DUBAI NATIONAL INSURANCE & REINSURANCE P.S.C.

DUBAI - UNITED ARAB EMIRATES

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

Dubai National Insurance & Reinsurance P.S.C.
Financial Statements

Table of contents

Directors' Report

I am pleased to welcome you, on behalf of the Board of Directors, to this General Assembly of Dubai National Insurance & Reinsurance PSC, and to present its twenty sixth annual report and accounts for the financial year 2017.

The year 2017 was a milestone year for your Company as it achieved highest ever gross written premiums and net underwriting income.

Our track record of strong technical performance supported by steadily robust investment earnings, together with a strong level of risk-adjusted capitalization resulted in being awarded a financial strength rating this year of **B++ Good with a stable outlook**, from the rating agency A.M. Best, in our very first year of the rating process.

Your company has continuously generated strong operating results, as demonstrated by an average return on equity of 10% over the last five years. There have been significant improvements to the company's risk management approach during the last few years, with greater understanding of our risk appetite and risk tolerances. We have strengthened the identification and quantification of key risks and imposed greater controls in order to mitigate and reduce the potential impact on our earnings and capitalization.

Maintaining a consistent year on year growth along with profitability has been a hallmark of this company and I am pleased to report the excellent results for the year 2017 as below

- A strong year on year growth of 24% in Gross Written Premiums – Achievement of AED 323.461 Million in 2017 as compared to AED 260.123 Million in the previous year

- A remarkable 18% growth in Net Underwriting Income which stood at AED 45.162 Million this year as compared to AED 38.346 Million in Year 2016

- The Net profit of the company is AED 50.067 Million in 2017 against AED 45.987 Million in 2016; a year on year improvement of 9%

These achievements are the result of the confidence shown in our services by our valued customers and other stakeholders. We look forward to grow along with our customers while striving to outshine our previous year performances.

The Board is pleased to recommend to the shareholders a cash dividend of 30 % - AED 34.650 Million

The Board takes this opportunity to thank our valued customers and the shareholders for entrusting their confidence in us; and the management and employees for their hard work and dedication towards the consistent growth of the company.

KHALAF AHMAD AL HABTOOR
Chairman of the Board of Directors

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Independent Auditors' Report

To the Shareholders of Dubai National Insurance & Reinsurance P.S.C

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dubai National Insurance & Reinsurance (P.S.C) (the "Company"), which comprise the statement of financial position as at 31 December 2017, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the requirements of IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditors' Report
To the Shareholders of Dubai National Insurance & Reinsurance P.S.C (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

i) **Valuation of insurance contract liabilities**

The estimation of liabilities arising from insurance contracts such as outstanding claims, incurred but not reported claims, unallocated loss adjustment expenses and unearned premium reserve, as disclosed in note 11 to the financial statements, involves a significant degree of judgement. These liabilities are based on the best-estimated ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with the related claims handling costs and the pattern of risk distribution over the coverage period. Actuarial computations have been used to determine these provisions. Underlying these computations are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims. Since the determination of such a provision requires the expertise of an external valuation expert who incorporates significant assumptions, judgements and estimations, the valuation of these liabilities was significant to our audit.

We assessed management's calculations of the insurance contract liabilities by performing the following procedures:

- We tested the underlying company data to source documentation;
- We applied our industry knowledge and experience and we compared the methodology, models and assumptions used against recognised actuarial practices;
- Understood and tested the governance process in place to determine the insurance contract liabilities, including testing the associated financial reporting control framework;
- We performed independent re-computations on selected classes of business, particularly focusing on the largest and most uncertain reserves. For these classes we compared our re-computed claims reserves to those booked by management, and sought to understand any significant differences;
- For the remaining classes we evaluated the methodology and assumptions, or performed a diagnostic check to identify and follow up any anomalies; and
- We involved our own actuarial specialist to assist us in performing our procedures in this area.

Based on the work performed, we considered the methodology and assumptions used by management to be appropriate.

ii) **Valuation of investment in unquoted securities**

The Company holds investments in unquoted equity securities of three entities as at 31 December 2017 (2016: three entities) which amount to AED 82.8 million (2016: AED 60.9 million) representing 21% (2016: 16%) of the total amount of its investment in securities as disclosed in note 7 to the financial statements. The valuation of these unquoted equity securities was carried out by an independent valuer and involved judgement in selecting the valuation basis for each investment and further judgement in performing the valuation when the latest market and financial data was not observable. Therefore, the valuation of these unquoted equity securities was significant to our audit.

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Independent Auditors' Report

To the Shareholders of Dubai National Insurance & Reinsurance P.S.C (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

ii) Valuation of investment in unquoted securities (continued)

Our audit procedures, among others, included:

- Discussion with the independent valuer to understand the basis of valuation for each investment and other judgements used in performing the valuation;
- Assessing the appropriateness of the underlying data, pricing methodologies and assumptions used;
- We involved our own valuation specialist to assist us in performing our procedures in this area; and
- We assessed whether the Company's disclosures in relation to the valuation of these unquoted equity securities are compliant with the relevant accounting requirements.

Based on the work performed, we considered the assumptions used by management and related disclosures in the financial statements to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Directors' Report*, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 and Federal Law No.6 of 2007 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Independent Auditors' Report
To the Shareholders of Dubai National Insurance & Reinsurance P.S.C (continued)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Independent Auditors' Report
To the Shareholders of Dubai National Insurance & Reinsurance P.S.C (continued)

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations and UAE Federal Law No. (2) of 2015, we report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations and UAE Federal Law No. (2) of 2015;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' Report, in so far as it relates to these financial statements, is consistent with the books of account of the Company;

v) note 7 to the financial statements discloses purchase of shares by the Company during the year ended 31 December 2017;

vi) note 10 to the financial statements discloses material related party transactions, and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2017 any of the applicable provisions of the Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations and UAE Federal Law No.(2) of 2015 or of its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2017.

Grant Thornton

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

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Farouk Mohamed
Registered Auditor Number: 86
Dubai - 31 January 2018

Statement of financial position
As at 31 December 2017

	Notes	2017	2016 (Restated)	2015 (Restated)
ASSETS		**AED'000**	AED'000	AED'000
Non-current assets				
Statutory deposits	4	**10,000**	10,000	10,000
Property and equipment	5	**639**	770	928
Investment property	6	**77,746**	79,595	81,447
		88,385	90,365	92,375
Current assets				
Financial assets at fair value through other comprehensive income	7	**387,553**	372,316	328,506
Insurance receivables	8	**58,407**	43,619	39,036
Other receivables	9	**21,289**	16,255	13,190
Due from related parties	10	**13,358**	13,386	4,597
Reinsurance contract assets	11	**174,077**	133,033	110,798
Cash and cash equivalents	12	**140,843**	110,004	90,974
		795,527	688,613	587,101
TOTAL ASSETS		**883,912**	778,978	679,476
EQUITY AND LIABILITIES				
Equity				
Share capital	13	**115,500**	115,500	115,500
Legal reserve	14	**57,750**	57,750	57,750
Obligatory reserve	15	**28,875**	28,875	28,875
General reserve	16	**180,000**	180,000	180,000
Fair value reserve on financial assets at fair value through other comprehensive income		**66,282**	51,045	15,818
Retained earnings		**51,065**	34,879	8,781
TOTAL EQUITY		**499,472**	468,049	406,724
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits	17	**4,364**	4,348	3,635
Current liabilities				
Insurance contract liabilities	11	**262,390**	211,458	177,694
Insurance payables	18	**66,520**	50,893	45,456
Other payables	19	**37,999**	34,175	37,370
Due to related parties	10	**13,167**	10,055	8,597
		380,076	306,581	269,117
TOTAL LIABILITIES		**384,440**	310,929	272,752
TOTAL EQUITY AND LIABILITIES		**883,912**	778,978	679,476

These financial statements were approved by the Board of Directors on 31 January 2018 and signed on their behalf by:

Khalaf Ahmed Al Habtoor
Chairman

Mohammed Khalaf Al Habtoor
Managing Director

The notes from 1 to 34 form an integral part of these financial statements.

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Income statement
For the year ended 31 December 2017

	Notes	2017	2016 (Restated)
		AED'000	AED'000
Gross premiums		323,461	260,123
Reinsurance share of premiums		(206,284)	(160,499)
Net premiums		117,177	99,624
Net transfer to unearned premium reserve	11 (a)	(7,888)	(9,493)
Net premiums earned		109,289	90,131
Commission earned		22,385	23,070
Commission paid		(33,875)	(24,882)
Others		3,313	3,769
Gross underwriting income		101,112	92,088
Gross claims paid		173,914	138,093
Reinsurance share		(119,964)	(86,387)
Net claims paid		53,950	51,706
Provision for outstanding claims and technical provisions		23,410	8,334
Reinsurance share of outstanding claims and technical provisions		(21,410)	(6,298)
Net claims incurred		55,950	53,742
Net underwriting income		45,162	38,346
Income from investments – net	20	20,681	19,857
Income from investment property – net	21	8,994	10,294
Other income	22	34	75
Gross income		74,871	68,572
General and administrative expenses	23	(24,804)	(22,585)
Net profit for the year		50,067	45,987
		AED	AED
Earnings per share:			
Basic and diluted	24	0.43	0.40

The notes from 1 to 34 form an integral part of these financial statements.

Statement of comprehensive income
For the year ended 31 December 2017

	2017 AED'000	2016 (Restated) AED'000
Net profit for the year	50,067	45,987
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Net unrealised profit on financial assets at fair value through other comprehensive income	15,237	42,264
Total comprehensive income for the year	65,304	88,251

The notes from 1 to 34 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2017

	Share capital AED'000	Legal reserve AED'000	Obligatory reserve AED'000	General reserve AED'000	Fair value reserve on financial assets at fair value through other comprehensive income AED'000	Retained earnings AED'000	Total equity AED'000
Balance as at 1 January 2016	115,500	57,750	28,875	180,000	8,781	16,456	407,362
Effect of change in accounting policy (note 33)	-	-	-	-	-	(638)	(638)
Balance as at 1 January 2016 (restated)	115,500	57,750	28,875	180,000	8,781	15,818	406,724
Dividend	-	-	-	-	-	(23,100)	(23,100)
Directors' remuneration (note 19)	-	-	-	-	-	(3,826)	(3826)
Transactions with owners	-	-	-	-	-	(26,926)	(26,926)
Net profit for the year	-	-	-	-	-	45,987	45,987
Net unrealised profit on financial asset at fair value through other comprehensive income	-	-	-	-	42,264	-	42,264
Total comprehensive income for the year	-	-	-	-	42,264	45,987	88,251
Balance as at 31 December 2016	115,500	57,750	28,875	180,000	51,045	34,879	468,049
Dividend (note 26)	-	-	-	-	-	(28,875)	(28,875)
Directors' remuneration (note 19)	-	-	-	-	-	(5,006)	(5,006)
Transactions with owners	-	-	-	-	-	(33,881)	(33,881)
Net profit for the year	-	-	-	-	-	50,067	50,067
Net unrealised profit on financial asset at fair value through other comprehensive income	-	-	-	-	15,237	-	15,237
Total comprehensive income for the year	-	-	-	-	15,237	50,067	65,304
Balance as at 31 December 2017	115,500	57,750	28,875	180,000	66,282	51,065	499,472

The notes from 1 to 34 form an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2017

	Notes	2017 AED'000	2016 (Restated) AED'000
Cash flows from operating activities			
Net profit for the year		50,067	45,987
Adjustments for:			
Depreciation on property and equipment	5	411	462
Depreciation on investment property	6	1,849	1,852
Gain on disposal of property and equipment	22	(34)	(75)
Provision for employees' end of service benefits	17	600	1,055
Insurance contract provisions		50,932	33,764
Reinsurance contract assets		(41,044)	(22,235)
Income from investments – net	20	(20,681)	(19,857)
Income from investment property		(10,843)	(12,146)
Operating cash flows before changes in working capital		31,257	28,807
Changes in working capital:			
Insurance receivables		(14,788)	(4,583)
Other receivables		(5,034)	(3,065)
Insurance payables		15,627	5,437
Other payables		(1,182)	(7,021)
Due from/(to) related parties – net		3,140	(7,331)
Cash generated from operations		29,020	12,244
Employees' end of service benefits paid	17	(584)	(342)
Net cash generated from operating activities		28,436	11,902
Cash flows from investing activities			
Purchase of property and equipment	5	(280)	(304)
Purchase of financial assets at fair value through other comprehensive income		-	(1,546)
Proceeds from disposals of property and equipment		34	75
Income from investments – net	20	20,681	19,857
Income from investment property		10,843	12,146
Net cash generated from investing activities		31,278	30,228
Cash flows from financing activity			
Dividend paid	26	(28,875)	(23,100)
Net cash used in financing activity		(28,875)	(23,100)
Net change in cash and cash equivalents		30,839	19,030
Cash and cash equivalents at beginning of the year		110,004	90,974
Cash and cash equivalents at end of the year	12	140,843	110,004

The notes from 1 to 34 form an integral part of these financial statements.

1 Legal status and activities

Dubai National Insurance & Reinsurance (P.S.C.) (the "Company") is a public shareholding company incorporated in Dubai on 6 January 1992 with an overseas branch in Beirut, Lebanon.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the United Arab Emirates ("UAE") Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations relating to insurance companies and insurance agents.

The registered address of the Company is at Floor 7 & 9, Dubai National Insurance Building, Port Saeed, P.O Box 1806, Dubai, U.A.E.

The total number of staff employed by the Company as at 31 December 2017 was 105 (2016: 102).

The overseas branch in Beirut is in the process of being wound up. Its license as required by local regulations has been terminated and it will be shut down once it meets all its obligations as published in the official gazette dated April 2004. The branch has no operations and the total expenses and assets of the branch are not material to these financial statements. Hence, these financial statements do not separately disclose the expenses, assets, liabilities and cash flows for the discontinued operations of the branch.

2 Statement of compliance with IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of UAE Federal Law No. (2) of 2015 relating to commercial companies, and of UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations, concerning insurance companies and agents. These financial statements are prepared in UAE Dirhams ("AED"), rounded to the nearest thousand.

2.1 Standards, interpretations and amendments to existing standards

a) Standards, interpretations and amendments to existing standards that are effective in 2017

There are no new or amended standards or interpretations adopted during the year that have a significant impact on the financial statements.

b) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company

The following significant standards have been issued by IASB which will become effective for future financial reporting periods and have not yet been adopted by the Company:

a) The IASB issued IFRS 15 'Revenue from Contracts with Customers', which provides a single model for accounting for revenue arising from contracts with customers and is effective for annual periods beginning on or after 1 January 2018. IFRS 15 will supersede IAS 18 'Revenue'.

b) The IASB has issued IFRS 9 'Financial Instruments', which will supersede IAS 39 'Financial Instruments: Recognition and Measurement' and is effective for annual periods beginning on or after 1 January 2018. IFRS 9 covers classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting. As the Company has already adopted the 2009 version of IFRS 9, management is in the process of assessing the impact of the amendments to this standard on the Company's financial statements.

2 Statement of compliance with IFRS (continued)

2.1 Standards, interpretations and amendments to existing standards (continued)

b) Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Company (continued)

c) IFRS 16 'Leases' brings most leases on balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations and is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' has also been applied.

d) IFRS 17 'Insurance Contracts' requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts' as of 1 January 2021.

There are no other standards and interpretations issued but not yet adopted that the directors anticipate to have a material effect on the reported income or net assets of the Company.

The Company has yet to assess the impact of these standards on the financial statements.

3 Summary of significant accounting policies

3.1 Accounting convention

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, income and expense. The measurement bases are described in more detail in the accounting policies.

3.2 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the property and equipment.

The rates of depreciation used are based on the following estimated useful lives of the assets:

	Years
Furniture and fixtures	4-11
Motor vehicles	3
Computer equipment	4

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the net carrying amount of the assets and are recognised in profit or loss within 'other income'.

3 Summary of significant accounting policies (continued)

3.3 Investment property

Investment property is initially recognised at cost and subsequently accounted for using the cost model. The cost model requires investment property to be stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful life of the investment property which has been estimated to be 40 years.

No depreciation is charged on freehold land.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Fair value of investment property is determined by independent surveyors only for disclosure purposes.

3.4 Revenue recognition

Gross premiums

Gross premiums and policy fees are recognised as income when insurance policies are issued to the insured, consequent to the acceptance of the risk.

Commission on reinsurance

With effect from 1 January 2017, the Company has changed its policy to initially defer commission earned, excluding profit commission and recognise it as income over the policy period. Profit commission is recognised at the time of settlement. The impact of change in accounting policy has been disclosed in note 33.

Interest income

Interest income is recognised on an accrual basis taking into account effective interest rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income

Rental income from investment property is recognised on a straight line basis over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

3.5 Claims

Claims incurred comprise actual claims and other related costs paid and incurred in the year, and movement in outstanding claims. Claim handling costs are recognised at the time of registering the claims.

On account of uncertainties involved in non-motor claim recoveries, salvage and subrogation rights are recognised only at the time of actual recovery. For motor claim recoveries, salvage is accounted for at the time of registering the claims.

Provision for outstanding claims represents the estimated settlement values of all claims notified, but not settled at the statement of financial position date on the basis of individual case estimates.

The reinsurers' portion towards the above outstanding claims is classified as reinsurance contract assets and shown as current assets in the statement of financial position.

3 Summary of significant accounting policies (continued)

3.6 Provision for IBNR

Provision for Incurred But Not Reported ("IBNR") claims is made at the statement of financial position date based on an actuarial estimate obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Insurance Authority UAE.

3.7 Provision for ULAE

Provision for Unallocated Loss Adjustment Expenses (ULAE) which cannot be allocated to specific claims, is made at the statement of financial position date based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Insurance Authority, UAE.

3.8 Liability adequacy test

All recognised insurance liabilities including provision for outstanding claims are subject to liability adequacy test at each reporting date. This involves comparison of current estimates of all contractual cash flows attached to these liabilities with their carrying amounts. Estimates of contractual cash flows include expected claim handling costs and recoveries from third parties. Any deficiency in carrying amounts is charged to the income statement by establishing a provision for losses arising from liability adequacy test.

3.9 Unearned premium reserve

Unearned Premium Reserve (UPR) represents that portion of premiums earned, gross of reinsurance, which relates to the period of insurance subsequent to the statement of financial position date and is mainly computed on linear method based on the outstanding period from the date of statement of financial position up to the date of the maturity of the policy based on actuarial estimates obtained from an independent actuary in accordance with the financial regulations for insurance companies issued by the Insurance Authority, UAE.

3.10 Reinsurance premium

Ceded reinsurance premiums are accounted for in the same accounting periods in which the premiums for the related direct insurance are recorded and the unearned portion is calculated on linear basis in accordance with reinsurance arrangements in place.

3.11 Reinsurance assets

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.12 Financial instruments

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

2 Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

b) Classification and subsequent measurement of financial assets

For the purposes of subsequent measurement, the Company classifies its financial assets into the following categories:

i) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Company's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

ii) Financial assets at fair value through other comprehensive income ('FVTOCI')

Investments in equity securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Gains or losses on subsequent measurement

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement, but is reclassified to retained earnings.

c) Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

3 Summary of significant accounting policies (continued)

3.12 Financial instruments (continued)

d) Impairment and uncollectability of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the income statement. Impairment is determined as below:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the income statement; and

b) For assets carried at amortised cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the original effective interest rate.

e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from insurance brokers, re-insurers and insurance contract holders.

If there is objective evidence that the insurance receivables are impaired, the Company reduces the carrying amount of the insurance receivables accordingly and realises the impairment loss in the income statement.

3.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

3.15 Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3 Summary of significant accounting policies (continued)

3.16 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

3.17 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

3.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.20 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Other details for reserves are mentioned in notes 14, 15 and 16 to the financial statements.

Retained earnings include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

3 Summary of significant accounting policies (continued)

3.21 Critical accounting estimates and judgements in applying accounting policies

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Outstanding claims, IBNR, ULAE and UPR

The estimation of the ultimate liability (outstanding claims, IBNR and ULAE) arising from claims and UPR made under insurance contracts is the Company's most critical accounting estimate. These estimates are continually reviewed and updated, and adjustments resulting from this review are reflected in the income statement. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends (including actuarial calculations), is an appropriate basis for predicting future events.

Classification of investment property and related fair value judgement

The Company makes judgement to determine whether a property qualifies as investment property and follows the guidance of IAS 40 'Investment Property' to consider whether any owner occupied property is not significant and is classified accordingly as investment property.

Fair value of investment property is estimated by an independent professional valuer for disclosure purposes only, considering the rental yield (income approach). This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Fair value of unquoted securities

Fair value of unquoted securities has been determined by the management based on Earnings Multiple and Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may substantially be different. Further information on using the estimates is mentioned in note 7.

Provision for doubtful debts

Management reviews the provision for doubtful debts at each reporting date by assessing the recoverability of insurance and reinsurance receivables.

3.22 Segment reporting

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same as those used in its financial statements.

4 Statutory deposits

	2017 AED'000	2016 AED'000
Held with a local bank in Dubai, UAE	**10,000**	10,000
	=======	=======

Statutory deposits held with a local bank in Dubai, UAE represent deposit held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of Federal Law No. (6) of 2007 on Establishment of the Insurance Authority and Organisation of its Operations relating to insurance companies and brokers. The deposit cannot be withdrawn without prior approval from the Ministry of Economy and Planning.

5 Property and equipment

	Furniture and fixtures AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
Cost				
At 1 January 2017	1,941	434	3,759	6,134
Additions	35	59	186	280
Disposals	-	(118)	-	(118)
At 31 December 2017	1,976	375	3,945	6,296
Accumulated depreciation				
At 1 January 2017	1,846	305	3,213	5,364
Charge for the year	51	73	287	411
Disposals	-	(118)	-	(118)
At 31 December 2017	1,897	260	3,500	5,657
Net book value				
At 31 December 2017	79	115	445	639

	Furniture and fixtures AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
Cost				
At 1 January 2016	1,900	427	3,689	6,016
Additions	43	144	117	304
Disposals	(2)	(137)	(47)	(186)
At 31 December 2016	1,941	434	3,759	6,134
Accumulated depreciation				
At 1 January 2016	1,795	338	2,955	5,088
Charge for the year	53	104	305	462
Disposals	(2)	(137)	(47)	(186)
At 31 December 2016	1,846	305	3,213	5,364
Net book value				
At 31 December 2016	95	129	546	770

6 Investment property

	2017 AED '000	2016 AED '000
Cost		
At 1 January	**105,721**	105,721
Accumulated depreciation		
At 1 January	26,126	24,274
Charge for the year	1,849	1,852
At 31 December	27,975	26,126
Net book value at 31 December	77,746	79,595

On 31 December 2017, ValuStrat Consulting LLC and The Technical and Loss Adjusting Services Company LLC, independent and experienced professional valuers estimated the fair value of investment property at AED 176 million and AED 196.50 million respectively (2016: Land Sterling Property Consultants and CNC Property Valuation Services LLC, independent and experienced professional valuers estimated the fair value of investment property at AED 190.80 million and AED 214.70 million respectively). The valuers hold relevant professional qualifications and experience. Investment property is held for capital appreciation and rental purposes. The Company occupies an insignificant area of 9% (2016: 9%) in the investment property for use in its own business.

7 Financial assets at fair value through other comprehensive income

Financial assets measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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

The fair values of the financial assets are classified into these three levels as follows:

	Note	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2017					
Investment in quoted securities	(a)	304,720	-	-	304,720
Investment in unquoted securities*	(b)	-	-	82,833	82,833
Net fair value		**304,720**	**-**	**82,833**	**387,553**
31 December 2016					
Investment in quoted securities	(a)	311,413	-	-	311,413
Investment in unquoted securities*	(b)	-	-	60,903	60,903
Net fair value		311,413	-	60,903	372,316

* The title of unquoted securities is held by related parties for the beneficial interest of the Company.

7 Financial assets at fair value through other comprehensive income (continued)

(a) Fair values have been determined by reference to quoted prices at the reporting date. During the year, the Company has not purchased any quoted equity securities (2016: AED 1.55 million).

(b) The Company holds investments in unquoted equity securities of three entities as at 31 December 2017 (2016: three entities). These investments have been fair valued by an independent valuer based on Earnings Multiple and Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of these non-public investees. Unobservable financial data used in determining the fair values of these unquoted securities has been extracted from their latest available audited financial statements for the year ended 31 December 2016 (2016: financial statements for the year ended 31 December 2015).

Fair values of these unquoted securities would have been different if the financial data of these non-public investees as at 31 December 2017 could be used based on its availability. These fair values are considered to be the best estimate given the availability of information. All the unquoted securities fall under level 3 of fair value hierarchy therefore use of estimates is significant.

Movement in financial assets grouped in level 3

The reconciliation of carrying amounts of financial instruments classified within level 3 is as follows:

	2017 AED'000	2016 AED'000
Investments in unquoted securities		
Balance as at 1 January	60,903	47,173
Gains or losses recognised in other comprehensive income	21,930	13,730
Balance as at 31 December	82,833	60,903

8 Insurance receivables

	2017 AED'000	2016 AED'000
Due from policy holders	5,031	6,477
Due from insurance companies	11,009	12,839
Due from reinsurance companies	5,919	2,560
Due from insurance brokers	39,192	24,418
	61,151	46,294
Provision for doubtful debts	(2,744)	(2,675)
	58,407	43,619

The average credit period is 90 days. Insurance receivables of AED 2.74 million (2016: AED 2.68 million), which are impaired and not recoverable, are fully provided.

9 Other receivables

	2017	2016 (Restated)
	AED'000	AED'000
Deferred commission cost	16,501	12,371
Prepayments	3,785	3,169
Accrued interest	495	249
Other receivables	2,669	466
	23,450	16,255
Provision for doubtful debts on other receivables	(2,161)	-
	21,289	16,255

The Company has recognised AED 2.16 million as a provision on doubtful rent receivables. (2016: Nil)

10 Related parties

Details of related parties' balances are as follows:

Amounts due from related parties

	2017	2016
	AED'000	AED'000
Related parties due to common directorship		
Diamondlease LLC	4,734	3,901
Al Habtoor Theatre LLC	4,324	3,344
St. Regis Hotel Dubai LLC	1,143	-
The Westin Hotel Al Habtoor City Dubai LLC	1,073	1,611
Other Habtoor Group companies	2,084	4,530
	13,358	13,386

Amounts due to related parties

	2017	2016
	AED'000	AED'000
Related parties due to common ownership		
Al Habtoor Motors Co LLC	13,162	10,038
Other Habtoor Group companies	5	17
	13,167	10,055

10 Related parties (continued)

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as per IAS 24. These transactions are carried out at terms mutually agreed between the parties.

Details of significant transactions with related parties are shown below:

	2017 AED'000	2016 AED'000
Premiums written	66,107	62,892
Claims paid	15,412	10,880
Commission paid	7,405	4,885
Agency / Non-Agency repairs	43,710	43,381
Key management personnel remuneration		
- Short term benefits	2,479	2,357
- Post-employment benefits	96	344
	2,575	2,701

11 Insurance contract liabilities

Assumptions and sensitivities

The process used to determine assumptions for assessing claims provision is reviewed and updated to be consistent with observable market practices and other reliable information to result in most likely expected outcome.

However, considering the nature of business it cannot be predicted with certainty the likely outcome and the actual cost of the claim. But each claim is assessed on a case to case basis depending upon information available and past trends.

An analysis of sensitivity is carried out for various claims which are an indication for establishing the adequacy of the estimation process. The management believes that the liability for claims reported in the statement of financial position is adequate.

Claims development

For all classes of business underwritten by the Company the uncertainty is typically resolved generally within one year except for Motor Insurance where the uncertainty is generally resolved within three years. The following table reflects the cumulative incurred claims notified, IBNR and ULAE for each successive accident year at each statement of financial position date, together with cumulative payments to date.

11 Insurance contract liabilities (continued)

Claims development (continued)

	Accident year					
	2013 & prior AED'000	2014 AED'000	2015 AED'000	2016 AED'000	2017 AED'000	Total AED'000
Estimate of cumulative claims						
At the end of accident year	904,676	88,097	111,857	142,364	165,459	
One year later	904,328	95,290	122,018	162,864	-	
Two years later	891,111	96,521	121,284	-	-	
Three years later	885,033	95,446	-	-	-	
Four years later	884,524	-	-	-	-	
Estimate of cumulative claims	884,524	95,446	121,284	162,864	165,459	1,429,577
Cumulative payments to date	863,999	90,757	113,129	140,120	147,736	1,355,741
Provision for outstanding claims as on 31 December 2017	20,525	4,689	8,155	22,744	17,723	73,836
IBNR and other reserves as on 31 December 2017	-	187	312	1,306	40,734	42,539
ULAE reserves as on 31 December 2017	410	90	165	484	1,094	2,243
Gross outstanding claims and technical provisions as on 31 December 2017	20,935	4,966	8,632	24,534	59,551	118,618
Reinsurer's share of outstanding claims and technical provisions as on 31 December 2017	18,812	3,293	4,989	18,514	36,539	82,147
Net outstanding claims and technical provisions as on 31 December 2017	2,123	1,673	3,643	6,020	23,012	36,471
Provision for outstanding claims and technical provisions as on 31 December 2016	29,238	3,437	8,973	11,648	41,912	95,208
Reinsurer's share of outstanding claims and technical provisions as on 31 December 2016	17,546	1,642	4,524	7,858	29,167	60,737

Notes to the financial statements (continued)
For the year ended 31 December 2017

11 Insurance contract liabilities (continued)

		2017			2016		
		Gross insurance contract liabilities AED'000	Reinsurance contract assets AED'000	Net insurance contract liabilities AED'000	Gross insurance contract liabilities AED'000	Reinsurance contract assets AED'000	Net insurance contract liabilities AED'000
Unearned premium reserve	(a)	143,772	(91,930)	51,842	116,250	(72,296)	43,954
Insurance contract provisions	(b)	73,836	(57,527)	16,309	64,107	(46,571)	17,536
Provision for IBNR	(c)	42,539	(24,620)	17,919	29,238	(14,166)	15,072
Provision for ULAE	(d)	2,243	-	2,243	1,863	-	1,863
		262,390	(174,077)	88,313	211,458	(133,033)	78,425

a) Unearned premium reserve

		2017			2016		
		Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross AED'000	Reinsurance share AED'000	Net AED'000
Balance as at 1 January	(i)	116,250	(72,296)	43,954	90,820	(56,359)	34,461
Provision made during the year		142,040	(90,449)	51,591	114,195	(70,706)	43,489
Provision released during the year		(114,518)	70,815	(43,703)	(88,765)	54,769	(33,996)
Net movement during the year	(ii)	27,522	(19,634)	7,888	25,430	(15,937)	9,493
Balance as at 31 December	(i+ii)	143,772	(91,930)	51,842	116,250	(72,296)	43,954

11 Insurance contract liabilities (continued)

b) Insurance contract provisions

		2017 Gross AED'000	2017 Reinsurance share AED'000	2017 Net AED'000	2016 Gross AED'000	2016 Reinsurance share AED'000	2016 Net AED'000
Balance as at 1 January	(i)	64,107	(46,571)	17,536	57,825	(42,213)	15,612
Provision made during the year		183,643	(130,920)	52,723	144,375	(90,745)	53,630
Settled during the year		(173,914)	119,964	(53,950)	(138,093)	86,387	(51,706)
Net movement during the year	(ii)	9,729	(10,956)	(1,227)	6,282	(4,358)	1,924
Balance as at 31 December	(i + ii)	73,836	(57,527)	16,309	64,107	(46,571)	17,536

c) Provision for IBNR

		2017 Gross AED'000	2017 Reinsurance share AED'000	2017 Net AED'000	2016 Gross AED'000	2016 Reinsurance share AED'000	2016 Net AED'000
Balance as at 1 January	(i)	29,238	(14,166)	15,072	27,932	(12,226)	15,706
Provision made during the year		30,258	(23,267)	6,991	21,147	(6,075)	15,072
Provision released during the year		(16,957)	12,813	(4,144)	(19,841)	4,135	(15,706)
Net movement during the year	(ii)	13,301	(10,454)	2,847	1,306	(1,940)	(634)
Balance as at 31 December	(i + ii)	42,539	(24,620)	17,919	29,238	(14,166)	15,072

11 Insurance contract liabilities (continued)

d) Provision for ULAE

		2017			2016		
		Gross AED'000	Reinsurance share AED'000	Net AED'000	Gross AED'000	Reinsurance share AED'000	Net AED'000
Balance as at 1 January	(i)	1,863	-	1,863	1,117	-	1,117
Provision made during the year		2,243	-	2,243	1,863	-	1,863
Provision released during the year		(1,863)	-	(1,863)	(1,117)	-	(1,117)
Net movement during the year	(ii)	380	-	380	746	-	746
Balance as at 31 December	(i + ii)	2,243	-	2,243	1,863	-	1,863

12 Cash and cash equivalents

	2017 AED'000	2016 AED'000
Cash in hand and at banks	**140,843**	110,004
	======	======

(a) As at 31 December 2016, cash at banks included AED 0.5 million converted from Lebanese Lira (LL).

(b) Cash and bank includes short term deposits (3-12 months) with local banks carrying interest ranging from 1.25%-2.25% (2016: 0.60% - 2.13%) per annum.

13 Share capital

The authorised and issued share capital comprises 115,500,000 fully paid-up shares of AED 1 each:

	2017 No of shares	2017 AED'000	2016 No of shares	2016 AED'000
Balance at 31 December	**115,500,000**	**115,500**	115,500,000	115,500
	=========	=========	=========	=========

14 Legal reserve

In accordance with the Company's Articles of Association and Article 239 of the Federal Law No. 2 of 2015, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to legal reserve has been made during the year as it has already reached 50% of the paid-up share capital (2016: Nil).

15 Obligatory reserve

In accordance with the Company's Articles of Association, at least 10% of the Company's annual net profits (before directors' fees) must be transferred to a non-distributable obligatory reserve. Such transfers are required until the balance in this reserve equals 25% of the Company's paid-up share capital, or until the transfer is suspended by resolution of the shareholders. No transfer to obligatory reserve has been made during the year as it has already reached 25% of the paid-up share capital (2016: Nil).

16 General reserve

This reserve can be utilised for any purpose proposed by the Board of Directors subject to approval by the General Assembly. During the year, there were no transfers from or to the general reserve (2016: Nil).

17 Employees' end of service benefits

	2017 AED'000	2016 AED'000
Balance at 1 January	4,348	3,635
Charge for the year	600	1,055
Payments during the year	(584)	(342)
Balance at 31 December	4,364	4,348

18 Insurance payables

	2017 AED'000	2016 AED'000
Trade creditors	9,323	6,130
Insurance companies	6,240	6,247
Re-insurance companies	39,846	28,438
Brokers payable	5,802	4,696
Premium reserve withheld	5,309	5,382
	66,520	50,893

19 Other payables

	2017 AED'000	2016 (Restated) AED'000
Deferred commission income	12,206	11,055
Accrued expenses	4,441	771
Provision for staff benefits	2,980	2,511
Directors' remuneration *	5,006	3,826
Other payables	13,366	16,012
	37,999	34,175

* Directors' remuneration is an appropriation of net profit for the year in accordance with Article 169 of U.A.E Federal Law No. 2 of 2015 and also as per the Articles of Association of the Company.

20 Income from investments - net

	2017 AED'000	2016 AED'000
Dividend income on securities – net	18,943	18,688
Interest income – net	1,738	1,169
	20,681	19,857

21 Income from investment property - net

	2017 AED'000	2016 AED'000
Gross rental income	14,638	15,585
Maintenance expenses	(3,795)	(3,439)
Depreciation (note 6)	(1,849)	(1,852)
	8,994	10,294

22 Other income

	2017 AED'000	2016 AED'000
Gain on disposal of property and equipment	34	75

23 General and administrative expenses

	2017 AED'000	2016 AED'000
Personnel costs	16,528	16,409
Other operational expenses	8,276	6,176
	24,804	22,585

24 Earnings per share

	2017 AED'000	2016 (Restated) AED'000
Net profit for the year	50,067	45,987
Weighted average number of shares outstanding (note 13)	115,500,000	115,500,000
Earnings per share (AED) - Basic and diluted	0.43	0.40

25 Segment reporting

The Company operates two main business segments: Underwriting and Investments.

Underwriting segment is further classified into General Insurance and Life Insurance. Investments segment comprises Investment Property and Financial Assets. The life insurance provided by the Company is for a period of 12 months and does not include any investment portion.

25 Segment reporting (continued)

	2017 AED'000			2016 – Restated AED'000		
	Underwriting	Investments	Total	Underwriting	Investments	Total
Segment revenue	323,461	37,808	361,269	260,123	35,741	295,864
Segment result	45,162	29,675	74,837	38,346	30,151	68,497
Unallocated:						
-Other income			34			75
-Admin expenses			(24,804)			(22,585)
Net profit for the year			50,067			45,987
Segment assets	267,770	465,299	733,069	207,063	451,911	658,974
Unallocated assets			150,843			120,004
Total assets			883,912			778,978
Segment liabilities	383,465	975	384,440	308,955	1,974	310,929
Unallocated liabilities			-			-
Total liabilities			384,440			310,929

Underwriting results are further classified as follows:

	AED'000		
	General business	Life business	Total
2017			
Gross premiums written	319,269	4,192	323,461
Gross underwriting income	99,978	1,134	101,112
Net claims incurred	55,611	339	55,950
Net underwriting income	44,367	795	45,162
2016 – Restated			
Gross premiums written	256,015	4,108	260,123
Gross underwriting income	90,407	1,681	92,088
Net claims incurred	53,225	517	53,742
Net underwriting income	37,182	1,164	38,346

26 Proposed dividends

The Board has proposed cash dividend of 30% of paid up share capital, amounting to AED 34.650 million (AED 0.30 per share) for the year ended 31 December 2017.

During the previous year, the Board proposed a cash dividend of AED 28.8 million (AED 0.25 per share) representing 25% of the paid up capital as at 31 December 2016. This was approved at the Annual General Meeting held on 7 March 2017.

27 Commitments and contingencies

	2017 AED'000	2016 AED'000
Financial guarantee	300	300

Guarantees of AED 0.3 million (2016: AED 0.3 million) issued by banks are secured by way of deposits held.

The Company is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates.

28 Operating lease

Leases as a lessor
The Company has leased out its investment property under various operating leases.

Operating lease rentals receivable are:

	2017 AED'000	2016 AED'000
Due within one year	7,642	8,555
Due within two to five years	9,051	4,527

Leases as a lessee
At the statement of financial position date, there were no major outstanding commitments under non-cancellable operating leases.

29 Capital commitments

At the statement of financial position date, there were no major capital commitments (2016: Nil).

30 Risk management objectives and policies for mitigating insurance risk

The primary insurance activity carried out by the Company assumes the risk of loss from persons or organisations that are directly subject to the risk. Such risks may relate to property, liability, life, accident health, financial or other perils that may arise from an insurable event.

The Company also has exposure to market risk through its insurance and investment activities. The Company manages the risk through well laid out procedures and delegation levels for both underwriting and settlement of claims.

The Company has structured policies for acceptance and pricing risks. Experienced and qualified professionals undertake the assessment of risks and pricing, with a conservative and cautious approach. Survey, risk measurement, sensitivity analysis, reinsurance term etc., are followed meticulously before acceptance of risk. Apart from these study of portfolio, probability, market trend, past history are all considered for pricing.

30 Risk management objectives and policies for mitigating insurance risk (continued)

Underwriting strategy

This involves the Company's own risk assessment procedures and is based on a balanced portfolio. It is set out in terms of industry, type of exposures, limits for each class, and quality of risks with acceptance levels. This is percolated down to the lower levels of the underwriting sections with the authorities specified along with their limits. Risk selection is set out as per the Company's risk management policies.

Managing reinsurance risk

The Company carries reinsurance cover to minimise exposure to potential losses arising from large insurance claims and consequently in the normal course of business enters into arrangements with other parties for reinsurance purposes. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance arrangements.

This reinsurance is through proportional treaty, non-proportional treaty and facultative reinsurance contracts. The reinsurers are selected based on their standing in the market, rating, relationship experience and length of association.

Reinsurance recoverable is monitored on a regular basis and through exchange of statements which are duly reconciled.

Terms and conditions of insurance contracts

Insurance contracts are based on uncertainty. As such the terms and conditions of insurance contracts varies but are generally based on norms as applied in the Insurance Market.

Sensitivity of underwriting profits and losses

The contribution from insurance operations to the profit of the Company amounts to AED 45.162 million for the year ended 31 December 2017 (2016-restated: AED 38.346 million)

The Company does not foresee any major impact from insurance operations on account of the following:

- The overall risk retention level of the Company in the year ended 31 December 2017 is 36% (2016: 38%). The Company has initiated series of enterprise-wide risk management measures which includes acceptance and transfer of risks. Appropriate Excess of Loss protections have been designed and placed. The insurance liabilities of the Company are being adequately covered by Treaty/Facultative arrangements with rated reinsurance companies and Excess of Loss reinsurance programs to safeguard against any major financial impact.
- The Company's commissions earned from reinsurance placements are consistent and remain a comfortable source of income.

Because of the low risk retention in all classes of business, the Company does not foresee any serious financial impact in the insurance net profits due to changes in the loss ratios.

30 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting

Pursuant to the requirement of financial regulations of Insurance Authority, United Arab Emirates, statements of financial position and statements of comprehensive income of Life Insurance (referred to as "Persons and Funds Accumulation Operations") and General Insurance (referred to as "Property and Liability Insurance") are as follows:

Statement of financial position of persons and funds accumulation operations

	2017	2016 (Restated)
ASSETS	AED'000	AED'000
Non-current assets		
Statutory deposits	4,000	4,000
Current assets		
Insurance receivables	2,220	760
Other receivables	135	112
Due from related parties	5	68
Reinsurance contract assets	3,042	2,860
Cash and cash equivalents	710	907
	6,112	4,707
TOTAL ASSETS	10,112	8,707
EQUITY AND LIABILITIES		
Equity		
Retained earnings	3,614	3,439
Net funds transferred from/(to) General Insurance	1,877	1,186
TOTAL EQUITY	5,491	4,625
LIABILITIES		
Non-current liabilities		
Employees' end of service benefits	22	17
Current liabilities		
Insurance contract liabilities	4,113	3,903
Insurance payables	447	146
Other payables	39	1
Due to related parties	-	15
	4,599	4,065
TOTAL LIABILITIES	4,621	4,082
TOTAL EQUITY AND LIABILITIES	10,112	8,707

30 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of comprehensive income of persons and funds accumulation operations

	2017	2016 (Restated)
	AED'000	AED'000
Gross premiums	4,192	4,108
Reinsurance share of premiums	(2,625)	(2,552)
Net premiums	1,567	1,556
Net transfer to unearned premium reserve	4	2
Net premiums earned	1,571	1,558
Commission earned	2	4
Commission paid	(439)	(366)
Others	-	485
Gross underwriting income	1,134	1,681
Gross claims paid	1,812	1,823
Reinsurance share	(1,479)	(1,524)
Net claims paid	333	299
Provision for outstanding claims and technical provisions	58	971
Reinsurance share of outstanding claims and technical provisions	(52)	(753)
Net claims incurred	339	517
Net underwriting income	795	1,164
Income from investments – net	-	-
Income from investment property – net	-	-
Other income	-	-
Gross income	795	1,164
General and administrative expenses	(607)	(648)
Net profit for the year	188	516

30 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of financial position of property and liability insurance

	2017	2016 (Restated)
ASSETS	AED'000	AED'000
Non-current assets		
Statutory deposits	6,000	6,000
Property and equipment	639	770
Investment property	77,746	79,595
	84,385	86,365
Current assets		
Financial assets at fair value through other comprehensive income	387,553	372,316
Insurance receivables	56,187	42,859
Other receivables	21,154	16,143
Due from related parties	13,353	13,318
Reinsurance contract assets	171,035	130,173
Cash and cash equivalents	140,133	109,097
	789,415	683,906
TOTAL ASSETS	873,800	770,271
EQUITY AND LIABILITIES		
Equity		
Share capital	115,500	115,500
Legal reserve	57,750	57,750
Obligatory reserve	28,875	28,875
General reserve	180,000	180,000
Fair value reserve on financial assets at fair value through other comprehensive income	66,282	51,045
Net funds transferred (to) / from Life Insurance	(1,877)	(1,186)
Retained earnings	47,451	31,440
TOTAL EQUITY	493,981	463,424
LIABILITIES		
Non-current liabilities		
Employees' end of service benefits	4,342	4,331
Current liabilities		
Insurance contract liabilities	258,277	207,555
Insurance payables	66,073	50,747
Other payables	37,960	34,174
Due to related parties	13,167	10,040
	375,477	302,516
TOTAL LIABILITIES	379,819	306,847
TOTAL EQUITY AND LIABILITIES	873,800	770,271

30 Risk management objectives and policies for mitigating insurance risk (continued)

Risk based regulatory reporting (continued)

Statement of comprehensive income of property and liability insurance

	2017 AED'000	2016 (Restated) AED'000
Gross premiums	319,269	256,015
Reinsurance share of premiums	(203,659)	(157,947)
Net premiums	115,610	98,068
Net transfer to unearned premium reserve	(7,892)	(9,495)
Net premiums earned	107,718	88,573
Commission earned	22,383	23,066
Commission paid	(33,436)	(24,516)
Others	3,313	3,284
Gross underwriting income	99,978	90,407
Gross claims paid	172,102	136,270
Reinsurance share	(118,485)	(84,863)
Net claims paid	53,617	51,407
Provision for outstanding claims and technical provisions	23,352	7,363
Reinsurance share of outstanding claims and technical provisions	(21,358)	(5,545)
Net claims incurred	55,611	53,225
Net underwriting income	44,367	37,182
Income from investments – net	20,681	19,857
Income from investment property – net	8,994	10,294
Other income	34	75
Gross income	74,076	67,408
General and administrative expenses	(24,197)	(21,937)
Net profit for the year	49,879	45,471

31 Financial risk management objectives and policies

The financial assets of the Company include statutory deposits, cash at bank and in hand, other receivables, due from related parties and investments. Financial liabilities include due to related parties and most other payables. Accounting policies for each class of financial assets and liabilities are set out in note 3.

Category-wise assets and liabilities

Year - 2017

	Financial instruments			
Assets	At amortised cost AED'000	FVTOCI AED'000	Insurance contracts AED'000	Total AED'000
Statutory deposits	10,000	-	-	10,000
Reinsurance contract assets	-	-	174,077	174,077
Cash and cash equivalents	140,843	-	-	140,843
Financial assets at FVTOCI	-	387,553	-	387,553
Insurance receivables	-	-	58,407	58,407
Other receivables	1,003	-	-	1,003
Due from related parties	13,358	-	-	13,358
	165,204	387,553	232,484	785,241

Year – 2016 (restated)

	Financial instruments			
Assets	At amortised cost AED'000	FVTOCI AED'000	Insurance contracts AED'000	Total AED'000
Statutory deposits	10,000	-	-	10,000
Reinsurance contract assets	-	-	133,033	133,033
Cash and cash equivalents	110,004	-	-	110,004
Financial assets at FVTOCI	-	372,316	-	372,316
Insurance receivables	-	-	43,619	43,619
Other receivables	715	-	-	715
Due from related parties	13,386	-	-	13,386
	134,105	372,316	176,652	683,073

31 Financial risk management objectives and policies (continued)

Category-wise assets and liabilities (continued)

Year - 2017

Liabilities	At amortised cost AED'000	Insurance contracts AED'000	Total AED'000
Insurance contract liabilities	-	262,390	262,390
Insurance and other payables	25,793	66,520	92,313
Due to related parties	13,167	-	13,167
	38,960	328,910	367,870

Year – 2016 (restated)

Liabilities	At amortised cost AED'000	Insurance contracts AED'000	Total AED'000
Insurance contract liabilities	-	211,458	211,458
Insurance and other payables	23,120	50,893	74,013
Due to related parties	10,055	-	10,055
	33,175	262,351	295,526

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, liquidity risk, foreign exchange risk and market risk. The Board reviewed and agreed policies for management of these risks summarised below:

Credit risk

Credit risk is the risk that one party to a contract underlying a financial instrument will fail to discharge its obligations causing the other party to incur a financial loss.

All of the Company's underwriting activities are carried out in the United Arab Emirates. Cash is placed with a group of banks with good credit ratings. Credit risk on account receivables is spread, as they are due from a large number of customers. Credit risk with respect to 'due from insurers' and due from brokers is diversified due to the dispersion of amounts recoverable over a large number of insurers and brokers, however these are monitored closely by the management.

Credit risk with respect to reinsurers is mitigated by placement only with those companies having an acceptable rating.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

31 Financial risk management objectives and policies (continued)

Credit risk (continued)

The following table provides an age analysis of receivables arising from insurance.

	Neither past due nor impaired AED'000	Past due <120 days AED'000	120 -180 days AED'000	>180 days AED'000	Total AED'000	Past due and impaired AED'000	Total AED'000
31 December 2017	21,394	26,214	6,705	6,838	61,151	(2,744)	58,407
31 December 2016	16,321	20,469	5,059	4,445	46,294	(2,675)	43,619

The Company believes that overdue debtors are not impaired except those already provided for.

Liquidity risk

Liquidity risk is the risk that the Company faces in meeting its present and future financial obligations in a timely manner. Solvency risk refers to the excess of liabilities over assets, and hence, to the adequacy of the Company's capital. The Company is required to maintain an adequate level of liquidity by the regulatory requirements currently in force in the UAE.

Liquidity requirements are monitored by the management to ensure sufficient funds are available to meet commitments as they arise. The table below summarises the maturity of various assets and liabilities:

Year -2017

	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	After 180 days AED'000	Total AED'000
Assets					
Statutory deposits	-	-	-	10,000	10,000
Financial assets at FVTOCI	-	-	-	387,553	387,553
Insurance receivables	13,132	29,836	7,753	7,686	58,407
Other receivables	79	322	299	303	1,003
Due from related parties	2,190	4,131	6,133	904	13,358
Cash in hand and at banks including deposits:					
- Interest bearing	13,321	56,356	46,832	24,322	140,831
- Non-interest bearing	12	-	-	-	12
Reinsurance contract assets (a)	-	-	-	-	174,077
	28,734	90,645	61,017	430,768	785,241

31 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	After 180 days AED'000	Total AED'000
Liabilities					
Insurance and other payables	13,121	43,114	20,182	15,896	92,313
Due to related parties	2,151	6,972	2,453	1,591	13,167
Insurance contract liabilities (a)	-	-	-	-	262,390
	15,272	50,086	22,635	17,487	367,870

Year -2016

	Less than 30 days AED'000	30-90 days AED'000	90-180 days AED'000	After 180 days AED'000	Total AED'000
Assets					
Statutory deposits	-	-	-	10,000	10,000
Financial assets	-	-	-	372,316	372,316
Insurance receivables	9,667	20,329	7,429	6,194	43,619
Other receivables	68	279	216	152	715
Due from related parties	1,968	4,269	6,365	784	13,386
Cash in hand and at banks including deposits:					
- Interest bearing	8,314	44,007	35,286	22,385	109,992
- Non-interest bearing	12	-	-	-	12
Reinsurance contract assets (a)	-	-	-	-	133,033
	20,029	68,884	49,296	411,831	683,073
Liabilities					
Insurance and other payables	10,292	37,109	13,179	13,433	74,013
Due to related parties	1,029	5,502	2,233	1,291	10,055
Insurance contract liabilities (a)	-	-	-	-	211,458
	11,321	42,611	15,412	14,724	295,526

(a) The maturities of insurance contract liabilities and the corresponding re-insurance contract assets are contingent upon the final settlement of claims, therefore cannot be reliably allocated to any particular maturity slab.

31 Financial risk management objectives and policies (continued)

Interest rate risk

The interest risk is the risk that the value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company has interest bearing deposits in commercial banks having effective interest rate 1.25%-2.25% (2016: 0.60%-2.13%) per annum. The interest rate is floating in nature. However, the Company does not foresee any material impacts due to interest rate fluctuations in the foreseeable future as the total amount of interest income was not material and there were no significant movements noted during the year in the interest rates.

Exchange risk

A major portion of the Company's liabilities and assets are denominated in AED or US Dollars, barring Beirut Branch which is in Lebanese Lira. Since AED is effectively pegged to US Dollars, there is minimal exchange risk. Moreover, assets and liabilities in Beirut branch are not considered to be significant to the Company's assets and liabilities hence there is no significant exposure.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

The Company is exposed to market risk with respect to its investments in quoted and unquoted shares.

The Company limits market risks by maintaining a diversified portfolio and by continuous monitoring of developments in stock markets. In addition, the Company actively monitors the key factors that affect stock movements, including analysis of the operational and financial performance of investee.

All the Company's investments are within the United Arab Emirates.

Sensitivity of equity prices

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

Given that all other variables remain constant, had equity prices been 10% higher/lower at the reporting date:

- net profit for the year ended 31 December 2017 would have been unaffected as the equity investments are classified as Fair Value Through Other Comprehensive Income (FVTOCI);
- fair value reserve on financial assets of FVTOCI within equity would have increased/decreased by AED 38.76 million (2016: increase/decrease by AED 37.23 million).

32 Capital management

The Company's objective when managing capital risks are:

1) To comply with the Insurance Capital Requirements required by the UAE Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of the Insurance Operations concerning Insurance Companies and Agents. The minimum regulatory capital for Insurance Companies which must be maintained at all times throughout the year as per the Law is AED 100,000,000 (2016: AED 100,000,000).

2) To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns to the shareholders.

3) To provide an adequate rate of return to shareholders by pricing products and services commensurate with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders or issue new shares.

There were no changes made in the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016.

The table below summarises the minimum regulatory capital of the Company and the actual equity held by the Company at the end of the year:

	2017 AED'000	2016 (Restated) AED'000
Cash and cash equivalents	140,843	110,004
Total equity held	499,472	468,049
Minimum regulatory capital	100,000	100,000

33 Comparatives

From 1 January 2017, the Company has changed its accounting policy with respect to commission earned and paid. Previously, the Company used to recognise commission income and commission expense at the time the policies were written. Now, the Company initially defers the commission earned and paid and recognises commission income and expense over the tenure of the policies. As a result of the retrospective application of the change in accounting policy, the comparative financial information has been restated. In addition to the above, in respect of medical policies, the Company is now offsetting the loadings attributable to the Company which form a part of the 'gross written premiums' against the 'commission payable' while working out the deferred acquisition costs pertaining to medical lines of business. This is to be in line with the consistent approach followed by the Company in respect of income recognition. Accordingly, comparative financial information has also been reclassified as depicted on the next page.

33 Comparatives (continued)

Statement of financial position:

As at 31 December 2016:	Previously reported AED'000	Adjustment AED'000	Restated AED'000	Reclassification AED'000	Reclassified AED'000
Other receivables	3,884	14,700	18,584	(2,329)	16,255
Other payables	23,120	13,384	36,504	(2,329)	34,175
Retained earnings	33,563	1,316	34,879	-	34,879

As at 31 December 2015:	Previously reported AED'000	Adjustment AED'000	Restated AED'000	Reclassification AED'000	Reclassified AED'000
Other receivables	3,747	11,039	14,786	(1,596)	13,190
Other payables	27,289	11,677	38,966	(1,596)	37,370
Retained earnings	16,456	(638)	15,818	-	15,818

Statement of comprehensive income

For the year ended 31 December 2016	Previously reported AED'000	Adjustment AED'000	Restated AED'000
Commission earned	24,045	(975)	23,070
Commission paid	(27,811)	2,929	(24,882)
Net impact	(3,766)	1,954	(1,812)

34 Post-reporting date events

Except for the proposed cash dividend of 30% of paid up capital for the year ended 31 December 2017 (note 26), there are no adjusting or significant non-adjusting events which have occurred between the reporting date and the date of authorisation of these financial statements.