

Al Madina for Finance and Investment Company - K.S.C.P
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
For the three months ended 31 March 2016
With Review Report

Al Madina for Finance and Investment Company - K.S.C.P
And its subsidiaries
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Deloitte.
Deloitte & Touche
Al-Wazzan & Co.
Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174 Safat 13062 or
P.O. Box 23049 Safat 13091
Kuwait
Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

AL-ATEEQI
CERTIFIED ACCOUNTANTS
P.O. Box : 636, Safat - 13007 Kuwait
Tel : + 965 - 22412880 / 22410885
Fax: + 965 - 22454248
Ali Al-Salem Str., Thuwaini Bldg. 3rd Flr.
E-Mail: alateeqi@ateeqicpas.com
Website: www.ateeqicpas.com

Al Madina for Finance and Investment Company – K.S.C.P
State of Kuwait

Report on Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of Al Madina for Finance and Investment Company – K.S.C.P "the Parent Company" and its subsidiaries ("the Group") as at 31 March 2016, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation as disclosed in note (2). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation as disclosed in note (2).

Report on Other Legal and Regulatory Requirements

Further, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016, or of the Articles and Memorandum of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2016 that might have had a material effect on the business of the Group or on its financial position.

We further report that, during the course of our review, 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 or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2016, that might have had a material effect on the business of the Parent Company or on its financial position, except as disclosed in note (11) to this interim condensed consolidated financial information regarding Wakala payable obtained from investment funds.

Talal Yousef Al-Muzaini
Licence No. 209-A
Deloitte & Touche - Al-Wazzan & Co.

Barrak Abdul Mohsen Al-Ateeqi
Licence No. 69A
Independent Member of B.K.R. International

Kuwait, 23 May 2016

Al Madina for Finance and Investment Company – K.S.C.P
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position
As at 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	31 March 2016	31 December 2015 (Audited)	31 March 2015
Assets				
Cash and cash equivalents	4	921,986	932,456	348,544
Financial investments at fair value - profit or loss	5	2,001,401	1,561,831	2,249,629
Receivables and other debit balances	6	7,780,596	4,420,384	11,784,406
Investments properties	7	1,477,000	5,451,000	5,932,000
Investments in associates	8	24,549,398	24,508,338	26,737,182
Goodwill		-	-	175,000
Available for sale investments	9	2,394,357	2,930,474	5,015,605
Property and equipment		119,525	129,809	237,387
Assets held for sale		-	-	21,925,525
Total assets		39,244,263	39,934,292	74,405,278
Liabilities and equity				
Liabilities				
Payables and other credit balances	10	5,907,334	7,034,559	7,427,781
Wakala payables	11	2,522,653	2,522,653	34,010,418
Staff end of service indemnity		182,397	163,938	152,744
Total liabilities		8,612,384	9,721,150	41,590,943
Equity				
Equity attributable to shareholders of the Parent Company				
Share capital		40,706,523	40,706,523	40,706,523
Share premium		4,552,924	4,552,924	4,584,998
Other reserves	12	272,575	257,820	420,688
Treasury shares	13	(2,694,680)	(2,694,680)	(2,694,680)
Accumulated losses		(21,930,352)	(22,390,166)	(19,731,135)
Total equity attributable to shareholders of the Parent Company		20,906,990	20,432,421	23,286,394
Non-controlling interests		9,724,889	9,780,721	9,527,941
Total equity		30,631,879	30,213,142	32,814,335
Total liabilities and equity		39,244,263	39,934,292	74,405,278

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Mohammad Darwesh Al-Shamali
Chairman

Abdul Raouf Tawfiq
Vice chairman

Al Madina for Finance and Investment Company – K.S.C.P
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income
For the three months ended 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2016	2015
Revenues			
Consultancy services income		12,668	46,474
Gains from settlements		149,852	-
(Losses)/ gains from investments	14	(306,529)	3,646,615
(Losses)/ gains from real estate	7	(178,506)	82,610
Other income		11,928	19,225
		(310,587)	3,794,924
Expenses and other charges			
(Gains)/ losses from investments in associates		(47,448)	1,400,705
Other expenses		507,393	573,071
Net (reverse)/ provide of provisions and impairment in value		(1,174,514)	4,060,114
		(714,569)	6,033,890
Net profit/ (loss) for the period		403,982	(2,238,966)
Attributable to:			
Shareholders of the Parent Company		459,814	(2,074,365)
Non-controlling interests		(55,832)	(164,601)
		403,982	(2,238,966)
Earnings/ (loss) per share (fils)	15	1.18	(5.32)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Al Madina for Finance and Investment Company – K.S.C.P
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income
For the three months ended 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2016	**2015**
Net profit/ (loss) for the period	403,982	(2,238,966)
Other comprehensive income items:		
Items that may be reclassified subsequently to statement of income:		
Investments in associates		
Group's share in other comprehensive income items of associates	14,755	2,499,796
Available for sale investments		
Change in fair value	-	(934,129)
Total other comprehensive income items	14,755	1,565,667
Total comprehensive income/ (loss) for the period	418,737	(673,299)
Attributable to:		
Shareholders of the Parent Company	474,569	(497,940)
Non-controlling interests	(55,832)	(175,359)
Total comprehensive income/ (loss) for the period	418,737	(673,299)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Al Madina for Finance and Investment Company – K.S.C.P
And its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Changes in Equity For the three months ended 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company							
	Share capital	Share premium	Treasury shares	Other reserves (note 12)	Accumulated losses	Total	Non-controlling interests	Total equity
Balance as at 1 January 2015	40,706,523	4,584,998	(2,694,680)	(1,155,737)	(13,979,090)	27,462,014	9,703,300	37,165,314
Net loss for the period	-	-	-	-	(2,074,365)	(2,074,365)	(164,601)	(2,238,966)
Total other comprehensive income items	-	-	-	1,576,425	-	1,576,425	(10,758)	1,565,667
Group's share from changes in associate's equity	-	-	-	-	(3,677,680)	(3,677,680)	-	(3,677,680)
Balance as at 31 March 2015	40,706,523	4,584,998	(2,694,680)	420,688	(19,731,135)	23,286,394	9,527,941	32,814,335
Balance as at 1 January 2016	40,706,523	4,552,924	(2,694,680)	257,820	(22,390,166)	20,432,421	9,780,721	30,213,142
Net profit for the period	-	-	-	-	459,814	459,814	(55,832)	403,982
Total other comprehensive income items	-	-	-	14,755	-	14,755	-	14,755
Balance as at 31 March 2016	40,706,523	4,552,924	(2,694,680)	272,575	(21,930,352)	20,906,990	9,724,889	30,631,879

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2016
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2016	2015
Cash flows from operating activities			
Net profit/ (loss) for the period		403,982	(2,238,966)
Adjustments:			
Losses/ (gains) from investments		306,529	(3,646,615)
Gains from settlements		(149,852)	-
Gains on sale of a subsidiary		-	(2,408)
(Gains)/ losses from investments in associates		(47,448)	1,400,705
Losses from sale of real estate		224,000	-
Net (reverse)/ provide provisions and impairment in value		(1,174,514)	4,060,114
Depreciation		10,284	947
Staff end of service indemnity		18,459	8,962
Operating losses before changing in operation assets and liabilities		(408,560)	(417,261)
Financial investments at fair value - profit or loss		(316,424)	(10,060)
Receivables and other debit balances		389,788	(1,969,671)
Payables and other credit balances		47,289	(84,693)
Net cash used in operating activities		(287,907)	(2,481,685)
Cash flows from investing activities			
Paid for purchase of available for sale investments		(418,869)	(10,687,962)
Proceeds from sale of available for sale investments		675,143	10,921,609
Cash proceeds from disposal of a subsidiary		-	(4,102)
Cash paid for purchase of investments in associates		(54,019)	(82,519)
Proceeds from sale of investments in associates		75,162	16,340
Dividends received		20	-
Net cash generated from investing activities		277,437	163,366
Net decrease in cash and cash equivalents		(10,470)	(2,318,319)
Cash and cash equivalents at the beginning of the period		932,456	2,666,863
Cash and cash equivalents at the end of the period	4	921,986	348,544

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information
For the three months ended 31 March 2016
(Unaudited)
(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation of the Group

Al Madina for Finance and Investment Company (the Parent Company) is a Kuwaiti Public Shareholding Company incorporated in Kuwait on 1980 and is registered as an investment company with the Central Bank of Kuwait on 27 April 2005. The shares of the Company were listed on Kuwait Stock Exchange in 24 April 2006.

The Parent Company's head office is domiciled at Al-Soor Street – Al-Mirqab - Kuwait.

The principle activities of the Parent Company are representing in all investing activities, finance and management of funds and rights. Trading and leasing of lands and real estate. The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

On 1 February 2016, the new Companies Law no. 1/2016 was published in the Official Gazette which is effective from 26 November 2012. According to the new law, the companies law no. 25 of 2012 and its amendments have been cancelled however, its Executive Regulations will continue until a new set of Executive Regulations are issued.

The consolidated financial statements for the year ended 31 December 2015 were not approved as the general assembly of the shareholders was not held yet.

The interim condensed consolidated financial information was approved for issuance by the Board of Directors on 23 May 2016.

2. Basis of preparation and accounting policies

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards as adapted in state of Kuwait for financial institutions subject to regulations of the Central Bank of Kuwait and Capital Market Authority.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2016 are not necessarily indicative of results that maybe expected for the year ending 31 December 2016. For further information, it is possible to refer to the consolidated financial statements and its related notes for to the year ended 31 December 2015.

The accounting policies used in preparing the interim condensed financial information similar to those used in The accounting policies used in preparing the interim condensed consolidated financial information similar to those used in the preparation of consolidated financial statements for the year ended 31 December 2015, except for the adoption of the new and amended IFRS that have become effective and those which are applicable to the Group as follows:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to IAS 16 & IAS 38 *Clarification of Acceptable Methods of Depreciation & Amortisation*
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The directors of the Group do not anticipate that the application of these amendments will have a material impact on the Group's interim condensed consolidated financial information.

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2016	31 December 2015 (Audited)	31 March 2015				
Financial investments at fair value – profit or loss:							
Local quoted shares	404,296	449,654	904,227	Level 1	Last bid price	-	-
Foreign quoted shares	-	-	9,660	Level 1	Last bid price	-	-
Local unquoted shares	324,239	-	-	Level 2	Last bid price	-	-
Local funds units	1,071,907	911,218	1,049,782	Level 2	Last bid price	-	-
Local unquoted shares	200,959	200,959	285,960	Level 3	N/A	Discount Rate: 8%	Increase of discount rate and decrease of fair value
Available for sale investments:							
Local quoted shares	2,394,357	2,930,474	4,271,936	Level 1	Last bid price	-	-

The fair value of other financial assets and liabilities approximates their carrying amount as at the interim condensed consolidated financial information date.

4. Cash and cash equivalents

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Banks current accounts	463,175	732,334	142,275
Cash at portfolios and Kuwait Clearing company	452,093	198,534	198,625
Cash on hand	6,718	1,588	7,644
	921,986	932,456	348,544

5. Financial investments at fair value - profit or loss

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Held for trading investments	728,535	449,654	913,887
Investments at fair value through profit or loss on acquisition	1,272,866	1,112,177	1,335,742
	2,001,401	1,561,831	2,249,629
Investments in local shares – quoted	404,296	449,654	904,227
Investments in foreign shares – quoted	-	-	9,660
Investments in local shares – unquoted	525,198	200,959	285,960
Investments in local funds – unquoted	1,071,907	911,218	1,049,782
	2,001,401	1,561,831	2,249,629

5.1 Investments have been valuated based on the valuation techniques as shown in note 3.

6. Receivables and other debit balances

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Receivables from sale of properties	6,711,784	3,272,409	3,783,557
Deferred income	(162,131)	(162,131)	(253,422)
	6,549,653	3,110,278	3,530,135
Due from related parties (note 17)	566,050	358,191	4,397,429
Restricted cash against letter of credit	294,023	287,022	828,220
Accrued income	118,036	105,368	234,091
Accrued rents	491,210	491,210	491,210
Settlement receivables	-	-	2,775,379
Other debit balances	1,277,651	1,584,342	1,259,738
	9,296,623	5,936,411	13,516,202
Less: provision for doubtful debts	(1,516,027)	(1,516,027)	(1,731,796)
	7,780,596	4,420,384	11,784,406

7. Investments properties

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Local real estate	1,477,000	5,451,000	5,932,000

7.1 The fair value of investment properties has been determined by independent valuers as at 31 December 2015.

7.2 A part of investments properties of KD 1,429,000 as at 31 March 2016 registered in related parties name and there is an assignment letter in favor of the Group (KD 1,429,000 as at 31 December 2015, KD 1,870,000 as at 31 March 2015).

7.3 During the period, the Group had sale one of the investment properties with an amount of KD 3,750,000 and recognized a loss of KD 224,000 has been recorded in the statement of income for the current period. The purchase amount were categorized as receivable from sale of properties as at 31 March 2016, later to the financial information date the sales proceeds was collected.

8. Investments in associates

	Ownership %	31 March 2016	Ownership %	31 December 2015 (Audited)	Ownership %	31 March 2015
Ekttitab Holding Co. K.S.C.P	16.32	1,706,157	16.48	1,733,135	16.48	3,231,826
Hits Telecom Co. K.S.C.P	29.26	8,147,650	29.26	8,079,612	29.22	11,887,081
Sarh Capital Real Estate Company K.S.C.C	41.63	14,695,591	41.63	14,695,591	33.80	11,618,275
		24,549,398		24,508,338		26,737,182

8.1 A part of these investments in an associate of KD 430,225 as at 31 March 2016 (KD 426,631 - 31 December 2015, KD 424,020 as at 31 March 2015) is pledged against investment properties creditors.

8.2 Investments in associates include a goodwill of KD 422,742 as at 31 March 2016 (KD 422,742 - 31 December 2015, KD 413,015 as at 31 March 2015).

9. Available for sale investments

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Local investments – quoted	2,394,357	2,930,474	4,271,936
Local investments – unquoted	-	-	743,669
	2,394,357	2,930,474	5,015,605

Investments were valuated as mentioned in note 3.

10. Payables and other credit balances

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Trade payables	78,332	82,724	26,528
Due to contractors	191,654	232,606	209,101
Investment properties purchase payables	781,250	781,250	781,250
Investments purchase payables	-	-	3,977,707
Provision for claims (note 19)	1,986,147	3,160,661	437,904
Due to related parties (note 17)	1,565,592	1,502,216	555,860
Dividends payables	80,148	86,748	322,613
Accrued expenses	153,843	147,603	63,997
Tax deductions	758,594	760,094	790,267
Other credit balances	311,774	280,657	262,554
	5,907,334	7,034,559	7,427,781

11. Wakala payables

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Wakala payables from local banks and foreign parties	-	-	31,487,765
Wakala payables from investments fund	2,522,653	2,522,653	2,522,653
	2,522,653	2,522,653	34,010,418

11.1 All Wakala payables were matured as at 31 March 2016 and 31 December 2015, but have not been renewed, or paid. The Group had ceased to record the finance cost thereon. There is a legal dispute with all parties of the Wakala contracts on the amounts that should be paid.

11.2 During the previous years, the Parent Company submitted an application to the competent court for protection from the creditors in accordance with Law No. 2 of 2009 "Financial Stability Law" (the Law) and has submitted a restructuring plan (the Plan). The general counsel head of department a judgment accepting the request for restructuring and the resultant cessation of the civil procedures of litigation and execution. The demand was registered at the court of appeal in corporate restructured circle and deferred for 13 October 2016 for exchange acquaintance and settlement.

12. Other reserves

	Employee share options reserves	Group's share in associates reserves	Change in fair value reserve	Total
Balance as at 1 January 2015	490,500	(1,646,237)	-	(1,155,737)
Total comprehensive income for the period	-	2,499,796	(923,371)	1,576,425
Balance as at 31 March 2015	490,500	853,559	(923,371)	420,688
Balance as at 1 January 2016	490,500	(232,680)	-	257,820
Total comprehensive income for the period	-	14,755	-	14,755
Balance as at 31 March 2016	490,500	(217,925)	-	272,575

13. Treasury shares

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Number of shares	17,466,619	17,466,619	17,466,619
Percentage (%)	4.3	4.3	4.3
Market value	550,198	602,598	576,398

The Parent Company is required to retain reserves, and retained earnings equivalent to the value of treasury shares throughout the period, as long as they are held by the Parent Company, pursuant to instructions of the relevant regulatory authorities.

Treasury shares includes 17,300,000 pledged shares.

14. (Losses)/ gains from investments

	Three months ended 31 March	
	2016	2015
Losses on sale of financial investments at fair value - profit or loss	(21,462)	(365)
Change in fair value of financial investments at fair value - profit or loss	(5,244)	178,668
Losses from sale of available for sale investments	(218,697)	-
(Losses)/ gains from sale of available for sale investments	(61,146)	3,468,312
Dividends income	20	-
	(306,529)	3,646,615

15. Earnings/ (loss) per share

Earnings/ (loss) per share is calculated by dividing net profit/ (loss) for the period by the weighted average number of outstanding shares during the period as follows:

	Three months ended 31 March	
	2016	2015
Net profit/ (loss) for the period attributable to shareholders of the Parent Company	459,814	(2,074,365)
Weighted average number of issued and outstanding shares during the period (share)	389,598,606	389,598,606
Earnings/ (loss) per share (fils)	1.18	(5.32)

16. Investments in subsidiaries

These interim condensed consolidated financial information include the financial information of the Parent Company and its following subsidiaries (referred together as "Group"):

Company name	Legal form	Country of incorporation	Activity	Ownership (%)		
				31 March 2016	31 December 2015 (Audited)	31 March 2015
Real Capita and its Subsidiaries	W.L.L.C	Kuwait	General trading	99	99	99
Murgan One Company	W.L.L.	Cayman Island	Real estate	100	100	-

- Financial information prepared by the management of the subsidiaries had been used for consolidation purposes. The total assets of the subsidiaries amounted to KD 27,475,954 as at 31 March 2016 (KD 28,417,204 as at 31 December 2015, to KD 51,455,102 as at 31 March 2015), and its net losses KD 665,056 for the period ended 31 March 2016 (KD 3,235,912 for the period ended 31 March 2015).

17. Related parties' transactions

Related parties include Group's shareholders who have representation in the board of directors, members of the board of directors, senior management, associates, and subsidiaries. In the normal course of business, subject to the Group's management approval, there were transactions with related parties during the period ended 31 March. The related parties significant transactions and outstanding balances were as follows:

	Three months ended 31 March	
	2016	2015
Transactions:		
Gains from sale of a subsidiary	-	2,408
Key and Executive Management remunerations	-	9,517

	31 March 2016	31 December 2015 (Audited)	31 March 2015
Balances:			
Investments in Islamic debt instruments before provisions	-	-	1,057,737
Receivables and other debit balances	566,050	358,191	4,397,429
Payables and other credit balances	1,565,592	1,502,216	555,860
Restricted cash against letter of guarantee in favor of related parties	-	-	563,190

- The Group manages portfolios on behalf of related parties, the net assets of those portfolios amounted to KD 1,695,900 as at 31 March 2016 (KD 1,848,525 as at 31 December 2015 and KD 3,323,445 as at 31 March 2015) and were recorded off interim condensed consolidated statement of financial position items.

- The Group has provided a joint security against a Murabaha payable granted to a related party of KD 2,334,832 as at 31 March 2016 (KD 2,425,473 as at 31 December 2015, KD 2,392,741 as at 31 March 2015). There are legal dispute with respect to those Murabaha and there is a court judgment in a Foreign Court in favor of the creditor, who has filed a new lawsuit in Kuwaiti Courts and its session has been determined to be on 5 June 2016 for the receipt of the Experts' Report.

- Group's investments in associates and financial investments at fair value - profit or loss of KD 1,433,043 and KD 108,684 as at 31 March 2016 respectively (KD 1,423,702 and KD 108,684 as at 31 December 2015, KD 2,157,896 and KD 108,684 as at 31 March 2015) and treasury shares with a cost of 1,434,767 as at 31 March 2016 (KD 1,434,767 as at 31 December 2015, KD 1,434,767 as at 31 March 2015) were pledged to a subsidiary disposed during previous years.

- Group's investments in associates and investment at fair value - profit or loss of KD 3,022,451 and KD 430,171 respectively as at 31 March 2016 (KD 3,010,090 and KD 454,483 as at 31 December 2015, KD 4,739,295 and KD 519,635 as at 31 March 2015) was pledged as guarantee against Murabaha payable granted to a related party of KD 4.8 million. These Wakala payables are matured and did not renewed or paid. There is a legal dispute with the party about the amounts that must be paid out of the amount. During the previous year a settlement agreement has been signed with total amount of KD 2.4 Million to settle the total liability and to stop the lawsuits between them, currently the implementation are in process

All related parties' transactions are subject to the approval of the General Assembly of the shareholders.

18. Segment distribution

The Group carries out the majority of its activities in the State of Kuwait through two major segments:

- Real estate segment: represents in develop and sell land and properties.
- Investment segment: represents in direct investment and portfolios management and investment funds for third party.

Analysis of the financial information according to segments for the three months period ended 31 March is as follows:

	Real Estate		Investment finance		Assets held for sale		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Segment revenue	(178,506)	82,610	(246,413)	2,294,792	-	-	(424,919)	2,377,402
Segment results	(178,506)	82,610	(246,413)	2,294,792	-	-	(424,919)	2,377,402
Segment assets	7,244,818	7,730,339	28,945,156	36,777,795	-	21,925,525	36,189,974	66,433,659
Segment liabilities	972,904	781,250	8,831,335	38,310,738	-	-	9,804,239	39,091,988

	2016	2015
Total segment result	(424,919)	2,377,402
Other income	11,928	16,817
Gains from settlements	149,852	-
Net reverse/ (provide) provisions and impairment in value	1,174,514	(4,060,114)
Other expenses	(507,393)	(573,071)
Net profit/ (loss)	403,982	(2,238,966)
Total segment assets	36,189,974	66,433,659
Cash and cash equivalents	921,986	348,544
Receivables and other debit balances	2,012,778	7,210,688
Property and equipment	119,525	237,387
Goodwill	-	175,000
Total assets	39,244,263	74,405,278

19. Lawsuits and contingent liabilities

Contingent liabilities

- There are legal disputes between the Group and certain portfolio clients in respect of liquidation of those parties' accounts amounting to KD 5.6 million approximately as at 31 March 2016 (KD 5.6 million approximately as at 31 December 2015). There is a legal decision issued from the court of cassation to enforce the Group to pay due amount in one of the case, in addition there is an executive confiscation on certain assets of the Group amounted to KD 5.3 million approximately as at 31 March 2016 (KD 5.2 million approximately as at 31 December 2015) in favor to the portfolio clients. The Group's has signed a settlement agreement to settle these obligations and the Group has provided the required provisions by taking into consideration the outstanding guarantees and based on the opinion of the Group's legal adviser of a Group's ability to implement those guarantees.
- There is a lawsuit of liquidation from one of the investment properties creditors purchases. It was rejected the case in the court of first instance and that the party had appealed against that ruling and the case was referred to the experts. The proceedings were suspended pending till the Parent Company are subject to the law of stability.

Contingent assets

- During the period, court of Appeal in Abu Dhabi has issued final and binding judicial in favor of the Group and its associate verdict for an amount of AED 70 million and the delay interests of 5% annually related to this amount and an amount of AED 5,950,000. Currently execution of decision is in process to take necessary procedures to execute of the judgment and to be enforced by court of cassation.

20. Off balance sheet items

The Group manages portfolios on behalf of others, which are not included in the balance sheet of the Group. The net assets of these portfolios amounted to KD 7,566,052 as at 31 March 2016 (KD 8,063,311 as at 31 December 2015 and KD 25,410,186 as at 31 March 2015).