Al Madina for Finance and Investment Company- K.S.C (Public)

and its subsidiaries
State of Kuwait
Interim Condensed Consolidated Financial Information
(Unaudited)
For the nine months ended on September 30, 2019
With review report

Al Madina for Finance and Investment Company- K.S.C (Public)

and its subsidiaries
State of Kuwait
Interim Condensed Consolidated Financial Information
(Unaudited)
For the nine months ended on September 30, 2019
With review report

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Rödl
Middle East
Burgan-International Accountants
Ali Al-Hasawi & Co

The Board of Directors
Al Madina for Finance and Investment Company
K.S.C (Public)
and its subsidiaries
State of Kuwait

Review report on the interim condensed consolidated financial information

Introduction
We have reviewed the accompanying interim condensed consolidated financial information of Al Madina for Finance and Investment Company - K.S.C (Public) - (the Parent Company) and its subsidiaries (together referred to as "the Group") – which comprise the interim condensed consolidated statement of financial position as of September 30, 2019 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". 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 the 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 International Accounting Standard No. (34) "Interim Financial Reporting".

Report on review of other legal and regulatory matters
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of "the Parent Company". We further report that nothing has come to our attention indicating any contravention during the nine month period ended on September 30, 2019 of the Companies' Law no. 1 of year 2016, and its executive regulation , as amended, or law no. 7 of 2010 in respect of the establishment of Capital Market Authority, the organization of the securities activity and its executive regulations or of the Parent company's memorandum and articles of association, as amended, that might have had a material effect on the business of the group or on its interim condensed consolidated statement of financial position.

Report on review of other legal and regulatory matters (continue)

And during the course of our review, nothing has come to our attention indicating any material violations during the nine month period ended September 30, 2019 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 related regulations. Except as disclosed in note (11) on the interim condensed consolidated financial information regarding wakala payables obtained from investment funds, which is in violation of the instructions of central bank of Kuwait.

Ali A. Al Hasawi
Licence No. 30 (A)
Rödl Middle East
Burgan International Accountants

November 13, 2019
State of Kuwait

Al Madina for Finance and Investment Company K.S.C (Public)

And its subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position as of September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Assets				
Cash and cash equivalents	4	**311,587**	455,997	419,197
Investments at fair value through statement of profit or loss	5	**1,845,058**	2,340,796	2,538,586
Accounts receivable and other debit balances	6	**5,164,193**	5,318,630	11,264,953
Investment properties	7	**831,104**	831,104	1,155,000
Investment in associates	8	**17,960,078**	22,136,390	21,815,641
Investments at fair value through other comprehensive income	9	**2,451,417**	4,010,900	-
Property and equipment		**12,944**	13,229	20,241
Total assets		**28,576,381**	35,107,046	37,213,618
Liabilities and equity				
Liabilities				
Accounts payable and other credit balances	10	**2,258,861**	2,382,358	2,370,256
Wakala payables	11	**2,522,653**	2,522,653	2,522,653
Provision for end of service indemnity		**196,568**	168,266	175,805
Total liabilities		**4,978,082**	5,073,277	5,068,714
Equity				
Share capital		**40,706,523**	40,706,523	40,706,523
Share premium		**4,552,924**	4,552,924	4,552,924
Other reserves	12	**(1,909,083)**	(549,464)	114,280
Treasury shares	13	**(2,694,680)**	(2,694,680)	(2,694,680)
Accumulated losses		**(28,029,820)**	(23,709,910)	(23,071,946)
Total equity attributable to shareholders of the Parent Company		**12,625,864**	18,305,393	19,607,101
Non-controlling interests		**10,972,435**	11,728,376	12,537,803
Total equity		**23,598,299**	30,033,769	32,144,904
Total liabilities and equity		**28,576,381**	35,107,046	37,213,618

Mohammad Darweesh Al-Shemali
Vice Chairman

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

Al Madina for Finance and Investment Company K.S.C (Public)

And its subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss for the nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	The three months ended September 30		The nine months ended September 30	
		2019	2018	**2019**	2018
Revenue					
(Losses)/gains from investments	14	**(192,968)**	104,083	**(658,418)**	(729,459)
Net gain from investment properties		**(66,614)**	-	**-**	2,512
Share of results in associates		**49,164**	(48,641)	**15,302**	(918,311)
Losses from sale of investment in associates	8	**(44,762)**	-	**(394,390)**	(19,545)
Charged of provisions		**-**	-	**-**	(3,489)
Management fees and other income		**11,758**	22,478	**44,006**	73,999
		(243,422)	77,920	**(993,500)**	(1,594,293)
Expenses and other charges					
Staff cost		**115,397**	100,423	**398,784**	456,312
Other expenses		**71,756**	27,008	**188,190**	120,092
Total expenses and other charges		**187,153**	127,431	**586,974**	576,404
Net loss for the period		**(430,575)**	(49,511)	**(1,580,474)**	(2,170,697)
Attributable to:					
Shareholders of the Parent Company		**(386,078)**	(39,370)	**(1,525,971)**	(2,111,745)
Non-controlling interests		**(44,497)**	(10,141)	**(54,503)**	(58,952)
		(430,575)	(49,511)	**(1,580,474)**	(2,170,697)
Loss per share attributable to Shareholders of the Parent Company/(fils)	15	**(0.99)**	(0.1)	**(3.92)**	(5.42)

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

Al Madina for Finance and Investment Company K.S.C (Public)
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interim condensed consolidated statement of profit or loss and other comprehensive income for nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	The three months ended September 30		The nine months September 30	
	2019	2018	**2019**	2018
Net loss for the period	**(430,575)**	(49,511)	**(1,580,474)**	(2,170,697)
Other comprehensive income items:				
Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Investments in associates				
Group's share in reserves of associates	**(74,004)**	(35,942)	**(469,504)**	(23,575)
Transferred to the interim condensed consolidated statement of profit or loss on sale	**41,601**	-	**104,846**	2,194
Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Change in fair value of investments at Fair value through other comprehensive income	**(297,312)**	-	**(1,559,483)**	-
Total other comprehensive income	**(329,715)**	(35,942)	**(1,924,141)**	(21,381)
Total comprehensive income for the period	**(760,290)**	(85,453)	**(3,504,615)**	(2,192,078)
Attributable to:				
Shareholders of the Parent Company	**(583,373)**	(75,311)	**(2,748,777)**	(2,134,138)
Non-controlling interests	**(176,917)**	(10,142)	**(755,838)**	(57,940)
Total comprehensive income for the period	**(760,290)**	(85,453)	**(3,504,615)**	(2,192,078)

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

Al Madina for Finance and Investment Company K.S.C (Public)

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Interim condensed consolidated statement of changes in equity for the nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Attributable to the Parent Company's shareholders equity							
	Share capital	**Share premium**	**Other reserves (Note - 12)**	**Treasury shares**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total**
Balance at January 1, 2018	40,706,523	4,552,924	(18,764)	(2,694,680)	(20,730,169)	21,815,834	12,595,743	34,411,577
Transition adjustments on adaptation of IFRS 9 on January 1, 2018	-	-	155,437	-	(230,032)	(74,595)	-	(74,595)
Balance at January 1, 2018 "adjusted"	40,706,523	4,552,924	136,673	(2,694,680)	(20,960,201)	21,741,239	12,595,743	34,336,982
Net loss for the period	-	-	-	-	(2,111,745)	(2,111,745)	(58,952)	(2,170,697)
Total other comprehensive income for the period	-	-	(22,393)	-	-	(22,393)	1,012	(21,381)
Total comprehensive income for the period	-	-	(22,393)	-	(2,111,745)	(2,134,138)	(57,940)	(2,192,078)
Balance at September 30, 2018	40,706,523	4,552,924	114,280	(2,694,680)	(23,071,946)	19,607,101	12,537,803	32,144,904
Balance at January 1, 2019	40,706,523	4,552,924	(549,464)	(2,694,680)	(23,709,910)	18,305,393	11,728,376	30,033,769
Adjustment to the opening balances due to share of the Group in the adjustments in accumulated losses and reserves of associates (note - 8)	-	-	(136,813)	-	(2,793,939)	(2,930,752)	(103)	(2,930,855)
Balance at January 1, 2019 "adjusted"	40,706,523	4,552,924	(686,277)	(2,694,680)	(26,503,849)	15,374,641	11,728,273	27,102,914
Net loss for the period	-	-	-	-	(1,525,971)	(1,525,971)	(54,503)	(1,580,474)
Total other comprehensive income for the period	-	-	(1,222,806)	-	-	(1,222,806)	(701,335)	(1,924,141)
Total comprehensive income for the period	-	-	(1,222,806)	-	(1,525,971)	(2,748,777)	(755,838)	(3,504,615)
Balance at September 30, 2019	**40,706,523**	**4,552,924**	**(1,909,083)**	**(2,694,680)**	**(28,029,820)**	**12,625,864**	**10,972,435**	**23,598,299**

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

Al Madina for Finance and Investment Company K.S.C (Public)

And its subsidiaries
State of Kuwait

Interim condensed consolidated statement of cash flows for the nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar)

	Note	The nine Months Ended September 30, 2019	2018
Cash flows from operating activities			
Net loss for the period		**(1,580,474)**	(2,170,697)
Adjustments:			
Change in fair value of investments at fair value through profit or loss		**640,728**	652,325
Losses from sale of investment at fair value through statement of Profit or loss		**17,690**	78,134
Dividends		**-**	(1,000)
Group's share of results in associates		**(15,302)**	918,311
Losses from sale of investment in associates		**394,390**	19,545
Depreciation of property and equipment		**285**	948
Disposals of property and equipment at cost		**-**	20,000
Charged of provisions		**-**	3,489
Provision end of service indemnity		**29,079**	27,326
Operating loss before calculating the effect of changes in working capital		**(513,604)**	(451,619)
Investments at fair value through statement of profit or loss		**(1,402,956)**	74,816
Accounts receivable and other debit balances		**155,202**	887,844
Accounts payable and other credit balances		**(123,497)**	(373,772)
Cash (used in)/generated from operations		**(1,884,855)**	137,269
End of service indemnity paid		**(777)**	(80,038)
Net cash (used in)/generated from operating activities		**(1,885,632)**	57,231
Cash flows from investing activities			
Purchase of investments in associates		**(34,042)**	(10,334)
Dividends received		**-**	1,000
Proceeds from sale of investments in associates		**535,753**	21,844
Proceeds from sale of investments at fair value through statement of profit or loss		**1,240,276**	-
Net cash generated from investing activities		**1,741,987**	12,510
Net (decrease)/increase in cash and cash equivalents		**(143,645)**	69,741
Cash and cash equivalents at beginning of the period		**385,892**	254,040
Cash and cash equivalents at end of the period	4	**242,247**	323,781

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

Al Madina for Finance and Investment Company K.S.C (Public)

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State of Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar unless stated otherwise)

1. Brief on "The Parent Company"

Al Madina for Finance and Investment Company (the Parent Company) is a Public Kuwaiti Shareholding Company incorporated in the State of Kuwait on 1980 and is registered as an investment company with the Central Bank of Kuwait on April 27, 2005. The shares of the Company were listed on the Kuwait Boursa on April 24, 2006 and on the Dubai Financial Market on September 10, 2007.

The Parent Company's head office is domiciled at Jaber Al Mubarak Street - Al- Sharq – Behbehany complex – 16th floor – Kuwait.

The principle activities of the Parent Company are represented in all investing activities, finance and management of funds, trading and leasing of properties to customers and trading in lands and properties.

The interim condensed consolidated financial information include the financial information of the parent company and its subsidiaries (together referred to as "the Group") (Note - 3).

The activities of the Group are carried out in accordance with Noble Islamic Sharia principles.

The interim condensed consolidated financial information was approved for issuance by the Board of Directors on November 13, 2019.

2. Significant accounting policies

2/1) Basis of preparation

The interim condensed consolidated financial information of the "Group" has been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, it does not include all of the information and footnotes required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of "the Group" for the financial year ended December 31, 2018. Except for the adaption of new standards and amendments as described below.

Newly effective standard and amendments and improvements to standards
The new International Financial Reporting Standard ("IFRS" or "standard") No. 16 and several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial information of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following new standard, interpretation and amendments to standards have been applied by the Group in preparation of these interim condensed financial information. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures at the year-end:

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures
- Annual Improvements 2015-2017 Cycle (issued in December 2017)
  - Amendments to IFRS 3 Business Combinations
  - Amendments to IFRS 11 Joint Arrangements
  - Amendments to IAS 12 Income Taxes
  - Amendments to IAS 23 Borrowing Costs

The adoption of the above did not result in any changes to previously reported net profit or consolidated equity of the Group.

New and amended standards not yet effective, but available for early adoption

The below new and amended IFRS that are available for early adoption for financial year ending December 31, 2019 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Adoption not expected to impact the Group's financial statements:

Effective date	Description
January 1, 2020	• Amendments to IFRS 3 • Amendments to References to the Conceptual Framework in IFRS Standards • Amendments to IAS 1 and IAS 8 on 'Definition of Material'
January 1, 2022	• IFRS 17 Insurance Contracts
Effective date to be determined	• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In the Management opinion, all necessary adjustments (including regular recurring benefits) have been included to be fairly presented. The results of the condensed consolidated interim financial statements do not necessarily reflect the results that could be expected for the year ended December 31, 2019. For further information, please refer to the audited annual consolidated financial statements and related notes for the year ended December 31, 2018

This interim condensed consolidated financial information is presented in Kuwaiti Dinar which is the functional and presentation currency of the group.

Al Madina for Finance and Investment Company K.S.C (Public)

And its subsidiaries
State of Kuwait

Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2019
(Unaudited)
(All amounts are in Kuwaiti Dinar unless stated otherwise)

2/2) Critical judgments and estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying "the Group's" accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as of and for the year ended December 31, 2018.

3. The subsidiary companies

This interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries together referred to as the Group.

				Ownership percentage %		
Company's name	**Legal form**	**Incorporation country**	**Activity**	**September 30, 2019 (Unaudited)**	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Real Capita and its subsidiaries	W.L.L.	Kuwait	General trading	99	99	99
Murgan One Co	W.L.L.	Cayman Island	Real estate	100	100	100
Held through Real Capita						
Dar Al-Bayraq for General trading & contracting and its subsidiaries	W.L.L.	Kuwait	General trading & Contracting	98	98	98
Morlo for General Trading	W.L.L.	Kuwait	General trading & Contracting	99	99	99
Dasman United Real Estate	W.L.L.	Kuwait	Real estate	99	99	99
Held through Dar Al Bayraq						
Tatweer Capital Real Estate co. and its Subsidiaries	K.S.C.C.	Kuwait	Real estate	55.08	55.08	55.08
Held through Tatweer Capital Real Estate Co.						
Economic Pen for Publishing, Distribution & Advertising Co.	W.L.L.	Kuwait	Publishing, distribution & advertising	99	99	99
Develop for General Trading & Contracting Co.	W.L.L.	Kuwait	General trading & Contracting	99	99	99
Al-Sanabel Company for the sale and purchase of bonds and shares	W.L.L	Kuwait	General trading & Contracting	99	99	-

As of September 30, 2019, the financial information of the subsidiaries has been consolidated based on the managerial financial information prepared by the management of the subsidiaries for the purpose of consolidation as their audited financial statement are prepared by end of the year. The total assets and results of these subsidiaries amounted to KD 33,244,604 and KD (956,794) As of September 30, 2019 (December 31, 2018: KD 33,709,955 and KD (1,293,066) September 30, 2018:KD 33,877,451 and KD (723,231)) respectively.

4. Cash and cash equivalents

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Current accounts	**97,603**	354,514	314,152
Restricted cash against letters of credit	**69,340**	70,105	70,105
Cash at portfolios and Kuwait Clearing company	**128,240**	19,092	25,311
Cash in hand	**16,404**	12,286	9,629
Cash and cash equivalents as per interim condensed consolidated statement of financial position	**311,587**	455,997	419,197
Less: Restricted cash against letters of credit	**(69,340)**	(70,105)	(70,105)
Less: Cash at portfolios and Kuwait Clearing company	**-**	-	(25,311)
Cash and cash equivalents	**242,247**	385,892	323,781

5. Investments at fair value through statement of profit or loss

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Financial investments in local shares - quoted	**1,761,578**	2,001,850	2,189,581
Financial investments in local shares - unquoted	**528**	528	528
Financial investments in local funds - unquoted	**82,952**	338,418	348,477
	1,845,058	2,340,796	2,538,586

- The financial investments in local funds – unquoted (Madina Fund and Al-Imtiaz Investment Fund) were evaluated based on the net asset value as of December 31, 2018, and September 30, 2018, respectively as these funds are under liquidation.
- Investments at fair value through statement of profit or loss were evaluated according to the evaluation methods disclosed in (Note - 20).

6. Accounts receivable and other debit balances

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Receivables from sale of properties	**675,282**	796,401	861,752
Due from related parties (Note -16)	**4,986,904**	5,033,162	10,808,604
Accrued income	**119,547**	121,450	119,848
Accrued rents	**491,210**	491,210	491,210
Other	**584,714**	569,871	617,000
	6,857,657	7,012,094	12,898,414
Less: Provision for ECL	**(1,693,464)**	(1,693,464)	(1,633,461)
	5,164,193	5,318,630	11,264,953

7. Investments properties

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Local investments properties	**831,104**	831,104	1,155,000

Investment properties were not evaluated during the period as it's done annually at the end of the financial year, and the Group's management deems that the fair values of those investments approximate their fair values at the end of the financial year ended December 31, 2018.

Investment properties are registered in the name of related parties and there is a written waver is in favor of the group.

8. Investments in associates

The Investment in associates is represented as follows:

	Ownership	**September 30, 2019 (Unaudited)**	Ownership	December 31, 2018 (Audited)	Ownership	September 30, 2018 (Unaudited)
Ekttitab Holding Co. K.S.C.P.	**16.13%**	**801,333**	16.22%	1,540,743	16.22%	1,584,471
AAN Digital Services Holding Co. K.P.S.C.	**11.07%**	**1,865,872**	14.67%	5,371,736	14.70%	5,321,914
Sarh Capital Real Estate Company K.S.C.C	**42.41%**	**15,292,873**	42.41%	15,223,911	42.41%	14,909,256
		17,960,078		22,136,390		21,815,641

Investments in associates of KD 276,558 as of September 30, 2019 (KD 787,137 as of December 31, 2018, KD 559,342 as of September 30, 2018) are pledged against purchasing investment properties.

Ekttitab Holding Co. K.S.C.P. and AAN Digital Services Holding Co. K.P.S.C. are listed on the Kuwait Boursa and Dubai financial market based on published quoted prices, the market value of Ekttitab Holding Co. K.S.C.P. was KD 806,818 as of September 30, 2019 (KD 1,043,724 as of December, 31 2018 and KD 1,152,593 as of September 30, 2018) and AAN Digital Services Holding Co. K.P.S.C. was KD 1,564,207 as of September 30, 2019 (KD 2,215,078 as of December 31, 2018 and KD 2,327,572 as of September 30, 2018).

The Group's share in the result and reserves of associates for both Ektitab Holding Company K.S.C.P. and AAN Digital Services Holding Company K.P.S.C. has been recognized based on interim condensed consolidated financial information (Unaudited) as of June 30, 2019, resulting in including KD 2,793,939 in the accumulated losses which represents the adoption of these associates for IFRS 9 relevant to debtors ECL for the financial year ended December 31, 2018 and an amount of KD 136,813 which resulted from the group's share in associate reserves (Ektitab Holding Company K.S.C.P.).

The Group's share of result and reserves in Sarh Capital Real Estate Company K.S.C.C has been recognized based on prepared by the management as of September 30, 2019.

During the period the Group sold and purchased shares in Ekttitab Holding Co. K.S.C.P. and AAN Digital Services Holding Co. K.P.S.C. those transaction resulted in losses amounting to KD 394,390 recorded in the interim condensed consolidated statement of profit or loss.

9. Investments at fair value through other comprehensive income

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Financial investments in local shares - quoted	**2,451,417**	4,010,900	-

Investments at fair value through other comprehensive income were evaluated according to the evaluation methods disclosed in (Note – 20).

10. Accounts payable and other credit balances

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Trade payables	**58,338**	59,457	62,134
Due to contractors	**30,386**	102,590	90,857
Provision for amount payable towards purchase of Investment properties	**781,250**	781,250	781,250
Provision for claims	**-**	60,000	100,000
Due to related parties (Note – 16)	**54,280**	54,280	54,280
Dividends payables	**111,711**	111,711	111,711
Accrued expenses	**167,310**	166,555	135,463
Tax Provision	**802,522**	802,522	802,522
Other credit balances	**253,064**	243,993	232,039
	2,258,861	2,382,358	2,370,256

11. Wakala payables

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Wakala payables from investment funds	**2,522,653**	2,522,653	2,522,653

All Wakala payables have matured previously, but have not been renewed, or paid. The Group had ceased to record finance cost. There is a legal dispute with all parties of the Wakala contracts on the amounts that should be paid.

During prior 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" and has submitted a Restructuring Plan for the Wakala payable. The General Counsel head of department issued a judgment accepting the request for restructuring of the facility and the resultant cessation of the civil procedures of litigation and execution. The proposal was registered at the Court of Appeal in Corporate Restructuring Circle for settlement, during the current financial period, the Court of Appeal issued a ruling rejecting the restructuring request, the ruling is currently under appeal through cassation by the Parent Company, no ruling session has been scheduled at the date of the interim condensed consolidated financial position and negotiations are under way with the creditor.

12. Other reserves

	Employees' share options reserve	Group's share in associates reserves	Change in fair value reserve	Total
Balance as of January 1, 2018	490,500	(353,827)	(155,437)	(18,764)
Reclassification from AFS to FVTPL investments through statement of profit or loss on adoption of IFRS 9	-	-	155,437	155,437
Total other comprehensive income for the period	-	(22,393)	-	(22,393)
Balance as of September 30, 2018	490,500	(376,220)	-	114,280
Balance as of January 1, 2019	490,500	(176,932)	(863,032)	(549,464)
Adjustments to the opening balances due to share of the Group in the adjustments reserves of associates	-	(136,813)	-	(136,813)
Total comprehensive income for the period	-	**(380,970)**	**(841,836)**	**(1,222,806)**
Balance as of September 30, 2019	**490,500**	**(694,715)**	**(1,704,868)**	**(1,909,083)**

Employees' share option rights were not used as of the date of the report.

13. Treasury shares

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Number of shares	**17,466,619**	17,466,619	17,466,619
Percentage (%)	**4.3**	4.3	4.3
Market value	**289,636**	344,418	431,426
Cost value	**2,694,680**	2,694,680	2,694,680

The Parent Company is required to retain reserves and share premium equivalent to the cost of treasury shares throughout the period and not distribute it as long as they are held as per instructions of the relevant regulatory authorities. The pledged treasury shares are 8,000,000 shares as of September 30, 2019 (December 31, 2018 8,000,000 shares and September 30, 2018 8,000,000 shares).

14. Loss from investments

	The three months ended September 30		The nine months ended September 30	
	2019	2018	**2019**	2018
Realized loss on sale of investments at fair value through statement of profit or loss	**743**	(48,100)	**(17,690)**	(78,134)
Change in fair value of investments at fair value through statement of profit or loss	**(193,711)**	151,183	**(640,728)**	(652,325)
Dividends	**-**	1,000	**-**	1,000
	(192,968)	104,083	**(658,418)**	(729,459)

15. Loss per share attributable to shareholders of the Parent Company/(fils)

Loss per share attributable to shareholders of the Parent Company are computed by dividing net loss for the period by the weighted average number of shares outstanding during the period excluding treasury share and the following are the loss per share calculation:

	The three months ended September 30		The nine months ended September 30	
	2019	2018	**2019**	2018
Net loss for the period attributable to Shareholders of the Parent Company	**(386,078)**	(39,370)	**(1,525,971)**	(2,111,745)
Weighted average of outstanding shares:				
Number of issued shares	**407,065,225**	407,065,225	**407,065,225**	407,065,225
Less: Weighted average of treasury shares (share)	**(17,466,619)**	(17,466,619)	**(17,466,619)**	(17,466,619)
Weighted average of outstanding shares during the period/(share)	**389,598,606**	389,598,606	**389,598,606**	389,598,606
Loss per share attributable to Shareholders of the Parent Company/(fils)	**(0.99)**	(0.1)	**(3.92)**	(5.42)

16. Related parties' transactions

Related parties include Parent Company's shareholders who have representation in the board of directors, major shareholders, companies at which members of the board of directors of the parent company participate in their management, also, major shareholder, In the normal course of business, subject to the Parent Company's management approval, there were transactions with the major shareholder and the subsidiaries. Those transaction were carried out in accordance with the same terms of dealing with other parties, approved by the board of directors. Other than what was disclosed elsewhere those are the transactions with the related parties:

	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Interim condensed consolidated statement of financial position			
Due from related parties (Note – 6)	**4,986,904**	5,033,162	10,808,604
Due to related parties (Note – 10)	**54,280**	54,280	54,280
Top management's benefits	**15,737**	9,534	7,837

	The three months ended September 30		**The nine months ended September 30**	
	2019	2018	**2019**	2018
Interim condensed consolidated statement of profit or loss				
Top management's benefits	**12,712**	19,502	**36,003**	41,310

The Group manages portfolios on behalf of related parties, the net assets of those portfolios amounted to KD 1,700,393 as of September 30, 2019 (KD 6,028,663 as of December 31, 2018 and KD 6,297,210 as of September 30, 2018) they were included off the interim condensed consolidated statement of financial position.

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

17. Segment distribution

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

- Real estate segment: represent developing and selling land and properties.
- Investment segment: represent direct investment and portfolios management and investment funds for third party.

Analysis of the financial information according to segments for the nine months period ended 30 September is as follows:

	Real estate		Investment		Total	
	2019	2018	**2019**	2018	**2019**	2018
Segment losses	**-**	2,512	**(1,037,506)**	(1,667,315)	**(1,037,506)**	(1,664,803)
Segment results	**-**	2,512	**(1,037,506)**	(1,667,315)	**(1,037,506)**	(1,664,803)
Segment assets	**655,196**	1,165,567	**22,256,553**	24,354,227	**22,911,749**	25,519,794
Segment liabilities	**811,636**	872,107	**4,166,446**	4,196,607	**4,978,082**	5,068,714

	2019	2018
Total segment result	**(1,037,506)**	(1,664,803)
Other income	**44,006**	73,999
Charged of provisions	**-**	(3,489)
Other expenses	**(586,974)**	(576,404)
Net loss for the period	**(1,580,474)**	(2,170,697)
Total segment assets	**22,911,749**	25,519,794
Cash and cash equivalents	**311,587**	419,197
Accounts receivable and other debit balances	**5,340,101**	11,254,386
Property and equipment	**12,944**	20,241
Total assets	**28,576,381**	37,213,618

18. Contingent liabilities and contingent assets

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 of September 30, 2019 (KD 5.6 million approximately as of December 31, 2018 and KD 5.6 million approximately as of September 30, 2018). There is a legal decision issued from the Court of Cassation to enforce the Group to payback the due amount. The Group has signed a settlement agreement to settle these obligations against payment of KD 3.5 Million. As of March 31, 2019. The Group has paid an amount of KD 3.4 Million from the settlement amount and made necessary provisions for the unpaid amounts. During the current financial period all due amounts were settled.
- There is a lawsuit for settlement of accounts from one of the investment properties creditors. The Creditor filed a case against the parent company but it was rejected in the Court of first instance and creditor had appealed against the ruling. The proceedings were suspended as the Parent Company is subject to financial stability law. During the current financial year, the Court of Appeal issued a ruling rejecting the restructuring request, the rule is currently under appeal through cassation by the Parent Company, no ruling session has been scheduled at the date of the interim condensed consolidated financial position.
- The Group has provided a solidarity collateral against Murabahas payable granted to a related party of KD 2,116,073 as of September 30, 2019 (KD 2,116,073 as of December 31, 2018 and KD 2,116,073 as of September 30, 2018). There are disputes with respect to those Murabahas. There was a Court judgment from a foreign Court in favor of the lender who filed a lawsuit to execute the above mentioned Judgment in the Kuwait Court. During the year 2016, the Court's judgment was issued to revoke the case. During the previous years, the lender filed a new case regarding the merit of the dispute. During the previous years, the judgement was issued to refer the case to the expert department. The case is currently being deliberated before the expert department.

Contingent assets

- The Parent Company has filed a case against certain foreign parties to recover loss resulted from purchase of some properties in Abu Dhabi, United Arab Emirates. The Court of Appeal of Abu Dhabi issued a judgment in favor of the Group to pay an amount of UAE Dirham 76 million approximately (KD 6 million approximately) as of September 30, 2018 (December 31, 2018 KD 6 million approximately and September 30, 2018 KD 6 million approximately) in addition to pay delay interests of 5% per year. They have filed an appeal against this judgment and the Court of Cassation upheld the judgment to the Court of Appeal's judgment obligating the litigant to pay the amount. It is currently in process of executing this judgment.
- There is a lawsuit filed by the Parent Company against an external party that nullifies the share purchase contract amounting to KD 1,575,000.On November 11, 2019, the first instance judgment was issued in favor of the Parent Company.

19. Shareholders' ordinary General Assembly

The Shareholders' General Assembly was held on April 9, 2019 and approved the consolidated financial statements for the year ended December 31, 2018. approved the Board of Directors' recommendation not to distribute dividends for the financial year ended December 31, 2018 as well as not to distribute remuneration to the Board of Directors for the financial year ended December 31, 2018.

20. Financial instruments

A- Categories of financial instruments

The Group's financial assets and financial liabilities are categorized in the interim condensed consolidated statement of financial position as follows:

Financial assets	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Cash and cash equivalents	**311,587**	455,997	419,197
Investment at fair value through statement of profit or loss	**1,845,058**	2,340,796	2,538,586
Accounts receivable and other debit balances	**5,164,193**	5,318,630	11,264,953
Investment in associates	**17,960,078**	22,136,390	21,815,641
Investments at fair value through other comprehensive income	**2,451,417**	4,010,900	-
	27,732,333	34,262,713	36,038,377

Financial liabilities	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)	September 30, 2018 (Unaudited)
Accounts payable and other credit balances	**2,258,861**	2,382,358	2,370,256
Wakala payables	**2,522,653**	2,522,653	2,522,653
	4,781,514	4,905,011	4,892,909

B- Fair value of the financial instruments

The fair value of the financial instruments is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Group has used the assumptions and accepted methods in the assessment of fair values of financial instruments. The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active market are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flows using prices from observable current market transactions and dealer quotes for similar instrument.

The fair value of the financial instruments carried at amortized cost is not significantly different from their carrying value

The following table presents financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy group's financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

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

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

September 30, 2019:	Level 1	Level 2	Level 3	Total
Investments at fair value through statement of profit or loss				
Financial investments in local shares – quoted	**1,761,578**	-	-	**1,761,578**
Financial investments in local funds – unquoted	-	**82,952**	-	**82,952**
Financial investments in local shares – unquoted	-	-	**528**	**528**
Investments at fair value through other comprehensive income				
Financial investments in local shares – quoted	**2,451,417**	-	-	**2,451,417**
Total	**4,212,995**	**82,952**	**528**	**4,296,475**

September 30, 2018:	Level 1	Level 2	Level 3	Total
Investments at fair value through statement of profit or loss				
Financial investments in local shares – quoted	2,189,581	-	-	2,189,581
Financial investments in local funds – unquoted	-	348,477	-	348,477
Financial investments in local shares – unquoted	-	-	528	528
Total	2,189,581	348,477	528	2,538,586

21. Consignment assets

The Group manages portfolios on behalf of other parties, the net assets of those portfolios amounted to KD 1,845,681 as of September 30, 2019 (KD 6,241,120 as of December 31, 2018 and KD 6,526,097 as of September 30, 2018), the balances for those portfolios are not present in the interim condensed consolidated financial position.