**113,361,735**	**34,108,277**	**(3,682,805)**	**16,724,704**	**2,494,745**	**7,777,234**	**6,236,743**	**177,020,633**	**39,485,945**	**216,506,578**

The accompanying notes (1) to (41) form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2014

(All amounts are in Kuwaiti Dinars)

	2014	2013 (Restated)
Cash flows from operating activities		
Profit (loss) for the year before contribution to NLST and Zakat	**6,973,771**	(62,150,092)
Adjustments:		
Net investment income	**(7,798,769)**	(2,361,747)
Murabaha income	**(118,178)**	(71,986)
Gross profit on sale of properties held for trading	**(344,263)**	-
Gain on sale of subsidiaries	**(1,822,231)**	-
(Gain) loss on sale of associates	**(117,209)**	241,236
Share of results from associates	**(135,641)**	3,509,601
(Gain) on acquisition of a subsidiary	**-**	(2,321,048)
Loss on sale of investment properties	**126,441**	230,044
(Gain) loss on sale of lands	**(985,873)**	1,656,614
Change in fair value of investment properties	**(3,566,911)**	2,837,504
Gain on valuation of lands transferred to properties under development	**(697,406)**	-
Finance charges	**2,302,422**	3,162,446
Impairment and other provisions	**4,408,373**	36,558,162
Impairment on investment in associates	**-**	4,874,516
Depreciation	**2,651,637**	3,109,589
Provision for end of service indemnity	**729,678**	1,196,480
	1,605,841	(9,528,681)
Change in operating assets and liabilities:		
Investments at fair value through profit or loss	**20,102**	1,137,829
Accounts receivable and other debit balances	**(1,881,699)**	8,323,303
Murabaha receivables	**(2,776,146)**	(1,141,379)
Work in progress	**-**	173,869
Other assets	**1,836,573**	718,961
Accounts payable and other credit balances	**(6,067,966)**	(3,433,669)
Cash used in operations	**(7,263,295)**	(3,749,767)
End of service indemnity paid	**(692,621)**	(619,110)
Net cash used in operating activities	**(7,955,916)**	(4,368,877)
Cash flows from investing activities		
Term deposits	**(2,826,064)**	175,543
Net movement on investments available for sale	**13,798,257**	(1,673,107)
Net movement on investment in associates	**463,753**	(72,344)
Properties under development	**3,592,832**	-
Investment properties	**(3,228,172)**	6,093,853
Proceed from sale of subsidiaries	**1,900,000**	-
Paid to acquire a subsidiary	**-**	(10,756,750)
Net movement in property, plant and equipment	**(2,788,792)**	(1,540,018)
Dividend received	**1,473,162**	1,215,272
Dividend received from associates	**1,222,396**	665,196
Net cash generated from (used in) investing activities	**13,607,372**	(5,892,355)

	2014	2013 (Restated)
Cash flows from financing activities		
Effect of sale / purchase share in subsidiaries	**522,140**	7,275
Finance lease obligation	**(3,408,522)**	-
Murabaha and Wakala payable	**2,181,865**	(6,628,286)
Finance charges paid	**(1,974,030)**	(1,829,029)
Effect of change in non – controlling interests	**(851,608)**	9,537,512
Net cash (used in) generated from financing activities	**(3,530,155)**	1,087,472
Net increase (decrease) in cash and cash equivalents	**2,121,301**	(9,173,760)
Cash and cash equivalents at the beginning of the year	**13,296,806**	21,699,369
Cash related to disposal / acquire subsidiaries	**(598,116)**	771,197
Cash and cash equivalents at the end of the year (Note 3)	**14,819,991**	13,296,806

The accompanying notes (1) to (41) form an integral part of the consolidated financial statements.

1. Incorporation and activities

Al Imtiaz Investment Group Company - K.S.C. (Public) (The Parent Company) (formerly known as Al Imtiaz Investment Company - K.S.C. (Public)) is a Kuwaiti public (Public) shareholding company registered in state of Kuwait, and was incorporated based on Article of Incorporation Ref. No.2074 / Volume 1 dated April 6, 2005 and its subsequent amendments, the latest of which was notarized in the commercial register under Ref. No.106905 dated June 19, 2012. The Parent Company is listed on the Kuwait Stock Exchange.

The main activities of the (Parent) Company are as follows:

1. Investing in real estate, industrial, agricultural and other economic sectors, through contributing to establishment of specialized companies or buying its shares or bonds in various sectors.
2- Managing public and private institutions' funds and invest these funds in various economic sectors, including portfolio management and real estate.
3- Providing and preparing technical, economic and valuation studies and consultancies and feasibility studies related to these companies and institutions and prepare the necessary studies for these institutions and companies.
4- Mediation in lending and borrowing operations.
5- Carrying out the functions of companies and organizations' Bonds issue managers, and the functions of custodians.
6- Financing and brokerage in international trade operations.
7- Providing loans to others taking into account financial safety principles in loans granting, while maintaining the continuity of the safety of company's financial position in accordance with the conditions, rules and limits established by the Central Bank of Kuwait.
8- Dealing and trading in foreign exchange and precious metals market in Kuwait and abroad, this activity is only for the company.
9- Operations related to trading of securities from shares of companies and local governmental bodies and international organizations from purchase and sale of bonds.
10- Carrying out all the services that help to develop and strengthen the capacity of the financial and cash market in Kuwait and to meet its needs, all within the limits of law and procedures or instructions issued by the Central Bank of Kuwait.
11- Mobilizing resources to Ijara financing and arranging group Ijara financing, especially for small and medium enterprises.
12- Owning, using and renting industrial property rights, patents, commercial and industrial trademarks, business graphics, intellectual property rights and related intellectual programs and literature to other insirutions.
13- Establishing and managing investment funds for its own and on behalf of others, issuing its units for subscription and acting as custodian or investment manager for leasing and investment funds inside the State of Kuwait and abroad in accordance with laws and resolutions in force in the country.

The Parent Company may conduct the above mentioned business in the State of Kuwait or abroad by its own or as an agent. The Parent Company may have an interest or to participate in any way with institutions practicing activities similar to its activities or which may assist the Parent Company in achieving its objectives in the State of Kuwait or abroad. It may establish, participate in, or acquire those institutions or have them affiliated to it to be conducted in accordance with the Islamic Sharia`a.

The Parent Company is registered in the commercial registry under Ref. No. 106905 dated April 11, 2005

The Parent Company's registered address is P. O. Box 29050, Safat – Zip Code 13151 – State of Kuwait.

The Group's consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (the Group) (Note 2-b).

The total number of employees of the Parent Company as of December 31, 2014 is 59 employees (2013 - 49 employees).

According to the Parent Company Shareholders' Extraordinary General Assembly meeting held on October 27, 2014, the Parent Company had complied with the requirements of the Companies' Law No. 25 of 2012 and its amendments and executive regulations, which has been ratified by the Parent Company Shareholders' General Assembly.

The consolidated financial statements were authorized for issue by the parent company`s Board of Directors on March 16, 2015. The Annual Shareholders' General Assembly has the power to amend these consolidated financial statements after issuance.

2. Significant accounting policies

The accompanying consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards and with the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRSs) except for the IAS 39 requirements for a collective provision, which has been replaced by the Central Bank of Kuwait's ("CBK") requirement for a minimum general provision 1% for cash facilities and 0.5% for non cash facilities (if any) as described under the accounting policy for impairment of financial assets. Significant accounting policies are summarized as follows;

a) Basis of preparation:

The consolidated financial statements are presented in Kuwaiti Dinars which is the functional currency of the parent company and are prepared under the historical cost convention, except for investments at fair value through profit or loss, investments available for sale and investment properties which are stated at their fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Group's accounting policies. Significant accounting judgments, estimates and assumptions are disclosed in Note 2 (y).

Standards and Interpretations issued and effective

The accounting policies applied by the Group are consistent with those used in the previous year except for the changes due to implementation of the following new and amended International Financial Reporting Standards as of January 1, 2014.

Amendments to IAS 32 - Offsetting financial assets and financial liabilities
The amendments to IAS 32 clarify the meaning of "currently has a legally enforceable right of set off" and "simultaneous realization and settlement".

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities
These amendments 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.

Amendments to IAS 36 – Recoverable amount disclosures for non-financial assets
The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or CGU is measured at fair value less costs of disposal. These new disclosures include fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosures required by IFRS 13 Fair Value Measurements.

These amendments are not expected to have any material impact on the consolidated financial statements.

Standards and Interpretations issued but not effective

The following new and amended IASB Standards have been issued but are not yet effective, and have not been adopted by the Group:

IFRS 9 - Financial Instruments
The standard, effective for annual periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 specifies how an entity should classify and measure its financial instruments and includes a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization
The amendments, effective prospectively for annual periods beginning on or after January 1, 2016, clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

IFRS 15 - Revenue from contracts with customers
The standard, effective for annual periods beginning on or after January 1, 2017, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the following existing standards and interpretations upon its effective date:

- IAS 18 – Revenue,
- IAS 11 – Construction Contracts,
- IFRIC 13 – Customer Loyalty Programs,
- IFRIC 15 – Agreements for the Construction of Real Estate,
- IFRIC 18 – Transfers of Assets from Customers, and,
- SIC 31 – Revenue-Barter Transactions Involving Advertising Services

Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. They are effective for annual periods beginning on or after 1 January 2016, with earlier application being permitted.

These amendments and standards are not expected to have any material impact on the consolidated financial statements.

b) Principles of consolidation:

The consolidated financial statements incorporate the financial statements of Parent Company and the following subsidiaries (the Group):

Name of subsidiary	Country of incorporation	Principal activities	Percentage of holding % 2014	2013
Al Reyadah Holding Company - K.S.C.(Holding) and its subsidiaries	State of Kuwait	Holding	**100**	100
Al Imtiaz International Real Estate Company - K.S.C. (Closed)	State of Kuwait	Real estate	**100**	100
Smarts Way Holding Company - K.S.C. (Holding) **(a)**	State of Kuwait	Holding	**-**	100
Smarts Way Media - K.S.C. (Closed)	State of Kuwait	Media	**100**	100
Markets for Centralized Markets Company - K.S.C. (Closed)	State of Kuwait	Service	**100**	100
Al Imtiaz Leader for General Trading Company - Ali Ahmed Zubaid and Partner - W.L.L.	State of Kuwait	Public trading	**100**	100
Al Khour Growth for General Trading Company - W.L.L.	State of Kuwait	Public trading	**100**	100
Ethraa International for Consultation Services Co. K.S.C.(Closed)	State of Kuwait	Consulting	**100**	100
Al Khour Development for General Trading Company - W.L.L.	State of Kuwait	Public trading	**100**	100
Imtiaz Qatar Company - W.L.L. - (Qatari Company)	State of Qatar	Real estate	**100**	100
I-Medica Healthcare Company - K.S.C. (Closed)	State of Kuwait	Medical	**100**	100
Al Imtiaz First Holding Company - K.S.C. (Holding)	State of Kuwait	Holding	**100**	100
Smarts Way Satellite Transmission Company - K.S.C. (Closed)	State of Kuwait	Media	**100**	100
Enhanced Engineering and Multi Technologies Company - K.S.C. (Closed) **(b)**	State of Kuwait	Service	**-**	77.57
Kuwaiti African Holding Company T.S.C. (Holding)	State of Tunisia	Holding	**50**	50
Al Dar Engineering and Contracting company - K.S.C. (Closed) - **(c)**	State of Kuwait	Contracting	**50.69**	50.69
Al Bilad Real Estate Investment Company - K.S.C. (Closed)- **(d)**	State of Kuwait	Investment property	**55.59**	54.27
Dimah Capital Investment Company - K.S.C. (Closed) and it's subsidiaries	State of Kuwait	Investment	**68.05**	62.15
Dar Al Fouad HBR Medical Company - K.S.C. (Closed)	State of Kuwait	Medical	**50.51**	50.51
Cavendish Learning limited Company	UK	Learning	**100**	100

a) During the year, the Group disposed its subsidiary Smarts Way Holding Comapny – K.S.C. (Holding) with amount KD 80,000 and recognize gain from sale of subsidiary amounting to KD 677,917.

b) During the year, the Group disposed, its subsidiary Enhanced Enginering and Multi Technologies Company – K.S.C. (Closed) with amount KD 850,000 and recognize gain from sale of subsidiary amounting to KD 561,710.

c) The Investment in Al Dar Engineering and Contracting Company K.S.C. (Closed) includes 35,541,190 shares pledged to a local bank against Finance lease obligation (Note 16)

d) The Investment in Al Bilad Real Estate Investment Company – K.S.C. (Closed) includes 5,500,019 shares registered in the name of previous related party, and 121,000,000 shares pledged to a local bank against Murabaha and Wakala payable (Note 17).

Subsidiaries are those enterprises controlled by the Parent Company. Control exists when the Parent Company

- Has power over the investee.
- Is exposed, or has rights to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns.

The Parent Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. All inter-company balances and transactions, including inter-company profits and unrealized profits and losses are eliminated in full on consolidation. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the Non-controlling shareholder's share of changes in equity since the date of the combination.

Non-controlling interests are measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquire, on a transaction-by-transaction basis.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. The carrying amounts of the group's ownership interests and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. Any difference between the amount by which non-controlling interests are adjusted and fair value of the consideration paid or received is recognized directly in equity and attributable to owners of the Parent Company. Losses are attributed to the non-controlling interest even if that results in a deficit balance. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences, recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the Parent Company's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

c) Financial instruments:

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities carried on the consolidated statement of financial position include cash and cash equivalents, term deposits, investments at fair value through profit or loss, receivables, murabaha receivables, payables, investments available for sale, finance lease obligation and murabaha and wakala payable.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains, and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

1) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2) Investments

The Group classifies its investments in the following categories: Investments at fair value through profit or loss, and available for sale investments. The classification depends on the purpose for which the investments were acquired and is determined at initial recognition by the management.

a) Investments at fair value through profit or loss
This category has two sub-categories: investments held for trading, and those designated at fair value through profit or loss at inception.

An investment is classified as held for trading if acquired principally for the purpose of selling in the short term or if it forms part of an identified portfolio of investments that are managed together and has a recent actual pattern of short-term profit making or it is a derivative that is not designated and effective as a hedging instrument.

An investment is designated by the management on initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or; if they are managed and their performance is evaluated and reported internally on a fair value basis in accordance with a documented risk management or investment strategy.

b) Investments available for sale
Investments available for sale are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months from the end of the reporting period.

Purchases and sales of investments are recognized on trade-date – the date on which the Group commits to purchase or sell the assets. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Subsequent measurement

After initial recognition, investments at fair value through profit or loss and investments available for sale are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest method less any allowance for impairment. The fair values of quoted investments are based on current bid prices. If the market for an investment is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Realized and unrealized gains and losses from investments at fair value through profit or loss are included in the consolidated statement of profit or loss. Unrealized gains and losses arising from changes in the fair value of investments available for sale are recognized in cumulative changes in fair value in consolidated statement of other comprehensive income.

Where investments available for sale could not be measured reliably, these are stated at cost less impairment losses, if any.

When an investment available for sale is disposed off or impaired, any prior fair value earlier reported in other comprehensive income is transferred to the consolidated statement of profit or loss.

Derecognition

An investment (in whole or in part) is derecognized either when:

A- The contractual rights to receive the cash flows from the investment have expired
B- The Group has transferred its rights to receive cash flows from the investment and either
   1- has transferred substantially all the risks and rewards of ownership of the investment
   2- has neither transferred nor retained substantially all the risks and rewards of the investment, but has transferred control of the investment. Where the Group has retained control, it shall continue to recognize the investment to the extent of its continuing involvement in the investment.

Impairment

The Group assesses at the end of each reporting period whether there is an objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. Significant decline is evaluated against the original cost of the investment and prolonged against the period in which fair value has been below its original cost. If any such evidence exists for investments available for sale, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss – is removed from other comprehensive income and recognized in the consolidated statement of profit or loss. Impairment losses recognized in the consolidated statement of profit or loss on available for sale equity instruments are not reversed through the consolidated statement of profit or loss.

3) Accounts receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the consolidated statement of profit or loss.

4) Murabaha receivables:

Murabaha receivable represents a sale of commodity with deferred instalments. Murabaha receivables are stated net of impairment losses or provision for doubtful debts.

The provision for impairment for finance receivable complies in all material respects with the specific provision requirements of the Central Bank of Kuwait. In addition, in accordance with Central Bank of Kuwait instructions, a minimum general provision is made on all credit facilities net of certain categories of collateral, to which the Central Bank of Kuwait instructions are applicable and not subject to specific provision.

5) Accounts payable

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

6) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

7) Murabaha and Wakala payable

Murabaha and Wakala payable represent the amounts due to pay for purchased assets for others on deferred basis as per Murabaha and Wakala payable facility agreements. Murabaha and Wakala payable balances are reported with full credit balances after deducting finance charges amounts pertaining to future periods. Those finance charges balances are amortized on a time apportionment basis using effective interest method.

d) Properties held for trading

Properties acquired or being constructed for trading in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as properties held for trading and are measured at lower of cost or net realizable value.

Cost includes freehold and leasehold rights for land, amount paid to contractors for construction, borrowing costs, planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated cost of sale. Non refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of properties held for trading recognized in consolidated statement of profit or loss on disposal is determined with reference to the specific cost incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold. Write down of properties held for trading is charged to other operating expenses.

e) Work in progress:

Work in progress represents computer programs and softwares measured at amortized cost less any impairment until finalized and delivered to the customers.

f) Properties under development

Properties acquired, constructed or in the course of construction for sale are classified as properties under development. Unsold properties are stated at cost. Sold properties in the course of development are stated at cost plus attributable profit or loss less progress billings. The cost of properties under development includes the cost of land and other related expenditure which are capitalized as and when activities that are necessary to get the properties ready for sale are in progress. Net realizable value represents the estimated selling price less costs to be incurred in selling the property.

The property is considered to be completed when all related activities, including the infrastructure and facilities for the entire project, have been completed. At that stage, the total asset value is eliminated from properties under development.

g) Associates

Associates are those enterprises in which the Group has significant influence which is the power to participate in the financial and operating policy decisions of the associate. The consolidated financial statements include the Group share of the results and assets and liabilities of associates under the equity method of accounting from the date that significant influence effectively commences until the date that significant influence effectively ceases, except when the investment is classified as held for sale, in which case it is accounted as per IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

The Group recognizes in its consolidated statement of profit or loss for its share of results of operations of the associate and in its other comprehensive income for its share of changes in other comprehensive income of associate.

Losses of an associate in excess of the Group is interest in that associate (which includes any long-term interests that, in substance, form part of the Group net investment in the associate) are not recognized except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Gains or losses arising from transactions with associates are eliminated against the investment in the associate to the extent of the Group interest in the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment in associates and is assessed for impairment as part of the investment. If the cost of acquisition is lower than the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities, the difference is recognized immediately in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of profit or loss.

After the application of the equity method, the Group determines whether it is necessary to recognize impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, The Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of profit or loss.

h) Investment properties

Investment properties comprise completed property, property under construction or re-development held to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost including purchase price and transaction costs. Subsequent to initial recognition, investment properties are stated at their fair value at the end of reporting period. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss for the period in which they arise.

Property interest that is held under an operating lease is classified and accounted for as investment property when the property would otherwise meet the definition of an investment property and the lessee uses the fair value model.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains or losses arising on the retirement or disposal of an investment property are recognized in the consolidated statement of profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

i) Property, plant and equipment:

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to consolidated statement of profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in consolidated statement of profit or loss.

Land is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of other property, plant and equipment as follows:

	Percentage %
Furniture and fixtures	20
Tools, equipment and computers	33.33
Vehicles	20
Buildings	4

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of Property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

j) Business combinations and Goodwill

a) Business Combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date and the resulting gain or loss is included in the consolidated statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39: Financial Instruments: Recognition and Measurement. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the initial accounting for business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting in incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

b) Goodwill

Goodwill represents the excess of the consideration transferred and the amount recognized for non-controlling interest over the fair value of the identifiable assets, liabilities and contingent liabilities as at the date of the acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Where there is an excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost, the Group is required to reassess the identification and measurement of the net identifiable assets and measurement of the cost of the acquisition and recognize immediately in the consolidated statement of profit or loss any excess remaining after that remeasurement.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

The Group's policy for goodwill arising on the acquisition of an associate is described under 'Investment in associates' in Note (2 - g).

k) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

l) Provision for end of service indemnity

Provision is made for amounts payable to employees under the Kuwaiti Labor Law in the private sector and employees' contracts and the applicable labor laws in the countries where the subsidiaries operate. This liability, which is unfunded, represents the amount payable to each employee as a result of involuntary termination at the end of the reporting period, and approximates the present value of the final obligation.

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

n) Treasury shares

Treasury shares consist of the Parent Company’s own shares that have been issued, subsequently reacquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under the cost method, the weighted average cost of the shares reacquired is charged to a contra equity account. When the treasury shares are reissued, gains are credited to a separate account in shareholders’ equity (treasury shares reserve) which is not distributable. Any realized losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings, reserves, and then share premium respectively.

Gains realized subsequently on the sale of treasury shares are first used to offset any recorded losses in the order of share premium, reserves, retained earnings and the treasury shares reserve account. No cash dividends are paid on these shares. The issue of bonus shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

Where any Group's company purchases the Parent Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Parent Company’s equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity attributable to the Parent Company’s shareholders.

o) Share-based payment transaction:

The Group operates an equity-settled, share-based Employee Stock Option Plan (ESOP). Under the terms of the plan, share options are granted to eligible employees. The options are exercisable in future. The fair value of the options at the date on which they are granted is recognized as an expense over the vesting period with corresponding effect to equity. The fair value of the options is determined using Black-Scholes option pricing model.

The proceeds received and amount transferred from employees share option reserve are credited to capital (nominal value) and share premium when the options are exercised.

p) Revenue recognition:

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1) Gain on sale of investments
Gain on sale of investments is measured by the difference between the sale proceeds and the carrying amount of the investment at the date of disposal, and is recognized at the time of the sale.

2) Dividend income
Dividend income is recognized when the right to receive payment is established.

3) Management, placement and subscription fees
Revenue from management, placement and subscription fees is recognized when the service is rendered.

4) Rent
Rental income is recognized, when earned, on a time apportionment basis.

5) Murabaha and wakala income
Murabaha and wakala income is recognized, when earned, on a time apportionment basis by using the effective interest method.

6) Revenue on sale of plots of land
Revenue on sale of plots of land is recognized on the basis of the full accrual method as and when all of the following conditions are met:

- A sale is consummated and contracts are signed;
- The buyer's investment, to the date of the financial statements, is adequate to demonstrate a commitment to pay for the property;
- The Group's receivable is not subject to future subordination;
- The Group has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property; and Work to be completed is either, easily measurable and accrued or is not significant in relation to the overall value of the contract.

7) Sale of properties under development
When the agreement is within the scope of IAS 11 – construction contracts and its outcome can be estimated reliably, the Group recognizes the revenue by reference to the stage of completion of the contract activity in accordance with IAS 11 – construction contracts.

When the agreement is within the scope of IAS 18 – Revenue, Group recognizes revenue at time of completion, when the significant risks and rewards of ownership of real estate are being transferred from Group at a single time.

If the significant risks and rewards of ownership are transferred as when construction progresses, the Group recognize revenue by reference to the percentage of completion method.

If there is a doubt about the future economic benefits flowing to the Group, the Group recognizes revenue based on the instalment percentage.

8) Other income and expenses
Other income and expenses are recognized on accrual basis.

q) Provisions:

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. Provisions are not recognized for future operating losses.

r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

s) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All other leases are classified as finance leases.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the consolidated statement of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

t) Foreign currencies

Foreign currency transactions are translated into Kuwaiti Dinars at rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency as at the end of reporting period are retranslated into Kuwaiti Dinars at rates of exchange prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in consolidated statement of profit or loss for the period. Translation differences on non-monetary items such as equity investments which are classified as investments at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary items such as equity investments classified as investments available for sale are included in "cumulative changes in fair value" in other comprehensive income.

The assets and liabilities of the foreign subsidiary are translated into Kuwaiti Dinars at rates of exchange prevailing at the end of reporting period. The results of the subsidiary are translated into Kuwaiti Dinars at rates approximating the exchange rates prevailing at the dates of the transactions. Foreign exchange differences arising on translation are recognized directly in other comprehensive income. Such translation differences are recognized in consolidated statement of profit or loss in the period in which the foreign operation is disposed off.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

u) Contingencies

Contingent liabilities are not recognized in the financial statements unless it is probable as a result of past events that an outflow of economic resources will be required to settle a present, legal or constructive obligation; and the amount can be reliably estimated. Else, they are disclosed unless the possibility of an outflow of resources embodying economic losses is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits as a result of past events is probable.

v) Segment reporting

A segment is a distinguishable component of the Group that engages in business activities from which it earns revenue and incurs costs. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is identified as the person being responsible for allocating resources, assessing performance and making strategic decisions regarding the operating segments.

w) Cash and non-cash dividend distribution to shareholders of the Parent Company

The Group recognizes a liability to make cash and non-cash distributions to shareholders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders of the Parent company at the Annual General Meeting. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit or loss.

Distributions for the year that are approved after the reporting date are disclosed as an event after the date of consolidated statement of financial position.

x) Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these consolidated financial statements but are disclosed in the notes to the consolidated financial statements.

y) Critical accounting estimates and judgments

The Group makes judgments, estimates and assumptions concerning the future. The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates.

a) Judgments

In the process of applying the Group's accounting policies which are described in note 2, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements.

1- Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The determination of whether the revenue recognition criteria as specified under IAS 18 are met requires significant judgment.

2- Classification of Land

Upon acquisition of land, the Group classifies the land into one of the following categories, based on the intention of the management for the use of the land:

a) Properties under development

When the intention of the Group is to develop land in order to sell it in the future, both the land and the construction costs are classified as properties under development.

b) Work in progress

When the intention of the Group is to develop a land in order to rent or to occupy it in the future, both the land and the construction costs are classified as work in progress.

c) Properties held for trading

When the intention of the Group is to sell land in the ordinary course of business, the land are classified as properties held for trading.

d) Investment properties

When the intention of the Group is to earn rentals from land or hold land for capital appreciation or if the intention is not determined for land, the land is classified as investment property.

3- Provision for doubtful debts

The determination of the recoverability of the amount due from customers and the marketability of the inventory and the factors determining the impairment of the receivable and inventory involve significant judgment.

4- Classification of investments

On acquisition of an investment, the Group decides whether it should be classified as "at fair value through profit or loss", "available for sale" or "held to maturity". The Group follows the guidance of IAS 39 on classifying its investments.

The Group classifies investments as "at fair value through profit or loss" if they are acquired primarily for the purpose of short term profit making or if they are designated at fair value through profit or loss at inception, provided their fair values can be reliably estimated. The Group /classifies investments as "held to maturity" if the Group has the positive intention and ability to hold to maturity. All other investments are classified as "available for sale".

5- Impairment of investments
The Group follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgment. In making this judgment, the group evaluates, among other factors, a significant or prolonged decline in the fair value below its cost; and the financial health of and short term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The determination of what is "significant" or "prolonged" requires significant judgment.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

1- Fair value of unquoted equity investments
If the market for a financial asset is not active or not available, the Group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the Group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

2- Impairment of Goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the "value in use" of the asset or the cash-generating unit to which the goodwill is allocated. Estimating a value in use requires the Group to make an estimate of the expected future cash-flows from the asset or the cash-generating unit and also choose an appropriate discount rate in order to calculate the present-value of the cash-flows.

3- Provision for doubtful debts
The extent of provision for doubtful debts and inventories involves estimation process. Provision for doubtful debts is made when there is an objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified. The carrying cost of inventories is written down to their net realizable value when the inventories are damaged or become wholly or partly obsolete or their selling prices have declined. The benchmarks for determining the amount of provision or write-down include ageing analysis, technical assessment and subsequent events. The provisions and write-down of accounts receivable and inventory are subject to management approval.

4- Valuation of investment properties
The Group carries its investment properties at fair value, with change in fair values being recognised in the consolidated statement of profit or loss. Two main methods were used to determine the fair value of the investment properties:

(a) Formula based discounted cash flow is based on a series of projected free cash flows supported by the terms of any existing lease and other contracts and discounted at a rate that reflects the risk of the asset.

(b) Comparative analysis is based on the assessment made by an independent real estate appraiser using values of actual deals transacted recently by other parties for properties in a similar location and condition, and based on the knowledge and experience of the real estate appraiser.

5- Valuation of properties held for trading
Properties held for trading is stated at the lower of cost and net realizable value (NRV). NRV for properties held for trading is assessed by reference to market conditions and prices existing at the date of consolidated financial statements and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment. NRV in respect of properties held for trading under construction is assessed with reference to market prices at the date of consolidated financial statements for similar completed property, less estimated costs to complete construction, estimated costs to sell the property, and an estimate of the time value of money to the date of completion.

6- Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

7- Employee stock option plan
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock option plan transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock option plan transactions

3. Cash and cash equivalents

	2014	2013 (Restated)
Cash on hand and at banks	**11,807,470**	8,054,417
Short term bank deposits	**3,012,407**	5,242,275
Cash in investment portfolios	**114**	114
	14,819,991	13,296,806

The effective rate on short term bank deposits ranges from 1% to 1.5% per annum (December 31, 2013: 0.5% to 2% per annum). These deposits have an average maturity of 30 days (2013: 30 days).

4. Term deposits

The effective rate on term deposits ranges from 1.5% to 2.5% per annum (December 31, 2013: 0.75% to 1.5% per annum).

5. Investments at fair value through profit or loss

	2014	2013
Local quoted securities	-	20,400
Funds, portfolios and Foreign securities classified at fair value	4,078,583	3,986,169
	4,078,583	4,006,569

The movement during the year is as follows:

	2014	2013
Balance at the beginning of the year	4,006,569	4,361,350
Disposals	(20,400)	(76,373)
Unrealized gain (loss) on investments at fair value through profit or loss	92,414	(278,408)
Balance at the end of the year	4,078,583	4,006,569

The investments above are denominated in the following currencies:

	2014	2013
Kuwaiti Dinar	-	20,400
US Dollar	1,142,761	1,131,922
Saudi Riyal	65,841	65,841
Pound Sterling	103,223	193,889
Omani Riyal	2,766,758	2,594,517
	4,078,583	4,006,569

6. Accounts receivable and other debit balances

	2014	2013 (Restated)
Due from related parties	4,093,881	7,520,536
Advance payment toward purchase of investments and lands (a)	2,058,170	5,833,575
Due from sale of investments available for sale	1,096,636	1,599,065
Due from sale of lands (b)	9,878,802	12,283,647
Due from sale of subsidiaries (c)	3,220,374	-
Contracts receivable	6,164,288	4,270,925
Due from customers on contract works	10,528,344	11,023,690
Retention receivables	4,517,661	4,354,503
Staff receivable	165,478	202,618
Other debit balances	4,270,707	5,777,641
Provision for doubtful debts	(3,135,996)	(4,835,225)
	42,858,345	48,030,975

a) During the year, the Group has transferred an amount of KD 3,452,850 from advance payments toward purchase of investments and lands to investment properties (Note 12) after receipt of required documents.

b) Due from sale of lands represents the amount of sale of local lands during 2013 amounting to KD 18,587,014 which was classified as "advance payments toward purchase of investments and lands", after deducting KD 1,656,614 resulting from the difference between the lands sale consideration and the net present value of payments which will be received in future, it has been recognized as a loss on sale of lands in the consolidated statement of profit or loss for the year ended December 31, 2013. During the year, the Group recorded and amortized part of the deferred profits amounting to KD 985,873, and the remaining deferred profits amounting to KD 670,741 will be recognized in the consolidated statement of profit or loss on a time proportion basis. The sale amount is due in three instalments in October 2013, 2014 and 2015. The first instalment of KD 4,646,753 had been collected in October 2013 and also the second instalment of KD 3,390,718 had been collected in October 2014.

c) During the year, the Group has disposed subsidiaries for a total amount of KD 14,219,328. An amount of KD 1,900,000 has been collected in cash and purchase of assets for KD 9,098,954 and is in the process of transferring the assets title to the name of the Group. The Group has recorded a profit on sale of these subsidiaries of KD 1,822,231.

Movement in the provision for doubtful debts is as follows:

	2014	2013 (Restated)
Balance at the beginning of the year	**4,835,225**	3,337,258
Effect of sale a subsidiary	**(3,167,518)**	-
Charge during the year (Note 27)	**1,468,289**	1,497,967
Balance at the end of the year	**3,135,996**	4,835,225

7. Murabaha receivables

	2014	2013
Murabaha receivables	**4,847,046**	1,952,722
Less: provision for impairment	**(464,200)**	(24,765)
	4,382,846	1,927,957

The provision for impairment for Murabaha receivables complies in all material respects with the specific provision requirements of the Central Bank of Kuwait. In addition, in accordance with Central Bank of Kuwait instructions, a minimum general provision is made on all credit facilities net of certain categories of collateral, to which CBK instructions are applicable and not subject to specific provision.

8. Properties held for trading

During the year, the Group has signed contracts to sell a property held for trading to Governmental Entity amounting to KD 8,200,000, which resulted with gain amounting to KD 344,263, that against settlement of finance lease obligation in the favour of a local Islamic Financial Institution (Note 16).

9. Properties under development

The movement during the year is as follows:

	2014	2013 (Restated)
Balance at the beginning of the year	**25,038,500**	22,011,230
Additions	**-**	3,027,270
Disposal	**(3,592,832)**	-
Transfers (a)	**4,587,444**	-
Balance at the end of the year	**26,033,112**	25,038,500

During the year, the group has signed a sales agreement with one of the investee company in which they own shares, which were classified as investments available for sale with a carrying value of KD 3,890,034 (Note 10) against allocation of lands owned by the investee company in GCC and transfer the ownership for the group's benefit directly. The fair value of these lands at transfer date amounting to KD 4,587,444 which resulted to the group a gain from this transaction of KD 697,406 in the consolidated statement of profit or loss for the year ended December 31, 2014.

Properties under development include foreign land of KD 10,745,668 which the group has not yet transferred its ownership till the date of consolidated financial statements.

Properties under development of KD 10,700,000 are pledged against murabaha and wakala payables (Note 17)

10. Investments available for sale

	2014	2013
Quoted securities	**14,676,448**	11,910,562
Unquoted securities	**58,107,439**	75,365,469
Funds and portfolios	**3,812,363**	6,178,631
	76,596,250	93,454,662

Unquoted securities amounting to KD 19,976,357 (2013 – KD 21,319,655) are stated at their cost less impairment losses due to non availability of a reliable method to measure their fair values.

During the year, the Group recorded Impairment loss for available for sale investments of KD 2,279,777 (2013: KD 31,395,001) (Note 27).

The movement during the year is as follows:

	2014	2013
Balance at the beginning of the year	**93,454,662**	103,982,413
Net additions and disposals	**(7,662,634)**	4,461,740
Transfers (Note 9)	**(3,890,038)**	-
Impairment loss	**(2,279,777)**	(31,395,091)
Change in fair value	**(3,025,963)**	16,405,600
Balance at the end of the year	**76,596,250**	93,454,662

The Cumulative provisions balance established against impairment as of December 31, 2014 was KD 64,497,846 (2013: KD 76,721,718).

Investments available for sale are denominated in the following currencies equivalent to KD:

Currency	**2014**	2013
Kuwaiti Dinar	**33,759,452**	38,378,174
US Dollar	**15,718,969**	17,609,329
Bahraini Dinar	**12,790,113**	26,065,347
Qatari Riyal	**9,375,760**	6,439,705
Other currencies	**4,951,956**	4,962,107
	76,596,250	93,454,662

Investments available for sale include pledged investments of KD 14,477,778 (2013 – KD 11,979,503) against finance lease obligation (Note 16) and also pledged investments of KD 3,666,081 (2013: KD 4,416,651) against murabaha and wakala payables (Note 17).

11. Investment in associates

Name of associate	Country of incorporation	Principal activity	Ownership percentage % 2014	Ownership percentage % 2013	2014	2013
Real Estate Management Company "Ream" - K.S.C. (Public)	State of Kuwait	Real Estate	**47.33**	47.33	**7,481,176**	7,409,324
Al Retaj Investment Company - K.S.C. (Closed)	State of Kuwait	Investment	**34.25**	29.26	**3,010,967**	2,210,737
Ta'azur for Insurance Takaful Company - K.S.C. (Closed)	State of Kuwait	Insurance	**30.00**	30.00	**2,029,826**	1,938,367
Kuwait Real Estate Holding Company - K.S.C. (Holding)	State of Kuwait	Real Estate	**32.23**	32.23	**2,423,818**	4,915,856
Ajwan Al Khalij Real Estate Company - K.S.C. (Public)	State of Kuwait	Real Estate	**-**	41.72	**-**	3,185,131
Human Soft Company - K.S.C. (Holding)	State of Kuwait	Holding	**24.39**	24.39	**8,212,513**	7,577,920
Gulf Media Company - K.S.C. (Closed)	State of Kuwait	Media	**-**	42.63	**-**	1
National Company for Consumer Industries - K.S.C. (Holding)	State of Kuwait	Consumer industries	**20.15**	20.15	**1,470,271**	1,434,082
Kuwait & Asia Holding Company - K.S.C .(Holding)	State of Kuwait	Holding	**35.84**	27.50	**7,611,847**	6,062,447
Al Retaj Holding Company - K.S.C. (Holding)	State of Kuwait	Holding	**32.00**	24.00	**4,303,579**	2,792,093
Triple E Holding Company - K.S.C. (Holding)	State of Kuwait	Holding	**47.00**	47.00	**9,727,377**	9,789,873
Estidamah Holding Company – K.S.C.(Holding)	State of Kuwait	Holding	**21.77**	20.08	**124,134**	232,106
Crux Information Technology Company - K.S.C. (Closed)	State of Kuwait	Services	**-**	49.00	**-**	1
					46,395,508	47,547,938

The movement during the year was as follows:

	2014	2013
Balance at the beginning of the year	**47,547,938**	54,236,374
Additions	**3,047,500**	2,571,429
Disposals	**(3,394,044)**	(598,142)
Share of results from associates	**135,641**	(3,509,601)
Share from associates' other comprehensive income	**209,875**	387,590
Dividend from associates	**(1,222,396)**	(665,196)
Effect of gains from sale of financial assets of associates previously eliminated	**70,994**	-
	46,395,508	52,422,454
Provision for impairment	**-**	(4,874,516)
Balance at the end of the year	**46,395,508**	47,547,938

During the year, the Group sold investment in associates with carrying value KD 3,394,044 and resulted with a gain of KD 117,209.

During the year, the Group acquired additional shares in Al Retaj Investment Company - K.S.C. (Closed) and Al Retaj Holding Company - K.S.C. (Holding) with total amount KD 1,222,500 which resulted in gain from acquisition of shares in associates of KD 292,464 represent increase in the group`s share of Net identifiable assets over cost of acquisition, and recognized in share of result from associates for the year ended December 31, 2014.

Summarized financial statements for material associate are as follows:

a) Real Estate Management Company "Ream" - K.S.C. (Public)

Summarized statement of financial position:

	2014	2013
Assets:		
Current assets	**3,689,454**	5,367,584
Non-current assets	**17,264,803**	12,663,434
Total assets	**20,954,257**	18,031,018
Liabilities:		
Current liabilities	**4,501,802**	1,805,609
Non-current liabilities	**646,040**	570,614
Total Liabilities	**5,147,842**	2,376,223
Net Assets	**15,806,415**	15,654,795

The following adjustments on financial statements. above were done to arrive the carrying value for the Group's share in Real Estate Management Company "Ream" - K.S.C. (Public) included in the consolidated financial statements.

	2014	2013
Net Assets of the associate	**15,806,415**	15,654,795
Group's ownership percentage in Real Estate Management Company "Ream" - K.S.C. (Public)	**47.33%**	47.33%
Carrying value of Real Estate Management Company "Ream" - K.S.C. (Public)	**7,481,176**	7,409,324

Summarized Statement of profit or loss and other comprehensive income:

	2014	2013
Operating revenue	**2,106,098**	1,735,551
Operating costs	**(1,106,297)**	(1,137,411)
Other expenses	**(736,525)**	(549,379)
Other income	**341,209**	442,835
Net profit	**604,485**	491,596
Dividend received from associate	**247,296**	247,296

b) Kuwait Real Estate Holding Company - K.S.C. (Holding)

Summarized statement of financial position:

	2014	2013
Assets:		
Current assets	5,372,016	5,807,704
Non-current assets	29,472,263	42,721,841
Total assets	34,844,279	48,529,545
Liabilities:		
Current liabilities	21,056,822	23,268,399
Non-current liabilities	4,909,033	8,649,310
Total Liabilities	25,965,855	31,917,709
Net Assets	8,878,424	16,611,836

The following adjustments on financial statements above were done to arrive the carrying value for the Group's share in Kuwait Real Estate Holding Company - K.S.C. (Holding) included in the consolidated financial statements.

	2014	2013
Net Assets of the associate	8,878,424	16,611,836
Group's ownership percentage in Kuwait Real Estate Holding Company - K.S.C. (Holding)	32.23%	32.23%
	2,861,516	5,353,554
Other adjustments	(437,698)	(437,698)
Carrying value of Kuwait Real Estate Holding Company - K.S.C. (Holding)	2,423,818	4,915,856

Summarized Statement of profit or loss and other comprehensive income:

	2014	2013
Operating revenue	1,198,035	135,818
Other expenses	(1,159,558)	(1,608,278)
Other income	174,140	1,582,323
Net profit	212,617	109,863

c) Human Soft Company - K.S.C. (Holding)

Summarized statement of financial position:

	2014	2013
Assets:		
Current assets	28,174,754	17,949,850
Non-current assets	27,556,260	29,682,556
Total assets	55,731,014	47,632,406
Liabilities:		
Current liabilities	22,868,750	15,842,528
Non-current liabilities	4,814,191	6,340,800
Total Liabilities:	27,682,941	22,183,328
Net Assets	28,048,073	25,449,078

The following adjustments on financial statements above were done to arrive the carrying value for the Group's share in Human Soft Company - K.S.C. (Holding) included in the consolidated financial statements.

	2014	2013
Net Assets of the associate	**28,048,073**	25,449,078
Group's ownership percentage in Human Soft Company - K.S.C. (Holding)	**24.39%**	24.39%
	6,840,925	6,206,332
Adjustments from goodwill	**1,371,588**	1,371,588
Carrying value of Human Soft Company - K.S.C. (Holding)	**8,212,513**	7,577,920

Summarized Statement of profit or loss and other comprehensive income:

	2014	2013
Operating revenue	**19,809,589**	15,154,294
Operating costs	**(5,035,220)**	(4,769,870)
Other expenses	**(10,196,674)**	(7,148,383)
Other income	**161,136**	67,628
Net profit	**4,738,831**	3,303,669
Dividend received from associate	**975,100**	417,900

d) Kuwait & Asia Holding Company - K.S.C. (Holding)

Summarized statement of financial position:

	2014	2013
Assets:		
Current assets	**8,772,568**	8,893,131
Non-current assets	**12,571,967**	13,275,831
Total assets	**21,344,535**	22,168,962
Liabilities:		
Current liabilities	**48,071**	98,245
Non-current liabilities	**58,052**	25,453
Total Liabilities:	**106,123**	123,698
Net Assets	**21,238,412**	22,045,264

The following adjustments on financial statements above were done to arrive the carrying value for the Group's share in Kuwait & Asia Holding Company - K.S.C .(Holding) included in the consolidated financial statements.

	2014	2013
Net Assets of the associate	**21,238,412**	22,045,264
Group's ownership percentage in Kuwait & Asia Holding Company - K.S.C. (Holding)	**35.84%**	27.50%
Carrying value of Kuwait & Asia Holding Company K.S.C. (Holding)	**7,611,847**	6,062,447

Summarized Statement of profit or loss and other comprehensive income:

	2014	2013
Operating revenue	**473,322**	1,301
Operating costs	**(889,554)**	(21,293)
Other expenses	**(319,536)**	(2,605,638)
Net loss	**(735,768)**	(2,625,630)

e) Triple E Holding Company - K.S.C. (Holding)

Summarized statement of financial position:

	2014	2013
Assets:		
Current assets	**13,913,609**	14,178,835
Non-current assets	**8,807,353**	8,924,094
Total assets	**22,720,962**	23,102,929
Liabilities:		
Current liabilities	**1,916,735**	2,083,966
Non-current liabilities	**107,681**	189,446
Total Liabilities:	**2,024,416**	2,273,412
Net Assets	**20,696,546**	20,829,517

The following financial statements above were done to arrive the carrying value for the group share in Triple E Holding Company - K.S.C. (Holding) included in the consolidated financial statements.

	2014	2013
Net Assets of the associate	**20,696,546**	20,829,517
Group ownership percentage in Triple E Holding Company - K.S.C. (Holding)	**47.00%**	47.00%
Carrying value of Triple E Holding Company - K.S.C. (Holding)	**9,727,377**	9,789,873

Summarized Statement of profit or loss and other comprehensive income:

	2014	2013
Operating revenue	**2,954,733**	2,904,859
Operating costs	**(2,072,971)**	(2,600,233)
Other expenses	**(182,508)**	(2,737,023)
Net profit (loss)	**699,254**	(2,432,397)

Some of the associates are listed in Kuwait Stock Exchange, The group`s carrying value of investment in these associates amounted KD 19,587,778 (2013 – KD 24,522,313) and its fair value as of December 31, 2014 KD 19,670,293 (2013 – KD 20,698,936).

Investment in associates include pledged investment amounting to KD 2,760,690 (2013 – KD 2,199,015) with a local bank, against Murabaha and Wakala payable (Note 17).

The group calculated its share of results from its associates according to the financial statements of the associates as of September 30, 2014 with the amendment for any material transactions up to December 31, 2014.

12. Investment properties

	2014	2013 (Restated)
Balance at the beginning of the year	**40,811,848**	49,793,733
Additions	**4,784,642**	850,238
Disposals	**(1,682,910)**	(6,994,619)
Transferred from advance payment for purchasing lands and investment (a)	**3,452,850**	-
Transferred from property, plant and equipment (b)	**1,661,038**	-
Foreign currency translation adjustments	**24,090**	-
Change in fair value	**3,566,911**	(2,837,504)
Balance at the end of the year	**52,618,469**	40,811,848

The fair value of the Group's investment properties as of December 31, 2014 is based on valuation by two independent valuers. Management of the Group has complied with Capital Markets Authority decision dated July 23, 2012 with respect to guidelines for valuation of investment properties.

a) During the year, the Group has transferred an amount of KD 3,452,850 from advance payments toward purchase of investments and lands (Note 6-a) to investment properties.

b) During the year, the Group has transferred property, plant and equipment with carrying value of KD 1,019,593 (Note 13) to investment properties at its fair value based on valuation by two independent valuers amounting of 1,661,038 which resulted with property, plant and equipment revaluation surplus of 641,445 (Note 23).

Investment properties include properties with fair value KD 20,709,737 (2013 – KD 18,098,801) pledged against finance lease obligation (Note 16).

Investment properties include properties outside state of Kuwait with fair value KD 2,719,900 (2013 – KD 2,621,520) in the name of a other party and there is a waiver letter in favour of the group representing that the Group own such property.

13. Property, plant and equipment

	Furniture , fixtures and others	Tools, equipment and computers	Vehicles	Buildings	Lands	Total
Cost:						
As of December 31, 2013	3,932,017	11,803,663	2,045,442	11,766,448	11,523,354	41,070,924
Additions	33,226	3,597,528	-	-	-	3,630,754
Disposals	(707,978)	(1,299,683)	(206,353)	(58,148)	-	(2,272,162)
Transferred to investment properties	-	-	-	(1,404,332)	-	(1,404,332)
Foreign currency translation	(185)	198,690	(854)	-	-	197,651
As of December 31, 2014	**3,257,080**	**14,300,198**	**1,838,235**	**10,303,968**	**11,523,354**	**41,222,835**
Accumulated depreciation:						
As of December 31, 2013	1,506,516	3,728,401	1,107,401	2,719,804	-	9,062,122
Charge for the year	297,038	1,491,736	379,669	483,194	-	2,651,637
Related to disposals	(530,757)	(475,780)	(197,232)	(12,573)	-	(1,216,342)
Related to transfers	-	-	-	(384,739)	-	(384,739)
Foreign currency translation	(146)	20,055	(807)	-	-	19,102
As of December 31, 2014	**1,272,651**	**4,764,412**	**1,289,031**	**2,805,686**	**-**	**10,131,780**
Net book value:						
As of December 31, 2014	**1,984,429**	**9,535,786**	**549,204**	**7,498,282**	**11,523,354**	**31,091,055**
As of December 31, 2013	2,425,501	8,075,262	938,041	9,046,644	11,523,354	32,008,802

Property, plant and equipment include pledged assets with amount KD 6,040,638 (2013 - KD 7,460,954) against finance lease obligation (Note 16).

During the year, the Group transferred properties with carrying value of KD 1,019,593 to investment properties (Note 12)

14. Material non - controlling interests

Name of subsidiary	Country of incorporation	Principal activities	Ownership interest held by the non-controlling interests %		Carrying value of non-controlling interests in a subsidiary (KD)	
			2014	2013	**2014**	2013
Al Bilad Real Estate Investment Company - K.S.C. (Closed)	State of Kuwait	Real Estate investment	**44.41%**	45.73%	**23,646,242**	22,668,252
Dimah Capital Investment Company - K.S.C. (Closed)	State of Kuwait	Investment	**31.95%**	37.85%	**8,867,892**	9,979,191

Summarized financial statements for main subsidiary that has non-controlling interests that are material to the Group:

1 Al Bilad Real Estate Investment Company - K.S.C. (Closed)

Summarized statement of financial position:

	2014	2013
Current Assets	**12,613,056**	21,945,285
Current Liabilities	**4,429,078**	12,230,270
Net current assets	**8,183,978**	9,715,015
Non-current Assets	**45,094,522**	39,882,964
Non-current Liabilities	**35,778**	24,057
Net non-current assets	**45,058,744**	39,858,907
Net Assets	**53,242,722**	49,573,922
Ownership interest held by the non-controlling interests (%)	**44.41%**	45.73%
non-controlling interests	**23,646,242**	22,668,252

Summarized statement of profit or loss and other comprehensive income:

	2014	2013
Net profit (loss)	**3,641,129**	(2,873,019)
Other comprehensive income (loss)	**45,629**	(354,677)
Total comprehensive income (loss)	**3,686,758**	(3,227,696)
Profit (Loss) attributable to non-controlling interests	**1,617,025**	(1,313,832)

2 Dimah Capital Investment Company - K.S.C. (Closed) and it's subsidiaries

Summarized statement of financial position:

	2014	2013
Current Assets	**12,856,807**	10,024,264
Current Liabilities	**330,453**	725,013
Net current assets	**12,526,354**	9,299,251
Non-current Assets	**15,351,771**	17,159,108
Non-current Liabilities	**120,644**	94,590
Net non-current assets	**15,231,127**	17,064,518
Net Assets	**27,757,481**	26,363,769
Ownership interest held by the non-controlling interests (%)	**31.95%**	37.85%
Non-controlling interests	**8,867,892**	9,979,191

Summarized statement of profit or loss and other comprehensive income:

	2014	2013
Net profit	**1,303,238**	1,564,487
Other comprehensive income (loss)	**4,573**	(135,703)
Total comprehensive income	**1,307,811**	1,428,784
Profit attributable to non-controlling interests	**416,385**	592,158

15. Accounts payable and other credit balances

	2014	2013 (Restated)
Due to related parties	**11,497,661**	12,393,285
Trade payables for subsidiaries	**9,219,045**	10,059,542
Accrued staff bonus (a)	**1,000,000**	3,170,060
Accrued staff leave	**1,474,443**	1,505,843
Accrued expenses	**3,843,162**	3,965,845
Accrued KFAS	**44,468**	-
Accrued NLST	**151,966**	-
Accrued Zakat	**175,769**	-
Other credit balances	**10,143,549**	12,500,747
Advances from clients	**4,511,222**	8,255,025
	42,061,285	51,850,347

Based on Board of Directors' resolution in Meeting No. 6 - Third period dated April 27, 2014. It was approved to cancel the management incentives program. As per the Board of directors' decision No. 17 – Third period, The Board of Directors decided to cancel management incentives program provision taken previously of KD 3,161,750 and recorded as a gain from reversal of staff bonus provision in the consolidated statement of profit or loss. Also record a provision for the year ended December 31, 2014 of KD 1,000,000 which is included in general and administrative expenses.

Accounts payable and other credit balances are represented in the following:

	2014	2013 (Restated)
Current portion	**26,705,102**	44,585,167
Non-current portion	**15,356,183**	7,265,180
	42,061,285	51,850,347

16. Finance lease obligation

During 2012, the parent company concluded an agreement to obtain credit facilities (finance lease obligation) of KD 25,000,000 from a local bank for 7 years ending March 15, 2019. These credit facilities are secured by investment properties of KD 20,709,737, properties, plant and equipment of KD 6,040,638, investments available for sale of KD 14,477,778 and investment in a subsidiary of KD 2,431,345. The cost rate of the finance lease obligations is 3.25% above the discount rate stated by Central Bank of Kuwait.

During the year, The Group had settled finance lease obligation which matured on June 23, 2013 with one of the local Islamic financial institution against amount KD 8,200,000 resulted from selling property held for trading (Note 8), and paid the remaining amount KD 2,878,709 through obtain Murabaha from the same financial institution (Note 17).

Finance lease obligation is represented in the following:

	2014	2013
Current portion	**3,066,559**	11,960,566
Non-current portion	**22,500,000**	25,214,515
	25,566,559	37,175,081

17. Murabaha and Wakala payable

Murabaha and Wakala payable represents contracts entered with other parties and which are payable from 3 months to 3 years. These are secured by investments available for sale of KD 3,666,081, investment in as an associate of KD 2,760,690, investment in a subsidiary of KD 13,371,396 and properties under development of KD 10,700,000. The average cost rate attributable to Murabaha and Wakala payable during the year ranges from 3.5% to 6% per annum (December 31, 2013 – 3.5% to 6% per annum).

During the year, the Group has signed Murabaha agreement with one of the local Islamic financial institution with amount KD 2,880,829, which has been used to pay the amount due on the Group for finance lease obligation (Note 16).

Murabaha and Wakala payable are represented in the following:

	2014	2013
Current portion	**5,628,450**	3,046,712
Non-current portion	**14,189,032**	14,260,513
	19,817,482	17,307,225

18. Capital

The authorized, issued and paid up capital consist of 1,133,617,350 shares with a nominal value of 100 fils each and all shares are for cash.

19. Share premium

This represents cash received in excess of the par value of the shares issued. The share premium is not distributable except under specific circumstances as provided in Law.

20. Treasury shares

	2014	2013
Number of shares (shares)	**31,128,527**	44,443,691
Percentage of issued shares (%)	**2.75%**	3.92%
Market value (KD)	**2,116,740**	3,244,389
Cost (KD)	**3,682,805**	4,654,812

Based on Capital Markets Authority resolution dated December 30, 2013, the parent Company's management has allotted an amount equal to treasury shares balance from the reserves as of December 31, 2014. Such amount will not be available for distribution during treasury shares holding period by the Group.

21. Statutory reserve

As required by the Companies Law and the Parent Company's Articles of Association, 10% of the profit for the year attributable to the Parent Company's shareholders before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), NLST, Zakat and Board of Directors' remuneration is transferred to the statutory reserve. The Parent Company may resolve to discontinue such annual transfers when the reserve equals 50% of the capital. This reserve is not available for distribution except in cases stipulated by Law and the Parent Company's Articles of Association.

22. Voluntary reserve

As required by the Parent Company's Article of Association, 10% of the profit for the year attributable to the Parent Company's shareholders before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), NLST, Zakat and Board of Directors' remuneration is transferred to the voluntary reserve. Such annual transfers may be discontinued by a resolution of the Shareholders' Annual General Assembly upon recommendation by the Board of Directors. As per the decision of the Board of Directors meeting held on March 16, 2015, the board recommended to Parent company Shareholders' General Assembly not to transfer any percentage to voluntary reserve.

23. Other equity items

	Treasury shares reserve	Employee stock option reserve	Cumulative changes in fair value	Property revaluation surplus	Foreign currency translation differences (Restated)	Effect of changes in associates' equity	Effect of purchase / sale of investment in subsidiaries	Total (Restated)
Balance as of December 31, 2012	40,118	1,023,828	(7,062,307)	164,415	(418,623)	(1,219,920)	307,196	(7,165,293)
Effect of purchase share in subsidiaries	-	-	-	-	-	-	7,275	7,275
Other comprehensive income (loss) for the year	-	-	16,405,600	-	(36,189)	387,590	-	16,757,001
Balance as of December 31, 2013	40,118	1,023,828	9,343,293	164,415	(454,812)	(832,330)	314,471	9,598,983
Effect of purchase of investment in subsidiaries	-	-	-	-	-	-	522,140	522,140
Loss from sale of treasury shares	(40,118)	-	-	-	-	-	-	(40,118)
Other comprehensive (loss) income for the year	-	-	(3,025,963)	641,445	(129,128)	209,875	-	(2,303,771)
Balance as of December 31, 2014	**-**	**1,023,828**	**6,317,330**	**805,860**	**(583,940)**	**(622,455)**	**836,611**	**7,777,234**

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24. Net investment income

	2014	2013 (Restated)
Unrealized gain (loss) on investments at fair value through profit or loss	**92,414**	(278,408)
Realized loss from sale of investments at fair value through profit or loss	**(298)**	-
Realized gain from sale of investments available for sale	**6,137,429**	1,424,351
Dividend income	**1,569,224**	1,215,804
	7,798,769	2,361,747

25. General and administrative expenses

	2014	2013 (Restated)
Salaries, incentives and employees' remuneration	**5,926,848**	4,459,061
Leave expenses	**176,607**	207,594
End of service indemnity	**729,678**	1,196,480
Other expenses	**2,412,049**	4,816,180
	9,245,182	10,679,315

Based on Board of Directors' resolution in Meeting No. 6 - Third period dated April 27, 2014, it was approved to cancel the management incentives program agreed previously based on Board of Directors` resolution in meeting No. 13 – first period dated February 4, 2007. Also the Board of Directors decided in the Board of directors' decision No. 17 – Third period to record a provision for staff bonus for the year ended December 31, 2014 of KD 1,000,000.

26. Finance charges

	2014	2013
Cost of Murabaha and Wakala payable	**989,922**	1,823,918
Cost of finance lease obligation	**1,312,500**	1,338,528
	2,302,422	3,162,446

27. Impairment and other provisions

	2014	2013 (Restated)
Provision for doubtful debts	**1,468,289**	1,497,967
Provision for murabaha receivables	**439,435**	10,133
Impairment of investments available for sale	**2,279,777**	31,395,091
Impairment of goodwill	**205,541**	3,054,734
Provision for legal cases and other credit balances	**-**	600,237
Other	**15,331**	-
	4,408,373	36,558,162

28. Contribution to KFAS

Contribution to Kuwait Foundation for the Advancement of Sciences is calculated at 1% of the profit of the Parent Company after deducting its share of income from shareholding subsidiaries and associates and transfer to statutory reserve. No KFAS has been provided since there was no profit on which KFAS could be calculated.

29. National Labor Support Tax

National Labor Support Tax is calculated at 2.5% on the consolidated profit of the Company after deducting its share of profit from associates & un-consolidated subsidiaries listed in Kuwait Stock Exchange, also its share of NLST paid by subsidiaries listed in Kuwait Stock Exchange and cash dividends received from companies listed in Kuwait Stock Exchange in accordance with law No. 19 for year 2000 and Ministerial resolution No. 24 for year 2006 and their executive regulations.

30. Contribution to Zakat

Contribution to Zakat is calculated at 1% on the consolidated profit of the Company after deducting its share of profit from Kuwaiti shareholding associates & un-consolidated subsidiaries, also its share of Zakat paid by Kuwaiti shareholding subsidiaries and cash dividends received from Kuwaiti shareholding companies s in accordance with law No. 46 for year 2006 and Ministerial resolution No. 58 for year 2007 and their executive regulations.

31. Board of Directors` remuneration

The parent company's Board of Directors proposed not to distribute remuneration to Board of Directors for the year ended December 31, 2014.

32. Earnings (loss) per share

There are no potential dilutive ordinary shares. Earnings (loss) per share is computed by dividing net profit (loss) for the year attributable to the Parent Company`s shareholders by the weighted average number of outstanding shares attributable to the Parent Company`s shareholders less weighted average number of outstanding treasury shares during the year as follows:

	2014	2013 (Restated)
Net profit (loss) for the year attributable to the Parent company's shareholders (KD)	**6,161,476**	(58,171,639)
Weighted average number of outstanding shares during the year less treasury shares (share)	**1,093,843,086**	1,099,132,676
Earnings (loss) per share (fils)	**5.63**	(52.93)

33. Related party disclosures

The Group has entered into various transactions with related parties i.e. Major shareholders, Board of Directors, key management personnel, executive managers of the group, associates and other related parties. The Group's management approves pricing policies and terms of these transactions. Significant balances and transactions are as follows:

	Associates	Major shareholders	Other related parties	**2014**	2013 (Restated)
Balances included in the consolidated statement of financial position					
Accounts receivable and other debit balances	**15,114**	**-**	**4,078,767**	**4,093,881**	7,520,536
Murabaha receivables	**251,088**	**-**	**2,889,334**	**3,140,422**	1,234,935
Accounts payable and other credit balances	**7,756,459**	**-**	**3,741,202**	**11,497,661**	12,393,285
Murabaha and Wakala payable	**1,150,371**	**9,849,370**	**-**	**10,999,741**	12,567,654
Transactions included in the consolidated statement of profit or loss					
Murabaha Income	**14,416**	**-**	**103,571**	**117,987**	42,988
Management, placement and subscription income	**-**	**-**	**-**	**-**	290,337
Rental income	**221,268**	**-**	**-**	**221,268**	221,268
Finance charges	**39,621**	**637,151**	**-**	**676,772**	904,326

	2014	2013
Key management compensation		
Salaries, incentives and bonus	**336,006**	669,247
End of service indemnity	**41,716**	99,842
Post-employment benefits	**153,133**	275,026

The related party transactions are subject to approval by Shareholders' Annual General Assembly.

34. Fiduciary assets

The aggregate value of assets held in a trust or fiduciary capacity by Parent Company (off consolidated statement of financial position - items) as of December 31, 2014 amounted to KD 75,808,715 (2013 - KD 71,704,519).

35. Shareholders' Annual General Assembly and proposed dividend

The Board of Directors' meeting held on March 16, 2015 recommend cash dividends of 5 fils per share for the year ended December 31, 2014. This recommendation is subject to the approval of the Shareholders' Annual General Assembly.

The Shareholders' Annual General Assembly meeting was held on May 22, 2014 and approved the consolidated financial statements, and approved the Board of Directors` recommendations not to distribute dividends for the year ended December 31, 2013 and also approved to set off accumulated losses as of December 31, 2013 amounted to KD 28,182,125 from voluntary reserve.

The Shareholder's Annual General Assembly meeting was held on October 2, 2013 and approved the consolidated financial statements and cash dividends proposed by board of directors at 7 fils per share, for the year ended December 31, 2012. Subsequently, on February 23, 2014 the Shareholder's Annual General Assembly meeting was held and cancelled the decision of the Shareholder's Annual General Assembly which was held on October 2, 2013 concerning distribution of dividends.

36. Capital commitments and contingent liabilities

a) As of December 31, the Group's capital commitments as follows:

	2014	2013
Capital Commitment against purchase investments	**2,399,485**	4,703,094
	2,399,485	4,703,094

All capital commitments are matured with period not exceed 12 months.

b) As of December 31, the Group's contingent liabilities are as follows:

	2014	2013
Letters of guarantee	**20,753,932**	23,042,411
Letters of credit	**1,617,767**	1,617,767
	22,371,699	24,660,178

37. Segment reporting

Operating segments to be identified based on the internal reports of Group segments which are regularly reviewed by the chief decision maker so as to evaluate their performance. The management has classified the Group's products and services into the following operational segments "Operating Segments":

- Investment properties
- Financial investments
- Other

The following information related to group's segment reporting:

a) Segment revenues and results:

	Segment revenue		Segment profit (loss)	
	2014	2013 (restated)	**2014**	2013 (restated)
Investment properties	**6,902,926**	(3,245,941)	**6,902,926**	(3,245,941)
Financial investments	**8,169,797**	998,819	**3,148,164**	(41,666,343)
Other	**11,009,824**	(1,161,370)	**8,798,576**	(3,386,618)
Total	**26,082,547**	(3,408,492)	**18,849,666**	(48,298,902)
General and administrative expenses			**(9,245,182)**	(10,679,315)
Depreciation			**(2,651,637)**	(3,109,589)
Other			**(170,383)**	(62,286)
Net profit (loss) for the year			**6,782,464**	(62,150,092)

b) Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the segment assets and liabilities are as follows:

	2014	2013 (Restated)
Segment assets		
Investment properties	**78,651,581**	73,706,085
Financial investments	**134,407,841**	158,460,757
Other	**94,536,862**	90,458,221
Total segment assets	**307,596,284**	322,625,063
Segment liabilities		
Investment properties	**25,855,740**	37,474,009
Financial investments	**19,817,482**	17,307,225
Other	**45,416,484**	55,773,003
Total segment liabilities	**91,089,706**	110,554,237

38. Financial risk management

In the normal course of business, the Group uses primary financial instruments such as cash and cash equivalents, term deposits, investments at fair value through profit or loss, receivables, Murabaha receivables, investments available for sale, payables, finance lease obiligation and Murabaha and Wakala payable and as a result, is exposed to the risks indicated below. The Group currently does not use derivative financial instruments to manage its exposure to these risks.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets which potentially subject the Group to credit risk consist principally of cash at banks, bank deposits, receivables and Murabaha receivables. The Group's cash at banks and bank deposits are placed with high credit rating financial institutions. Receivables are presented net of provision for doubtful debts. Murabaha receivables are presented net of provision as per the requirements of Central Bank of Kuwait.

The Group manages its credit facilities with the objective of ensuring that it is well diversified and it earns a level of return appropriate to the risk it assumes. In the normal course of business, the Group deploys its funds in various credit facilities, with the primary objective of generating profits for the shareholder. However, at the same time, the Group seeks to ensure the quality of the credit facilities. The Group continually strives to achieve an optimal balance between the return and the credit quality of the portfolio.

Maximum exposure to credit risk before collateral held or other credit enhancements as follow:

	Gross maximum exposure	
	2014	2013 (Restated)
Consolidated statement of financial position		
Cash and cash equivalents	**14,819,991**	13,296,806
Term deposits	**3,071,695**	245,631
Accounts receivable and other debit balances	**42,858,345**	48,030,975
Murabaha receivables	**4,382,846**	1,927,957
	65,132,877	63,501,369

Maximum geographical concentration exposure to credit risks

The maximum exposure of financial assets and liabilities to credit risks as at the reporting date is as follows:

As of December 31, 2014	**GCC**	**Other Middle East, Africa and Europe**	**Total**
Financial assets			
Cash and cash equivalents	**14,294,470**	**525,521**	**14,819,991**
Term deposits	**3,071,695**	**-**	**3,071,695**
Accounts receivable and other debit balances	**40,427,391**	**2,430,954**	**42,858,345**
Murabaha receivables	**1,128,607**	**3,254,239**	**4,382,846**
	58,922,163	**6,210,714**	**65,132,877**
Financial liabilities			
Accounts payable and other credit balances	**37,472,239**	**4,589,046**	**42,061,285**
Finance lease obligation	**25,566,559**	**-**	**25,566,559**
Murabaha and Wakala payable	**19,817,482**	**-**	**19,817,482**
	82,856,280	**4,589,046**	**87,445,326**

As of December 31, 2013 (restated)	GCC	Other Middle East, Africa and Europe	Total
Financial assets			
Cash and cash equivalents	13,246,480	50,326	13,296,806
Term deposits	245,631	-	245,631
Account receivables and other debit balances	45,695,128	2,335,847	48,030,975
Murabaha receivables	1,214,235	713,722	1,927,957
	60,401,474	3,099,895	63,501,369
Financial liabilities			
Accounts payable and other credit balances	49,150,456	2,699,891	51,850,347
Finance lease obligation	37,175,081	-	37,175,081
Murabaha and Wakala payable	17,307,225	-	17,307,225
	103,632,762	2,699,891	106,332,653

b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Group periodically assesses the financial viability of customers and invests in bank deposits and financial institutions or other investments that are readily realizable.

Liquidity risk management process

The Group's liquidity risk management process, as carried out within the Group includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining portfolios of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flows.
- Monitoring consolidated statement of financial position liquidity ratios against internal and regulatory requirements.
- Managing the concentration and profile of debt maturities.

The following table shows the analysis of maturities for the financial liabilities of the Group:

As of December 31, 2014

Financial Liabilities	**Up to 1 month**	**1 - 3 months**	**3 - 12 months**	**1 – 5 years**	**Over 5 years**	**Total**
Accounts payable and other credit balances	**76,936**	**14,275,460**	**12,352,706**	**15,356,183**	**-**	**42,061,285**
Finance lease obiligation	**-**	**381,164**	**2,685,395**	**22,500,000**	**-**	**25,566,559**
Murabaha and Wakala payable	**1,150,371**	**-**	**4,478,079**	**14,189,032**	**-**	**19,817,482**
	1,227,307	**14,656,624**	**19,516,180**	**52,045,215**	**-**	**87,445,326**

As of December 31, 2013 (Restated)

Financial Liabilities	Up to 1 month	1 - 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total
Accounts payable and other credit balances	-	-	44,585,167	7,265,180	-	51,850,347
Finance lease obligation	-	11,462,335	498,231	17,714,515	7,500,000	37,175,081
Murabaha and Wakala payable	-	1,211,986	1,834,726	14,260,513	-	17,307,225
	-	12,674,321	46,918,124	39,240,208	7,500,000	106,332,653

c) Interest rate risk

Financial instruments are subject to the risk of changes in value due to changes in the level of return rate. The effective return rates and the periods in which interest bearing financial assets and liabilities are repriced or mature are indicated in the respective notes.

The following table demonstrates the sensitivity to a reasonably possible change in return rates, with all other variables held constant, of the Group's profit through the impact on floating return rate:

Financial year	Increase (Decrease) in rates	Balance as of December 31 (KD)	Effect on consolidated statement of profit or loss (KD)
As of December 31, 2014			
Finance lease obligation	**±0.5%**	**25,566,559**	**±127,833**
As of December 31, 2013			
Finance lease obligation	±0.5%	37,175,081	±185,875

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Kuwaiti Dinar. The Group may reduce its exposure to fluctuations in foreign exchange rates through the use of derivative financial instruments. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate between foreign currencies used by the group and Kuwaiti Dinar.

Financial year	Increase (decrease) against Kuwaiti Dinar	Effect on consolidated statement of profit or loss (KD)	Effect on consolidated other comprehensive income (KD)
As of December 31, 2014			
US Dollar	**±5%**	**±108,104**	**±894,053**
Qatari Riyal	**±5%**	**±97,130**	**±371,658**
Omani Riyal	**±5%**	**±138,338**	**±385,936**
Bahraini Dinar	**±5%**	**±1,176,352**	**±1,815,858**
Euro	**±5%**	**±188**	**±188**
Other	**±5%**	**±519,309**	**±519,309**

Financial year	Increase (decrease) against Kuwaiti Dinar	Effect on consolidated statement of profit or loss (KD)	Effect on consolidated other comprehensive income (KD)
As of December 31, 2013			
US Dollar	±5%	±10,204	±869,975
Qatari Riyal	±5%	±113,776	±208,209
Emirati Dirham	±5%	±146,228	±372,078
Omani Riyal	±5%	±581,994	±1,368,632
Bahraini Dinar	±5%	±207	±207
Euro	±5%	±257,945	±531,838
Other	±5%	±10,204	±869,975

e) Equity price risk

Equity price risk is a risk that the value of a financial instrument will fluctuate as a result of changes in the level of equity indices and the value of individual stocks, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group manages this risk through diversification of investments in terms of geographical distribution and industry concentration.

The following table demonstrates the sensitivity to a reasonably possible change in equity indices as a result of change in the fair value of these equity instruments, to which the Group had significant exposure as of the reporting date:

	2014		2013	
Market indices	**Change in equity price**	**Effect on consolidated other comprehensive income (KD)**	Change in equity price	Effect on consolidated other comprehensive income (KD)
Kuwait Stock Exchange	**±5**	**±891**	±5	±897
Doha Stock Exchange	**±5**	**±468,788**	±5	±321,985
Bahrain Stock Exchange	**±5**	**±264,143**	±5	±272,652

. Fair value measurement

The Group measures financial assets such as investments at fair value through profit or loss and available for sale investments and non – financial assets such as investment properties at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments at fair value through profit or loss	**4,078,583**	**-**	**-**	**4,078,583**
Investments available for sale:				
Quoted securities	**14,676,448**	**-**	**-**	**14,676,448**
Funds and portfolios	**-**	**3,812,363**	**-**	**3,812,363**
Unquoted securities	**-**	**-**	**38,131,082**	**38,131,082**
Total	**18,755,031**	**3,812,363**	**38,131,082**	**60,698,476**

2013	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	4,006,569	-	-	4,006,569
Investments available for sale				
Quoted securities	11,910,562	-	-	11,910,562
Funds and portfolios	-	6,178,631	-	6,178,631
Unquoted securities	-	-	54,045,814	54,045,814
Total	15,917,131	6,178,631	54,045,814	76,141,576

As of December 31, the fair values of financial instruments approximate their carrying amounts, with the exception of certain financial assets available for sale carried at cost as indicated in Note (10). The management of the Group has assessed that fair value of its financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the year there were no transfers between Level 1, Level 2 and Level 3.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value details of investment property are mentioned in Notes (12).

Financial instruments are included in the consolidated financial statement as follows:

As of December 31, 2014	**At Fair value**	**At Cost**	**Total**
Financial Assets:			
Cash and cash equivalents	**-**	**14,819,991**	**14,819,991**
Term deposits	**-**	**3,071,695**	**3,071,695**
Investments at fair value through profit or loss	**4,078,583**	**-**	**4,078,583**
Accounts receivable and other debit balances	**-**	**42,858,345**	**42,858,345**
Murabaha receivables	**-**	**4,382,846**	**4,382,846**
Investments available for sale	**56,619,893**	**19,976,357**	**76,596,250**
Financial Liabilities:			
Account payable and other credit balances	**-**	**42,061,285**	**42,061,285**
Finance lease obligation	**-**	**25,566,559**	**25,566,559**
Murabaha and Wakala payable	**-**	**19,817,482**	**19,817,482**

As of December 31, 2013 (Restated)	At Fair value	At Cost	Total
Financial Assets:			
Cash and cash equivalents	-	13,296,806	13,296,806
Term deposits	-	245,631	245,631
Investments at fair value through profit or loss	4,006,569	-	4,006,569
Accounts receivable and other debit balances	-	48,030,975	48,030,975
Murabaha receivables	-	1,927,957	1,927,957
Investments available for sale	72,135,007	21,319,655	93,454,662
Financial Liabilities:			
Account payable and other credit balances	-	51,850,347	51,850,347
Finance lease obligation	-	37,175,081	37,175,081
Murabaha and Wakala payable	-	17,307,225	17,307,225

40. Capital Risk Management

The Group's objectives when managing capital resources are to safeguard the Group's ability to continue as a going concern in order to provide returns and benefits for shareholders and to maintain an optimal capital resources structure to reduce the cost of capital.

In order to maintain or adjust the capital resources structure, the Group may adjust the amount of cash dividends paid to shareholders, return paid up capital to shareholders, issue new shares, sell assets to reduce debt, repay facilities or obtain additional facilities.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total financial facilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

For the purpose of capital risk management, the total capital resources consist of the following components:

	2014	2013 (Restated)
Finance lease obligation	**25,566,559**	37,175,081
Murabaha and Wakala payable	**19,817,482**	17,307,225
Less: cash and cash equivalents	**(14,819,991)**	(13,296,806)
Net debit	**30,564,050**	41,185,500
Total equity	**216,506,578**	212,070,826
Total capital resources	**247,070,628**	253,256,326
Gearing ratio	**12.37%**	16.26%

41. Restated comparative figures

During the year, the audited consolidated financial statements of Cavendish Learning Company Limited for the year ended December 31, 2013, were available to the Group. Accordingly, certain comparative figures for the year ended December 31, 2013 have been restated by the Group to include the following balances according to the audited consolidated financial statements of Cavendish Learning Company Limited for the year ended December 31, 2013.

Item	Balances as per financial statements for the year ended December 31, 2013 (Audited)	Amount Restated	Balances as per financial statements for the year ended December 31, 2013 (Audited) (Restated)
Consolidated statement of financial position items			
Cash and cash equivalents	13,247,477	49,329	13,296,806
Accounts receivable and other debit balances	47,790,717	240,258	48,030,975
Investment in subsidiaries	6,103,695	(6,103,695)	-
Other assets	6,515,844	55,384	6,571,228
Properties under development	22,011,230	3,027,270	25,038,500
Investment properties	39,961,610	850,238	40,811,848
Property, plant and equipment	27,513,743	4,495,059	32,008,802
Goodwill	205,541	1,396,442	1,601,983
Accounts payable and other credit balances	49,261,070	2,589,277	51,850,347
Other equity items	9,881,815	(282,832)	9,598,983
Non-controlling interests	39,368,632	968,921	40,337,553
Consolidated statement of profit or loss items			
Net investment income	2,361,215	532	2,361,747
Other income (loss)	(2,044,118)	(192,557)	(2,236,675)
General and administrative expenses	9,607,809	1,071,506	10,679,315
Impairment and other provisions	38,742,166	(2,184,004)	36,558,162
Depreciation	2,924,035	185,554	3,109,589

Restating comparative figures includes only the financial year ended December 31, 2013, the restatement not include effect on the opening balances for the year ended December 31, 2013. Accordingly, the consolidated financial position as of January 1, 2013 had not been presented on the consolidated statement of financial position.