Al Salam Group Holding Company

K.S.C (Public)
and its subsidiaries
Kuwait
Consolidated financial statements
for the year ended December 31, 2014
with
Independent auditors' report

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and its subsidiaries
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Independent auditors' report

The Shareholders,
Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Report on the consolidated financial statements

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

Management of the Parent Company 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, 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 auditor's 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 auditor considers internal control relevant to the Parent Company'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 Parent Company'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 reasonable basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion - the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Al Salam Group Holding Company - K.S.C (Public) and its subsidiaries - 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.

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the parent company, physical counting was carried out in accordance with recognized practices, the consolidated financial statements together with the financial contents of the report of the parent company's Board of Directors are in accordance therewith. Also, we have obtained the information and explanations that we required for the purpose of our audit and the consolidated financial statements incorporate the information that is required by the Companies' Law no. 25 of year 2012, as amended and related Executive Regulations, law no. 7 of year 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and its regulation and the parent Company's memorandum and articles of association. According to the information available to us, there were no violations have occurred of either the Companies' Law no. 25 of year 2012, as amended and related Executive Regulations, law no. 7 of 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and its regulation or of the parent Company's memorandum and articles of association during the financial year ended December 31, 2014 that might have had a material effect on the parent Company's business or its consolidated financial position.

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January 22, 2015
State of Kuwait

Exhibit - A

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Consolidated statement of financial position as of December 31, 2014
"All amounts are in Kuwaiti Dinar"

	Note	2014	2013
Assets			
Cash and cash equivalents		**475,557**	1,025,355
Term Deposit		**135,000**	-
Investments at fair value - statement of income	5	**2,884,443**	5,056,560
Accounts receivable and other debit balances	6	**2,902,410**	3,248,433
Available for sale investments	7	**8,410,439**	11,528,541
Investment in associates	8	**17,733,800**	8,894,726
Intangible assets	9	**4,649,170**	4,649,170
Property and equipment	10	**1,395,837**	1,377,020
Total assets		**38,586,656**	35,779,805
Liabilities and equity			
Liabilities			
Accounts payable and other credit balances	11	**2,540,958**	3,188,995
Provision for end of service indemnity		**111,053**	97,470
Total liabilities		**2,652,011**	3,286,465
Equity			
Share capital	12	**25,680,000**	25,680,000
Share premium	13	**5,904,559**	5,904,559
Statutory reserve	14	**820,507**	616,237
Voluntary reserve	15	**17,978**	17,978
Cumulative changes in fair value		**(721,147)**	(1,333,716)
Group's share of associate reserves		**228,401**	-
Gains on sale of treasury shares		**730,372**	730,372
Retained earrings		**2,616,896**	846,613
Equity attributable to shareholders of the Parent Company		**35,277,566**	32,462,043
Non controlling interests		**657,079**	31,297
Total equity		**35,934,645**	32,493,340
Total liabilities and equity		**38,586,656**	35,779,805

Meshari Ahmed Al Majed
Chairman

AL SALAM

The accompanying notes form an integral part of these consolidated financial statements.

Exhibit - B

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Consolidated statement of income for the year ended December 31, 2014
"All amounts are in Kuwaiti Dinar"

	Note	2014	2013
Revenue			
Gain/(losses) on investments	16	**1,457,571**	(196,131)
Group's share of associates' results	8	**306,297**	2,046
Net contracting income	17	**675,841**	713,599
Other income		**805**	-
General and administrative expenses	18	**(407,715)**	(320,738)
Net profit for the year before calculate Contribution to Kuwait Foundation for the Advancement of Science, Zakat and National Labor Support Tax		**2,032,799**	198,776
Contribution to Kuwait Foundation for the Advancement of Science		**(8,598)**	-
Zakat		**(17,014)**	-
National Labor Support Tax		**(42,535)**	(4,827)
Net profit for the year		**1,964,652**	193,949
Attributable to:			
Shareholders of the Parent Company		**1,974,553**	188,238
Non-controlling interests		**(9,901)**	5,711
Net profit for the year		**1,964,652**	193,949
Earnings per share / (fils)	19	**7.69**	0.73

The accompanying notes form an integral part of these consolidated financial statements.

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Consolidated statement of comprehensive income for the year ended December 31, 2014
"All amounts are in Kuwaiti Dinar"

	2014	2013
Net profit for the year	**1,964,652**	193,949
Other comprehensive income :		
Cumulative changes in fair value	**636,205**	(1,355,643)
Transferred to statement of income from sale available for sale investments	**17,182**	-
Group's share of associate reserves	**228,401**	-
Transferred to statement of income from impairment in fair value of available for sale investments	**892,375**	-
Transferred to statement of income on acquisition of an associate	**(931,700)**	-
Total other comprehensive income/(loss) for the year	**842,463**	(1,355,643)
Total comprehensive income/(loss) for the year	**2,807,115**	(1,161,694)
Attributable to:		
Shareholders of the Parent Company	**2,815,523**	(1,167,405)
Non-controlling interests	**(8,408)**	5,711
Total comprehensive income/(loss) for the year	**2,807,115**	(1,161,694)

The accompanying notes form an integral part of these consolidated financial statements.

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Consolidated statement of cash flows for the year ended December 31, 2014
"All amounts are in Kuwaiti Dinar"

	2014	2013
Cash flows from operating activities		
Net profit for the year	**1,964,652**	193,949
Adjustments		
Provision for end of service indemnity	**12,248**	26,976
(Gains)/losses on investments	**(1,457,571)**	196,131
Losses from sale property and equipment	**5,114**	-
Depreciation	**275,782**	219,793
Group's share of associates' results	**(306,297)**	(2,046)
Adjusted profit before calculate the effect of change in working capital items	**493,928**	634,803
Investments at fair value - statement of income	**2,141,336**	1,512,774
Accounts receivable and other debit balances	**910,771**	(996,383)
Accounts payable and other credit balances	**(2,057,826)**	621,914
Cash generated from operations	**1,488,209**	1,773,108
End of service indemnity paid	**(10,542)**	(34,688)
Net cash generated from operating activities	**1,477,667**	1,738,420
Cash flows from investing activities		
Available for sale investments	**2,162,302**	(6,568,721)
Proceeds from sale property and equipment	**7,000**	-
Property and equipment	**(117,610)**	(204,124)
Cash dividends received	**19,507**	-
Investments in associates	**-**	7,352,968
Acquisition of subsidiary	**(4,086,664)**	(1,994,526)
Net cash used in investing activities	**(2,015,465)**	(1,414,403)
Cash flows from financing activities		
Net movement on non-controlling interests	**(12,000)**	-
Finance and Musharka	**-**	444,401
Cash dividends paid	**-**	(14,556)
Net cash (used in)/generated from financing activities	**(12,000)**	429,845
Net (decrease)/increase in cash and cash equivalents	**(549,798)**	753,862
Cash and cash equivalents at beginning of the year	**1,025,355**	271,493
Cash and cash equivalents at end of the year	**475,557**	1,025,355

The accompanying notes form an integral part of these consolidated financial statements.

Exhibit - E

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Consolidated statement of changes in equity for the year ended December 31, 2014
"All amounts are in Kuwaiti Dinar"

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Cumulative changes in fair value	Group's share of associate reserves	Gains on sale of treasury shares	Retained earrings	Total equity attributable to shareholders of the Parent Company	Non controlling interests	Total
Balance at January 1, 2013	24,000,000	5,904,559	596,930	17,978	21,927	-	730,372	2,357,682	33,629,448	25,586	33,655,034
Bonus shares	1,680,000	-	-	-	-	-	-	(1,680,000)	-	-	-
Net profit for the year	-	-	-	-	-	-	-	188,238	188,238	5,711	193,949
Other comprehensive loss for the year	-	-	-	-	(1,355,643)	-	-	-	(1,355,643)	-	(1,355,643)
Total comprehensive loss for the year	-	-	-	-	(1,355,643)	-	-	188,238	(1,167,405)	5,711	(1,161,694)
Transferred to statutory reserve	-	-	19,307	-	-	-	-	(19,307)	-	-	-
Balance at December 31, 2013	25,680,000	5,904,559	616,237	17,978	(1,333,716)	-	730,372	846,613	32,462,043	31,297	32,493,340
Balance at January 1, 2014	25,680,000	5,904,559	616,237	17,978	(1,333,716)	-	730,372	846,613	32,462,043	31,297	32,493,340
Dividend from subsidiary	-	-	-	-	-	-	-	-	-	(12,000)	(12,000)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	646,190	646,190
Net profit for the year	-	-	-	-	-	-	-	1,974,553	1,974,553	(9,901)	1,964,652
Other comprehensive income for the year	-	-	-	-	612,569	228,401	-	-	840,970	1,493	842,463
Total comprehensive income for the year	-	-	-	-	612,569	228,401	-	1,974,553	2,815,523	(8,408)	2,807,115
Transferred to statutory reserve	-	-	204,270	-	-	-	-	(204,270)	-	-	-
Balance at December 31, 2014	**25,680,000**	**5,904,559**	**820,507**	**17,978**	**(721,147)**	**228,401**	**730,372**	**2,616,896**	**35,277,566**	**657,079**	**35,934,645**

The accompanying Notes form an integral part of these consolidated financial statements.

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Notes to the consolidated financial statements for the year ended December 31, 2014
"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Incorporation and activity

Al Salam Group Holding Company - K.S.C (Public) was incorporated on November 9, 1997.

The Parent Company's main activities are as follows:

- Owning shares in Kuwaiti or Foreign shareholding or limited liability companies, or participating in establishing these companies and managing and lending them and providing guarantees on their behalf to others.
- Lending the companies in which it owns shares and providing guarantees on behalf of those companies to others, providing that the holding Company's ownership percentage in the share capital of the borrowed Company must be at least 20%.
- Owning industrial equity of patents, industrial trademarks, industrial fees or any other rights related to that and franchise them to other companies to utilize them inside Kuwait or abroad.
- Owning the necessary movables and properties to carry out its activity in accordance with the Law.

The Parent Company may have an interest in, or may participate in any form with the institutions that have a similar business or that will assist the Parent Company to achieve its objectives inside or outside Kuwait and it may establish or participate in or acquire these institutions or join them.

The registered address of the Parent Company is: Al-Qibla - Plot (5) - Building (11) owned by Mousa Abdullwahab Al Naqee - Kuwait.

The Board of Directors approved these consolidated financial statements for the year ended December 31, 2014 for issue on January 22, 2015.

2- Application of new and revised International Financial Reporting Standards (IFRSs)

2/1) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014:

- **Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities**
The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

a) Obtain funds from one or more investors for the purpose of providing them with investment management services;
b) Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c) Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Group is not an investment entity (assessed based on the criteria set out in IFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

- **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities**
The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off'. The amendments also classify the application of the IAS 32 offsetting criteria to settlement systems (such as central cleaning house systems) which apply gross settlement mechanisms that are not simultaneous.

  That adoption of the amendments is not expected to have any impact on the consolidated financial position, performance, as disclosures in the consolidated financial statements of the Group.

- **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**
The amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. the amendments also require disclosure of the recoverable amounts for the assets as cash generating units (CGUs) for which impairment loss has been recognized as reversed during the period.

  The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

2/2) New and revised IFRSs in issue but not yet effective:

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- **IFRS 9: Financial Instruments**
  (Effective for annual periods beginning on or after January 1, 2018 with earlier application permitted).
  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

  Key requirements of IFRS 9:
  - All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value.
  - with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.
  - In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

- **IFRS 15: Revenue from Contracts with Customers**
  (Effective for annual periods beginning on or after January 1, 2017 with earlier application permitted).
  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for group to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-Step approach to revenue recognition:

  Step 1: Identify the contract(s) with a customer.
  Step 2: Identify the performance obligation in the contract.
  Step 3: Determine the transaction price.
  Step 4: Allocate the transaction price to the performance obligations in the contract.
  Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, the group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

- **Amendments to IFRS 11: Accounting for Acquisitions of Interest in Joint Operations**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.
  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments to IAS 16 prohibit group from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The Group believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets.

- **Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41.The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

- **Amendments to IAS 19: Defined Benefit Plans - Employee Contributions**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  The amendments to IAS 19 clarify how group should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

  For contributions that are independent of the number of years of service, the group may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the group is required to attribute them to the employees' periods of service.

  The management anticipates that the new standards will be adopted in the Group's accounting policies for the period beginning on or after the effective date of the pronouncement, and those new standards that have been issued but are not relevant to the Group's operations will not be expected to have a material impact on the Group's financial statements.

3- Significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

3/1) Basis of presentation

- These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and State of Kuwait Companies Law requirements.
- The accounting policies used in preparation of these consolidated financial statements are consistent with those used in preparation of the consolidated financial statements of the previous year.

3/2) Accounting convention

- These consolidated financial statements are prepared under the historical cost convention, adjusted through the revaluation of some assets according to fair value as explained in detail in the accompanying policies and disclosures.
- The consolidated financial statements are prepared in Kuwaiti Dinar.

3/3) Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that may 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. Although these estimates are based on management best knowledge, the actual results may differ from those estimates.

3/4) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, at banks and short term deposits with a maturity date not exceeding three months from the date of deposit.

3/5) Basis of consolidation the financial statements

The consolidated financial statements include the financial statements of Parent Company and its subsidiaries as of December 31, 2014 (Note - 4).

Subsidiaries are the companies controlled by the group. Control is achieved where the group directly or indirectly has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. The results of subsidiaries acquired (or disposed of during the year) are included in the consolidated financial statements from the date of acquisition (or up to the date of disposal).

The financial statements of subsidiary are consolidated on a line-by-line basis by adding together alike items of assets, liabilities, revenues and expenses.

All inter-company balances and transactions, including unrealized profits or losses between the companies, are eliminated when preparing the consolidated financial statements. The consolidated financial statements are prepared using consistent accounting policies and for like transactions and other events in the same circumstances.

The financial statements of subsidiary are prepared at the same date or within three months before the financial year ends of the group, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist between the subsidiaries financial year date and the group's financial year date.

Non-controlling interests represent the portions of profit or loss and net assets not held by the group and are presented separately in the consolidated statement of income and within equity in the consolidated financial position separately from the equity of the shareholders. Acquisition of subsidiaries are accounted according to the purchasing method as the cost of acquisition represents the fair value of the amounts paid, assets acquired and liabilities that carried to acquire the subsidiary in addition to the direct costs related to the acquisition.

Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill, if the cost acquisition is less then fair value of the net assets of the subsidiary acquired the difference is recognized directly (decreased when acquired) in the consolidated statement of income in the period of acquisition.

3/6) Financial instruments

Classification

The investments classification depends upon the purpose of acquisition the investment. Management determines this classification at initial acquisition of financial instruments and reviews this classification at the preparation of consolidated financial statements. The group classified its financial instruments as follows:

Financial assets at fair value - statement of income

A financial asset is classified in financial asset at fair value if it acquired principally for the purpose of selling in the short term or if the management decides to classify it in the initial recognition.

Financial assets available for sale
These are non-derivative financial assets that are not included in any of the above categories and are principally acquired to be held for an indefinite period of time which could be sold when liquidity is needed or upon changes in rates of profit.

Recognition and de-recognition
Financial instrument is recognized when the group becomes a party to a contracted commitment of a financial instrument. Regular purchase and sale of financial assets are recognized on settlement date - the date on which the group receives or delivers the asset. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership to another party.

Measurement
All investments are initially recognized at fair value plus transaction costs for all investments not carried at fair value - statement of income as its transaction costs are recognized in the consolidated statement of income. Subsequently, financial assets at fair value - statement of income and financial assets available for sale are re-measured at fair value.
Unrealized gains and losses arising from changes in the fair value of financial assets at fair value - statement of income are included in the consolidated statement of income in the period in which they arise. Changes in fair value of financial assets available for sale are recognized directly in equity. When available for sale investments are sold or impaired, the accumulated changes in fair value recognized in equity are included in the consolidated statement of income.

Fair value
The fair value of financial instruments in a regular financial market is based on last bid prices.
For the unquoted investments, the group establishes fair value by reference to other instruments that are substantially similar or by using the expected discounted cash flows discounted by the current ratios applied for similar items that have similar risks and circumstances. Available for sale investments, with no available reliable measurement instrument to determine its fair value are carried at cost less impairment.

Impairment in value
The group assesses at each consolidated financial position date whether there is 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 investments, a significant or prolonged decline in the fair value of these investments below its cost is considered as an indicator that these investments are impaired.
If any evidence for impairment exists for available for sale financial assets, the cumulative losses measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognized in prior years are transferred from equity to the consolidated statement of income.
Impairment losses recognized on equity instruments are not reversed through the consolidated statement of income again.

3/7) Investment in associates

An associate is the company over which the group exerts significant influence. Investment in associates is accounted under the equity method.

Under the equity method, the investment in associate is initially recorded at cost and adjusted with changes after acquisition in the group's share of the associate's equity. The goodwill related to acquire an associate is included in the book value of the investment and not amortized.

The group recognizes its share in profits or losses of an associate realized in the consolidated statement of income from the date that the influence started effectively until the date that influences effectively ended .Adjustments on the carrying amount may also be necessary to reflect the changes in the group's share in the associate arising from changes in the associate's equity. The group share as a result of these changes is recognized in the equity.

Unrealized gains from transactions with associates are eliminated to the extent of the group's share in the associate, unrealized losses are eliminated unless the transaction provides evidence of impairment in value of the asset transferred. An assessment for impairment in investments in associates is performed when there is an indication that the asset has been impaired, or that impairment losses recognized in prior years no longer exist.

The associate's financial statements are prepared at the same date of the group's reporting date or to a date not earlier than three months of the group's reporting date using consistent accounting policies. There were adjustments made to reflect the effects of significant transactions and other events that occurred between the associate financial year end and the group's financial year end.

3/8) Intangible assets and goodwill

Identifiable non-monetary assets acquired in connection with the business and from which future benefits are expected to flow are treated as intangible assets with indefinite useful lives are not subject to amortization and are tested at least annually for impairment.

Intangible assets which have a finite life are amortized over their useful lives. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of identifiable net assets acquired in a business combination or the associates at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is allocated to each cash generating unit for the purpose of impairment testing. Goodwill is testing at least annually for impairment and carried at cost less accumulated impairment losses. Gain or losses on disposal of the subsidiary or a part of the subsidiary include the carrying amount of goodwill relating to the subsidiary or the portion sold.

Assets are grouped at the lowest levels for which there are separately identifiable cash flows for the purpose of assessing impairment. If there is an indication that the carrying value of an intangible assets is greater than its recoverable amount, it is written down to its recoverable amount and the resultant impairment loss taken to the consolidated statement of income and that relating to goodwill cannot be reversed in the subsequent periods.

3/9) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The recoverable value of property and equipment are reviewed at the consolidated financial position date. If the recoverable value for property and equipment decreased from the book value in which case the book value is written down to the recoverable value. If the useful lives are different from its estimated lives then the useful lives are adjusted from the beginning of the year in which the change occurred in without going into retroactive periods.

Property and equipment are depreciated on straight line basis to reduce its value to the residual value over their estimated useful lives. The useful lives of the property and equipments are as follow:

Furniture and air conditions	20%
Machines and equipment	10%
Decorations and fixtures	20%
Motor vehicles	15%
Computers	20%

3/10) Impairment of non-financial assets

At each consolidated financial position date, the group reviews the carrying amounts of its non-financial assets, to determine whether there is any objective evidence that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated and an impartment loss recognized in the consolidated statement of income for the difference between the assets recoverable amount is estimated and the carrying amount.
Reversal of impairment losses recognized in prior years is recorded as revenue, when there is an indication that the impairment losses, recognized for the asset no longer exist or has decreased.

3/11) Islamic debt instruments

The Islamic debt instruments are initially recognized at value which received from the contracts less transactions costs incurred. Islamic debt instruments are subsequently re-measured at amortized cost and the difference between net proceeds and the payable amount are recognized in the consolidated statement of income using effective cost method over the finance period.

3/12) Treasury shares

The treasury shares represents the shares of the Group purchased and were issue and then re-buy them later by the Group and has not been reissued or canceled. Treasury shares are accounted under cost method.

Under the cost method, the weighted average cost of the treasury shares is charged to an account in equity. When the treasury shares are sold, gains are credited in a separate account in equity (Gain on sale of treasury shares) which is not distributable. Any realized losses are charged to the same account to the extent of the credit balance on the same account. Any excess losses are charged to retained earnings then voluntary reserve then statutory reserve. Realized gains subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and gain on sale of treasury shares account respectively. No cash dividends are paid on these shares. The issue of bonus shares increases the number of treasury shares with the same percentage and reduces the average cost per share without affecting the total cost of treasury shares.

3/13) Finance charges

Interest on Islamic debt instruments is calculated on the accrual basis and is recognized in the consolidated statement of income in the period in which it is incurred.

3/14) Provisions

Provision is recognized when the group has a present obligation (legal or constructive) 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 each consolidated financial position date and adjusted to reflect the current best estimate.

3/15) Revenue recognition

- Revenue from Finance and Musharka is recognized, based on periodic distribution to achieve consistent return on outstanding balances of these transactions.
- Dividends income is recognized when the group's right to receive it is established.
- Gains on sale of investments are recognized by the difference between the cash sale proceeds and the net book value of the investment sold.
- Revenue is recognized from operations when the service is delivered and issuing an invoice, however revenue and expenses are recorded based on the accrual basis.
- Other categories of income are recognized when earned, at the time the related services are rendered and / or based on the terms of the contractual agreement of each activity.

3/16) Foreign currencies

The functional currency of the group is the Kuwaiti Dinar ("KD") and accordingly, the consolidated financial statements are presented in KD. Transactions denominated in foreign currencies are translated into KD at the average rates of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated into KD at rates of exchange prevailing at the consolidated financial position date. The resultant exchange differences are taken to the consolidated statement of income.

3/17) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but disclosed when an inflow of economic benefits is probable.

4- Investments in subsidiaries

These consolidated financial statements include the financial statements of the Parent Company and the following subsidiaries:

	Shareholding percentage %		Country of incorporation	Activity
	2014	2013		
Al Dosr International for General Trading and Contracting Company (W.L.L)	**99%**	99%	Kuwait	General Trading and Contracting
Atlantic Group for General Trading and Contracting Company (W.L.L)	**99%**	99%	Kuwait	General Trading and Contracting

Al Dosr International for General Trading and Contracting Company (W.L.L) owing subsidiaries and their details are as follows :

	Shareholding percentage %		Country of incorporation	Activity
	2014	2013		
Asal Holding Company K.S.C (Holding)	**%99.2**	%99.2	Kuwait	Holding
Reflection Group for General Trading and Contracting Company (W.L.L)	**%99**	%99	Kuwait	General Trading and Contracting
Takaful International for Takaful Insurance K.S.C (Closed)	**87.53%**	41.71%	Kuwait	Takaful Insurance

- During the year, the Group increase share from 41.71% to 87.53% in Takaful International for Takaful Insurance K.S.C (Closed) hence the Group controlled on financial and operating policies thus the Company reclassified as subsidiary and consolidated financial information as of acquisition date (note – 8).
- Consolidated financial statements of subsidiary based of audited financial information as of December, 31 2014.

5- Investments at fair value - statement of income

	2014	2013
Investments in local shares - quoted	**149,325**	4,967,560
Investments in local shares - unquoted	**2,735,118**	89,000
	2,884,443	5,056,560

- The investments have been evaluated in accordance with valuation technique methods in note (3/6).
- Investments in unquoted shares are valuated in accordance with the estimated operations based on the available information on the financial position, results of operations of the investee companies, the expected future profits of these companies and by taking in consideration recent transactions on the shares with other parties in investee companies or similar companies.

6- Accounts receivable and other debit balances

	2014	2013
Due from related parties (Note - 20)	**657,524**	881,900
Advance payments for purchasing investments	**329,168**	504,168
Net trade receivables	**782,128**	688,866
Refundable depoists	**9,689**	2,229
Banks guranttee	**885,022**	865,069
Prepaid expenses	**190,281**	265,419
Staff receivables	**47,158**	35,782
Other	**1,440**	5,000
	2,902,410	3,248,433

As on December 31, the trade receivables aging were as follows:

2014

During 30 days	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
366,198	**205,364**	**71,134**	**60,059**	**79,373**	**782,128**

2013

During 30 days	30-60 days	60-90 days	90-120 days	>120 days	Total
-	-	407,564	221,019	60,283	688,866

The carrying value of accounts receivable and other debit balances approximates its fair value. The maximum exposure to credit risks at the reporting date is the fair value of each class of other debit balances mentioned above.

7- Available for sale investments

	2014	2013
Investments in local shares - quoted	**1,433,040**	4,986,624
Investments in local shares - unquoted	**6,977,399**	6,541,917
	8,410,439	11,528,541

- Investments in unquoted shares are evaluated in accordance with the estimated operations based on the available information on the financial position, results of operations of the investee companies, the expected future profits of these companies and by taking in consideration recent transactions on the shares with other parties in investee companies or similar companies.

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8- Investments in associates

The details of these investments are as follow:

Company name	Shareholding percentage % 2014	2013	2014	2013
India Holding Company K.S.C (Holding)	**%33.98**	33.98%	**8,434,765**	8,487,626
Takaful International for Takaful Insurance K.S.C (Closed)	-	41.71%	-	407,100
Gulf Petroleum Investment Co. K.S.C (Public)	**%20.09**	-	**9,299,035**	-
			17,733,800	8,894,726

- During the financial year, the Group increase share from 41.71% to 87.53% in Takaful International for Takaful Insurance K.S.C (Closed) and reclassified from investment in associate to investment in subsidiary (note – 21).
- During the current year, the Group purchased additional shares in Gulf Petroleum Investment Co.- Kuwaiti shareholding company listed on Kuwait Stock Exchange, which resulted acquisition more than 20%, which resulted reclassification of available for sale investment to investment in an associate company ,Acquisition has been registered based on fair values of the net assets acquired by using financial information as of acquisition date, The management to prepare a detailed study to determine the fair values of assets and liabilities acquired.

Resulted from the acquisition of an associate company and transferred cumulative change in the fair value of the investment held previously to the income statement as follows:

Temporary fair value for net assets acquired	**43,372,767**
The percentage of the Group's ownership share (%)	**20.09%**
The fair value of the Group's share of net assets acquired	**8,711,476**
Fair value as at the date of acquisition and the amount paid for the additional share	**(7,194,171)**
Gain on bargain purchase	**1,517,305**
Cumulative fair value of the transferred to statement of income when the acquisition of an associate company	**931,700**

Shown below summary of financial information relating to the company's Gulf Petroleum Investment Co K.S.C (Public) based on the available financial information (Unaudited) as of acquisition date:

	2014
Total assets	60,907,057
Total liabilities	(17,187,837)
Net assets	43,719,220

	2014
Total revenue	7,829,429
Total expenses	(5,817,411)
Net Profit	2,012,018
Group's share in the contingent liabilities and commitment	1,752,799

- The Group's share of associate results India Holding Company K.S.C (Holding) has been recognized loss with amount KD 52,861 based on the audited financial statements as of December 31, 2014.
- Investment in associate - India Holding Company K.S.C (Holding) - includes goodwill with amount of KD 1,455,038.
- The Group's share of associate results Gulf Petroleum Investment Co K.S.C (Public) with amount of KD 359,158 has been recognized based on the unaudited interim financial information as of September 30, 2014.

The movements of investments in associat companies are as follows:

	2014	2013
Balance at beginning	8,894,726	22,593,497
Transferred to subsidiaries	(407,100)	-
Transferred to available for sale investments	-	(6,337,095)
Transfer from available for sale investments	7,194,171	-
Disposals	-	(7,770,822)
Gain on bargain purchase	1,517,305	-
Group share of associate reserves	228,401	-
Group share of results of associates	306,297	2,046
Additions	-	407,100
	17,733,800	8,894,726

9- Intangible assets

This item represents the value of goodwill amounting to KD 2,654,644 resulted from acquisition of Asal Holding Company K.S.C. (Holding) though a subsidiary and goodwill amounting to KD 1,994,526 resulted from acquisition during the year of Atlantic Group for General Trading and Contracting Company (W.L.L). The management of the Group considers there is no any impairment in value of investment during financial year.

10- Property and equipment

	Furniture and Air condition	Machinery and Equipment	Decorations and fixtures	Vehicles	Computers	Total
Cost						
Balance at January 1, 2014	34,172	1,192,211	5,500	916,684	5,206	2,153,773
Addations	2,630	293,748	-	5,727	4,605	306,710
Disposals	-	(12,600)	-	-	-	(12,600)
Result from acquisition of subsidary	133,229	11,925	-	-	-	145,154
Balance at December 31, 2014	170,031	1,485,284	5,500	922,411	9,811	2,593,037
Accumulated depreciation						
Balance at January 1, 2014	23,600	320,214	5,499	425,069	2,371	776,753
Charged for the year	4,575	132,160	-	137,737	1,310	275,782
Disposals	-	(486)	-	-	-	(486)
Result from acquisition of subsidary	133,228	11,923	-	-	-	145,151
Balance at December 31, 2014	161,403	463,811	5,499	562,806	3,681	1,197,200
Net book value						
At December 31, 2014	**8,628**	**1,021,473**	**1**	**359,605**	**6,130**	**1,395,837**
At December 31, 2013	10,572	871,997	1	491,615	2,835	1,377,020

- The additions for property and equipment item include an amount of KD 189,100 was acquired in accordance with term selling contracts, the effect of this transaction has been eliminated from the consolidated statement of cash flows as it was a non-cash transaction.

11- Accounts payable and other credit balances

	2014	2013
Due to related parties (Note -20)	**177,773**	1,649,428
Payables for purchasing property and equipment	**557,384**	586,533
Payables insurance subscribers	**781,366**	-
Accrued expanses	**170,632**	169,610
Trade payables	**82,769**	47,822
Payables for purchasing financial investments	**211,281**	268,040
Staff-leave provision	**64,765**	60,556
Taxable deductions	**371,105**	294,757
Dividends payables	**121,670**	112,249
Other	**2,213**	-
	2,540,958	3,188,995

12- Share capital

The Parent Company's issued, authorized and paid-up share capital is KD 25,680,000 (Twenty Five Million and Six Hundred and Eighty Thousand Kuwaiti Dinar) divided into 256,800,000 shares (Two Hundred and Fifty Six Million and Eight Hundred Thousand shares) and all are in cash.

13- Share premium

The share premium is not available for distribution to shareholders, but can be used if the local laws don't state otherwise.

14- Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles and Memorandum of Association, 10% of net profit for the year before contribution to Kuwait Foundation for the Advancement of Science, Zakat and Board of Directors remuneration is transferred to the statutory reserve. The General Assembly may discontinue such annual transfer if the reserve excesses half of the share capital. Distribution of the reserve is limited to the amount required to secure distribution of dividends reached 5 % in years when retained earnings of the group are not sufficient that amount.

15- Voluntary reserve

As required by the Parent Company's Articles and Memorandum of Association a percentage of the net profit for the year is transferred to the voluntary reserve proposed by the Board of Directors and approved by the General Assembly. Such transfer may discontinue by a resolution of the Ordinary General Assembly of the Shareholders based on a recommendation from the Board of Directors.

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16- Gain/(losses) on investments

	2014	2013
Gain/(losses) on sale of investments	**14,236**	(24,860)
Transferred to statement of income on acquisition of an associate	**931,700**	-
Gain on bargain purchase	**1,517,305**	-
Impairment losses from available for sale investment	**(892,375)**	-
Change in value of investments at fair value - statement of income	**(132,802)**	(171,271)
Cash dividends	**19,507**	-
	1,457,571	(196,131)

17- Net contracting income

	2014	2013
Revenue of contract	**4,408,837**	3,763,004
Cost of activity	**(3,732,996)**	(3,049,405)
	675,841	713,599

18- General and administrative expenses

	2014	2013
Staff costs	**202,652**	178,409
Provision for doubtful debts	**62,478**	-
Rent	**23,900**	10,970
Subscriptions and fees	**19,222**	22,107
Professional fees	**12,313**	18,112
Promotions and advertising	**15,948**	50,779
Traveling and transportations	**8,222**	14,005
Other	**62,980**	26,356
	407,715	320,738

19- Earnings per share/(fils)

Earnings per share is computed by dividing the net profit for the year by the weighted average of ordinary shares outstanding during the year as follows:

	2014	2013
Net profit for the year	**1,974,553**	188,238
Weighted average of outstanding shares during the year/(share)	**256,800,000**	256,800,000
Earnings per share/(fils)	**7.69**	0.73

20- Transactions with related parties

Related parties comprise of the associates, major shareholders, Board of Directors, key management personnel of the group, companies which they control or jointly controlled or significantly influence. The group's management determines the pricing policies and terms of these transactions. The balances and amounts due from/to related parties are interest free and have no specific maturity date.

The balances and movement of transactions with related parties which included in the consolidated financial statements are as follows:

Consolidated statement of financial position:	**2014**	2013
Due from related parties (Note - 6)	**657,524**	881,900
Due to related parties (Note – 11)	**177,773**	1,649,428

Consolidated statement of income:
Statement of income does not include any transactions with related parties during the year.

The transactions with related parties are subject to approval of the Shareholders' General Assembly.

21- Acquisition of subsidiaries

During the year, the Group increase share from 41.71% to 87.53% in Takaful International for Takaful Insurance K.S.C (Closed) hence the Group controlled on financial and operating policies thus the Company reclassified as subsidiary and consolidated financial information as of acquisition date.

	Takaful for International Takaful Insurance K.S.C (Closed)
Total assets	**6,413,004**
Total Liabilities	**(1,232,566)**
Net assets	**5,180,438**
Minority interest from acquisition of subsidiary	**(646,190)**
Group's share of net assets acquired	**4,534,248**
Less: Transferred from associate	**(407,100)**
Less: Cash and cash equivalents in subsidiary	**(40,484)**
Consideration paid	**4,086,664**

22- Contingent liabilities

As of December 31, 2014, the Group had contingent liabilities consists of letters of guarantee amounted to KD 1,953,221 (December 31, 2013: KD 1,139,332).

23- Shareholders' General Assembly

On May 11, 2014, the Ordinary and Extraordinary General Assembly of the Shareholders held and approved the consolidated financial statements for the year ended December 31, 2013 and approved the Board of Directors' proposal not to distribute bonus shares of the Parent Company's Share Capital for the year ended December 31, 2013, and also not to distribute bounces to the Board of Directors for the year ended December 31, 2013.

24- Proposed dividends

On January 22, 2015 Board of Director's proposed distribute bonus shares of 5% which equal 5 shares from each 100 share.
The proposal is subject to approval of Shareholders' General Assembly.

25- Segment distribution

The Group practices its main activities through two segments:

- Investment segment: The investments are represted in investment portfolios managed by others.
- General trade and contracting segment: is to provide services for others.

And the following is an analysis of information by segment results for the year ended December 31:

	2014			2013		
	Investment	**General trade and contracting**	**Total**	Investment	General trade and contracting	Total
Segment revenues	**1,763,868**	**4,408,837**	**6,172,705**	(194,085)	3,763,004	3,568,919
Segment results	**1,763,868**	**675,841**	**2,439,709**	(194,085)	713,599	519,514
Segment assets	**29,028,682**	**4,576,032**	**33,604,714**	25,479,827	3,962,583	29,442,410
Segment liabilities	**332,951**	**557,384**	**890,335**	380,289	586,533	966,822

	2014	2013
Total segment results	**2,439,709**	519,514
Other income	**805**	-
Other expenses	**(475,862)**	(325,565)
Net profit for the year	**1,964,652**	193,949
Total segment assets	**33,604,714**	29,442,410
Cash and cash equivalents	**82,851**	870,004
Term deposits	**135,000**	-
Receivables and other debit balances	**102,216**	802,921
Intangible assets	**4,649,170**	4,649,170
Property and equipment	**12,705**	15,300
Total assets	**38,586,656**	35,779,805

The group practices in geographic market are local market in the state of Kuwait.

26- Financial instruments and risks management

A) Significant accounting policies

Details of the significant accounting policies - including the criteria for measurement and recognition of revenue and expenses - in respect of each class of financial assets and liabilities are disclosed in Note (3) to the consolidated financial statements.

Categories of financial instruments

The group's financial assets and liabilities have been classified in the consolidated statement of financial position are as follows:

Financial assets	**2014**	2013
Cash and cash equivalents	**475,557**	1,025,355
Term deposit	**135,000**	-
Investments at fair value - statement of income	**2,884,443**	5,056,560
Accounts receivable and other debit balances	**2,902,410**	3,248,433
Available for sale investments	**8,410,439**	11,528,541
	14,807,849	20,858,889

Financial liabilities	**2014**	2013
Accounts payable and other credit balances	**2,540,958**	3,188,995

Fair value of financial instruments

Fair value of financial instruments is defined as the amounts at which the asset could be exchanged or a liability settled in a current transaction between knowledgeable willing parties in an arm's length transaction other than in forced or liquidation sale. The group used recognized assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid market is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from identifiable current market transactions and dealer quotes for similar financial instruments.
- The fair values of financial instruments carried at amortized cost are not significantly different from their carrying values.

Fair value measurement recognized in the consolidated statement of financial position

The group adopted the amendments to IFRS 7 effective from January 1, 2013. These amendments require the group to present certain information about financial instruments measured at fair value in the consolidated statement of financial position The following table presents financial assets and financial liabilities measured at fair value in the statement of consolidated financial position in accordance with the fair value hierarchy. This hierarchy group's financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant inputs to the fair value measurement.

The financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

December 31, 2014	**Level 1**	**Level 3**	**Total**
Assets:			
Investments at fair value - statement of income			
Quoted securities	**149,325**	**-**	**149,325**
Unquoted securities	**-**	**2,735,118**	**2,735,118**
Investments at fair value - statement of income			
Quoted securities	**1,433,040**	**-**	**1,433,040**
Unquoted securities	**-**	**6,977,399**	**6,977,399**
	1,582,365	**9,712,517**	**11,294,882**
Liabilities:	**-**	**-**	**-**
Net fair value	**1,582,365**	**9,712,517**	**11,294,882**

The fair value of other financial assets and liabilities approximate its carrying amount as of the financial statements date.

The fair value of these other financial assets and liabilities has been determined according to the third level based on the management's estimations of expected cash flows.

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December 31, 2013	Level 1	Level 3	Total
Assets:			
Investments at fair value - statement of income			
Quoted securities	4,967,560	-	4,967,560
Unquoted securities	-	89,000	89,000
Investments at fair value - statement of income			
Quoted securities	4,986,624	-	4,986,624
Unquoted securities	-	6,541,917	6,541,917
	9,954,184	6,630,917	16,585,101
Liabilities:	-	-	-
Net fair value	9,954,184	6,630,917	16,585,101

B) Financial risks management

The group's use of financial instruments exposes it to a variety of financial risks such as credit risks, liquidity risks, and market risks.

The group continuously reviews its risks exposures and takes the necessary procedures to limit these risks to acceptable level.

- **Credit risks**

Credit risk is the risk that one party to a financial instrument will fail to pay an obligation causing the other party to incur financial loss. Financial assets which potentially are subject the group to credit risk are mainly represented in cash and cash equivalents and accounts receivable and other debit balances. The group's cash and cash equivalents are placed with high credit rating financial institutions and also receivables are stated by net after deducting provision for doubtful debts (If any).

- **Liquidity risks**

Liquidity risks are the risks that the group will be unable to meet its cash obligations. The management of liquidity risks consist of keeping sufficient cash, and arranging financing sources through enough facilities, managing highly liquid assets, and monitoring liquidity on a periodically basis by method of future cash flow.

The maturity of liabilities stated below based on the period from the consolidated financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

The maturity analysis of financial liabilities as of December 31, 2014 is as follows:

	During one year	**More than one year**	**Total**
Accounts payable and other credit balances	**2,540,958**	-	**2,540,958**
Provision for end of service indemnity	-	**111,053**	**111,053**
	2,540,958	111,053	**2,652,011**

The maturity analysis of financial liabilities as of December 31, 2013 is as follows:

	During one year	More than one year	Total
Accounts payable and other credit balances	3,188,995	-	3,188,995
Provision for end of service indemnity	-	97,470	97,470
	3,188,995	97,470	3,286,465

- **Market risks**

Market risks comprises of interest rate risks , foreign currencies risks and equity price risks. These risks arise due to the changes in market prices, interest rates and exchange rates.

Foreign currencies risks
Foreign currencies risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

Interest rate risks
Interest rate risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates in the market.
As the group has no significant bearing interest assets therefore group's the income and its operating cash flows are not affected by changes in market rates.

Equity price risks
Equity price risks are the risks that the fair value of equities fluctuates as the result of changes in the levels of equity indices and the value of individual stocks. These risks resulted from changes in the fair value of the investments in stocks.
The group is exposed to equity price risks as the group held investments which were classified at the consolidated financial position date as investments at fair value - statement of income and available for sale investments.
The effect on profit and equity as result of change in fair value of investments at fair value - statement of income and available for sale investments as of December 31, 2014 as a result of expected changes in Kuwait Stock Exchange Market by (±10%) and with all other variables held constant as follows:

	Effect on profit		**Effect on equity**	
	2014	2013	**2014**	2013
Kuwait Stock Exchange Market	**14,932**	78,143	**143,304**	498,626

The group manages these risks through diversifying its investment portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

27- Capital risks management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders and other Stakeholders through the optimization of the debt and equity balance.