Commercial Real Estate Company K.P.S.C.
And Subsidiaries
State of Kuwait

Consolidated Financial Statements And Independent Auditors' Report
For the year ended 31 December 2015

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Contents

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Commercial Real Estate Company K.P.S.C.
State of Kuwait

Independent Auditors' Report to the Shareholders

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commercial Real Estate Company – K.P.S.C ("the Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Parent Company's Management for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2015, its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's board of directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out; and that, to the best of our knowledge and belief, no violations of the Companies Law No 1 of 2016, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 31 December 2015 that might have had a material effect on the business of the Group or on its financial position.

Bader A. Al-Wazzan
License No. 62A
Deloitte & Touche, Al-Wazzan & Co.

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

Kuwait, 15 February 2016

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Consolidated Statement of Financial Position as at 31 December 2015

(All amounts are in Kuwaiti Dinars)

	Notes	2015	2014
Assets			
Non-current assets			
Property, plant and equipment	5	29,148,315	29,158,985
Projects in progress		-	1,730,774
Investment property	6	358,617,417	286,144,100
Investments in associates	7	23,806,575	32,673,424
Available for sale investments	8	21,352,246	21,943,443
		432,924,553	371,650,726
Current assets			
Land and real estate held for trading	9	8,866,615	8,535,263
Investments at fair value through profit or loss	10	27,289,220	18,544,029
Receivables and other debit balances	11	9,871,068	6,567,722
Cash and cash equivalents	12	7,006,106	6,529,424
		53,033,009	40,176,438
Total assets		485,957,562	411,827,164
Equity and liabilities			
Equity			
Share Capital	13	178,708,714	170,198,775
Share premium		1,308,384	1,308,384
Treasury shares	14	(2,058,200)	(1,808,875)
Statutory reserve	15	32,321,599	30,163,475
Voluntary reserve	16	25,519,392	24,440,329
Other reserves	17	9,062,876	8,398,606
Retained earnings		33,934,717	35,187,204
Total equity attributable to shareholders of the Parent Company		278,797,482	267,887,898
Non-controlling interests		39,571,131	12,379,733
Total equity		318,368,613	280,267,631
Non-current liabilities			
Employees' end of service indemnity		1,200,862	1,073,375
Financing from third party – non current portion	18	116,225,325	96,740,402
		117,426,187	97,813,777
Current liabilities			
Payables and other credit balances	19	22,687,836	10,578,282
Financing from third party – current portion	18	27,474,926	23,167,474
		50,162,762	33,745,756
Total liabilities		167,588,949	131,559,533
Total equity and liabilities		485,957,562	411,827,164

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

Abdul Fatah M.R. Marafie
Chairman

Adwan M. Al-Adwani
Vice Chairman

Commercial Real Estate Company K.P.S.C
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Consolidated Statement of Income for the Year Ended 31 December 2015

(All amounts are in Kuwaiti Dinars)

	Notes	2015	2014
Revenue			
Net investment property income	20	17,266,012	29,452,543
Gains on sale of lands and real estates held for trading		127,899	232,606
Net income from investments in associates		1,063,530	1,607,115
Gains on reclassification of investment into subsidiary	7	10,013,600	-
Net income from financial investments	21	2,382,416	1,290,240
Hotel operating losses		(421,268)	(860,829)
Other income / (losses)	22	1,367,806	(52,463)
Total revenues		31,799,995	31,669,212
Expenses and Other Charges			
Staff costs		2,606,455	2,979,176
Expenses and other charges		705,063	1,074,137
Finance costs		4,935,663	4,622,229
Provisions and impairment		1,295,467	671,503
Total expenses		9,542,648	9,347,045
Net profit before deductions		22,257,347	22,322,167
Contribution to KFAS		(159,999)	(161,227)
National Labour Support Tax		(518,383)	(498,163)
Zakat		(183,465)	(126,918)
Board of directors' remuneration		(128,000)	-
Net profit for the year		21,267,500	21,535,859
Attributable to:			
Shareholders of the Parent Company		20,591,397	18,922,382
Non-controlling interests		676,103	2,613,477
		21,267,500	21,535,859
Earnings per share for Parent Company's shareholders (fils)	23	11.66	10.67

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

Commercial Real Estate Company K.P.S.C
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Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

(All amounts are in Kuwaiti Dinars)

	2015	2014
Net profit for the year	21,267,500	21,535,859
Other Comprehensive Income		
Items that may be reclassified subsequently to statement of income:		
Change in fair value of available for sale investments	(1,388,680)	2,495,118
Group's share in associates' reserves	1,882,955	(20,043)
Foreign currency translation	171,862	50,208
Total other comprehensive income	666,137	2,525,283
Total comprehensive income for the year	21,933,637	24,061,142
Attributable to:		
Shareholders of the Parent Company	21,255,667	21,447,665
Non-controlling interests	677,970	2,613,477
	21,933,637	24,061,142

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

Commercial Real Estate Company K.P.S.C
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Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

(All amounts are in Kuwaiti Dinars)

	Equity Attributable to Shareholders of the Parent Company									
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 17)	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2014	170,198,775	1,308,384	(532,115)	28,192,606	23,454,895	5,873,323	29,320,650	257,816,518	10,738,652	268,555,170
Net profit for the year	-	-	-	-	-		18,922,382	18,922,382	2,613,477	21,535,859
Total comprehensive income	-	-	-	-	-	2,525,283	-	2,525,283	-	2,525,283
Buy-back of treasury shares	-	-	(1,276,760)	-	-	-	-	(1,276,760)	-	(1,276,760)
Cash dividends	-	-	-	-	-	-	(10,145,051)	(10,145,051)	-	(10,145,051)
Transfered to reserves	-	-	-	1,970,869	985,434	-	(2,956,303)	-	-	-
Effect of acquisition of additional share in subsidiary	-	-	-	-	-	-	45,526	45,526	(369,371)	(323,845)
Subsidiary' cash dividends	-	-	-	-	-	-	-	-	(603,025)	(603,025)
Balance as at 31 December 2014	170,198,775	1,308,384	(1,808,875)	30,163,475	24,440,329	8,398,606	35,187,204	267,887,898	12,379,733	280,267,631
Balance as at 1 January 2015	170,198,775	1,308,384	(1,808,875)	30,163,475	24,440,329	8,398,606	35,187,204	267,887,898	12,379,733	280,267,631
Net profit for the year	-	-	-	-	-	-	20,591,397	20,591,397	676,103	21,267,500
Other comprehensive income	-	-	-	-	-	664,270	-	664,270	1,867	666,137
Buy-back of treasury shares	-	-	(249,325)	-	-	-	-	(249,325)	-	(249,325)
Bonus shares distribution (note 25)	8,509,939	-	-	-	-	-	(8,509,939)	-	-	-
Cash dividends (note 25)	-	-	-	-	-	-	(10,116,334)	(10,116,334)	-	(10,116,334)
Transfered to reserves	-	-	-	2,158,124	1,079,063	-	(3,237,187)	-	-	-
Effect of acquisition of additional share in subsidiary	-	-	-	-	-	-	19,576	19,576	(172,080)	(152,504)
Reclassification of investment into subsidiary (note 24)	-	-	-	-	-	-	-	-	27,265,755	27,265,755
Subsidiary' cash dividends	-	-	-	-	-	-	-	-	(580,247)	(580,247)
Balance as at 31 December 2015	178,708,714	1,308,384	(2,058,200)	32,321,599	25,519,392	9,062,876	33,934,717	278,797,482	39,571,131	318,368,613

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

Commercial Real Estate Company K.P.S.C
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Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

(All amounts are in Kuwaiti Dinars)

	Notes	2015	2014
Cash flows from operating activities			
Net profit for the year		21,267,500	21,535,859
Adjustments for:			
Change in fair value of investment property		(3,704,454)	(14,426,947)
Gains on disposal of investment property		(1,317,200)	(4,131,140)
Gains on reclassification of investment into subsidiary	7	(10,013,600)	-
Net income from investments in associates		(1,063,530)	(1,607,115)
Net income from financial investments		(2,382,416)	(1,290,240)
Difference foreign exchange valuation		(30,546)	188,437
Depreciation		1,623,325	2,188,629
Finance costs		4,935,663	4,622,229
Provisions		1,295,467	671,503
Employees' end of service indemnity – provided during the year		260,503	273,079
Operating profits before changes in the working capital		10,870,712	8,024,294
Land and real estate held for trading		(331,352)	(588,392)
Investments at fair value through profit or loss		(9,622,501)	(11,371,669)
Receivables and other debit balances		(2,395,902)	(615,075)
Payables and other credit balances		(581,275)	(1,526,296)
Cash used in operations activities		(2,060,318)	(6,077,138)
Employees' end of service indemnity – paid for the year		(164,601)	(151,836)
Net cash used in operating activities		(2,224,919)	(6,228,974)
Cash flows from investing activities:			
Payment for purchase of property, plant and equipment		(1,369,792)	(1,586,351)
Payment for projects in progress		-	(3,081,908)
Payment to acquire investment property		(720,889)	(2,667,321)
Proceeds from disposal of investment property		6,000,000	15,500,000
Proceeds from Murabaha at banks and financial institutions		-	2,000,000
Payment to acquire an additional share in a subsidiary		(129,385)	(323,845)
Net cash inflow on acquisition of subsidiary	24.2	4,981,791	-
Payment to acquire shares in associates		(3,091,740)	(5,124,730)
Net cash flow on disposal of associates		-	312,084
Dividends received from associates		785,294	1,019,793
Payment to acquire available for sale investments		(4,621,809)	(807,689)
Proceeds on sale of available for sale investments		5,497,552	295,375
Cash dividends received		1,540,660	1,200,516
Net cash generated from investing activities		8,871,682	6,735,924
Cash flows from financing activities:			
Finance from third parties		9,710,675	18,259,678
Payment for buy-back of treasury shares		(249,325)	(1,276,760)
Cash dividends paid		(9,638,406)	(10,128,607)
Finance costs paid		(5,412,778)	(3,976,094)
Non-controlling interests		(580,247)	(603,025)
Net cash (used in)/ generated from financing activities		(6,170,081)	2,275,192
Net change in cash and cash equivalents		476,682	2,782,142
Cash and cash equivalents at beginning of the year		6,529,424	3,747,282
Cash and cash equivalents at end of the year	12	7,006,106	6,529,424

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

Notes to the Consolidated Financial Statement for the Year Ended 31 December 2015
(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

The Commercial Real Estate Company (K.P.S.C) ("the Parent Company") was incorporated as a Kuwaiti Shareholding Closed Company under Articles of Association No. 104/ M/ Vol.1 on 4 February 1968 under Commercial register No. 11329 and re-enrolled on 21 December 1981 under No. 239 in accordance with provision of the Commercial Companies Law. The main objectives of the Company are performing various real estate, agricultural, industrial and commercial activities, carrying out contracting, road and building constructions including sale, purchase and lease of land and real estate properties and construction of buildings, utilize the company's surpluses through investment portfolios managed by specialized companies and financial institutions; and establishing and managing real estate funds for its own account and for third parties. The Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The Company may also purchase such entities or affiliate them, or as stated in Company's Articles of Association, article No. 5 and Memorandum of Association, article No. 4. The Company's management shall carry out all its objectives for which it has been established in accordance with the Noble Islamic Sharia principles.

The head office of the Company is located at Jaber Al-Mubarak Street, Commercial Real Estate Company's Building, Sharq, P.O. Box. 4119 Safat, 13042 Kuwait.

The Company has been registered in the Kuwait Stock Exchange on 21 December 2004.

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries set out in note (24), ("together referred to as the Group").

On 1 February 2016, the new Companies Law no. 1/2016 was published in the Official Gazette which is effective from 26 November 2012.

According to the new law, the companies law No. 25 of 2012 and its amendments have been cancelled however, its Executive Regulations will continue until a new set of Executive Regulations are issued.

The consolidated financial statements were authorized for issue by the Board of Directors on 15 February 2016.

2. Basis of Preparation and Significant Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). These consolidated financial statements have been prepared on the historical cost basis except for certain investment property and financial instruments that are re-measured at fair value, as explained in the accounting policies below. These accounting policies of the group have been consistently applied to all years presented, except as stated in note 2.2 in relation to adoption of new and revised International Financial Reporting Standards.

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

New and revised IFRSs issued and became effective

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments should applied retrospectively. This amendment is not relevant to the Group, since none of the Group's entities has defined benefit plans with contributions from employees or third parties.

Annual improvements 2010-2012 Cycle

- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures

Annual improvements 2011-2013 Cycle

- IFRS 3 Business Combinations
- IFRS 13 Fair Value Measurement
- IAS 40 Investment Property
- Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 27: Equity Method in Separate Financial Statements

The Group has applied the amendments to IFRSs included in the annual improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle for the first time in the current year. The application of these amendments had no impact on the disclosures or amounts recognized in the Group's consolidated financial statements.

New and revised IFRSs in issue but not yet effective

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

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is in the process of assessment the impact of IFRS 9 on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and introduced a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is in the process of assessment the impact of IFRS 15 on its consolidated financial statements.

Amendments to IFRS 11 Accounting for Acquisitions of Interest in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations occurring from the beginning of annual periods beginning on or after 1 January 2016. These amendments are not expected to have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. These amendments are not expected to have any impact on the Group.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The Amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset except for certain cases.

The Amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group use the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Group's management believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets. These amendments are not expected to

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. However, any gain or loss resulting from the sale or contribution of assets that do not constitute a business is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10, IFRS 12 and IAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. These amendments are not expected to have any impact on the Group

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016 and are not expected to have a material impact on the Group. They include:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*
- *IFRS 7 Financial Instruments: Disclosures*
- *IAS 19 Employee Benefits*

2.3 Significant Accounting Policies

2.3.1 Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affects its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the Company losses control over the subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date in which the Company gains control until the date when Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests that have previously been recognised in the consolidated statement of other comprehensive income are reclassified to consolidated statement of income where such treatment would be appropriate if that interest were fully disposed off.

Goodwill

Goodwill, arising on an acquisition of a subsidiary, is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations taken in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted in order to recognise the changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the investment's carrying amount and is neither amortised nor individually tested for impairment. The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of results of an associate and a joint venture is shown on top of the consolidated statement of income off the operating profit and also represents the profit or loss after deducting tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the associate or joint venture. At each reporting date, the Group determines whether there is an objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Impairment of an associate or a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture, upon loss of significant influence or joint control, and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

2.3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any subsequent accumulated impairment losses. Cost includes the purchase price and any directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance.

Property, plant and equipment depreciation is calculated using the straight line method on the basis of estimated useful lives except for land. Property, plant and equipment amount is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period. Change in estimations are accounted for as of the beginning of the financial year in which the change arises.

Gains or losses on disposals of property, plant, and equipment are determined by the difference between the sales proceeds and the net carrying amount of the asset and is recognized in the consolidated income statement.

2.3.3 Projects in Progress

Incurred costs are charged to construction or production of capital assets under projects in progress till construction or production of these assets is complete, at which time it is reclassified as property, plant and equipment, investment property, or trading properties. Porjects in progress costs include all direct costs and other costs attributable on a reasonable basis.

Land and properties under development to be used as investment property are considered as investment property recognized at cost and then re-measured at fair value through accredited independent valuers where the lower valuation is adopted. In case there is no reliable method for measuring the fair value of such land under development, the properties are recognized at cost till the date of completion of developing the property or the date of reliably determining their fair value, whichever occurs first.

2.3.4 Investment property

Investment property are properties held to earn rentals and / or capital appreciation (including property under construction for such purposes). Investment property are measured initially at cost, including transaction costs .

Subsequent to initial recognition, investment property are measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on disposal of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the period in which they arise.

2.3.5 Impairment of Tangible and Intangible Assets Other than Goodwill

At the end of each reporting period, the Group reviews the tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal or value in use. Impairment losses are recognised in the income statement for the year in which they arise. When an imapirament is reversed, the impairment is recognised to the extent of the net carrying amount had no impairment been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of income.

2.3.6 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of income.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. The Group has determined the classification of its financial assets as follows:

Financial assets as fair value through profit or loss

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any resultant gains or losses arising from remeasurement recognised in the consolidated statement of income. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. The net gain or loss recognised in the consolidated statement of income incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in (note 3.3).

Available for sale financial assets (AFS)

AFS are non-derivatives financial assets not classified as (a) loans and receivables, (b) held-to-maturity or (c) financial assets at fair value through profit or loss.

The available for sale financial assets is re-measured at fair value. The fair value is determined in the manner described in note 3.3.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of changes in fair value reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. Foreign exchange gains and losses are recognised in other comprehensive income items.

Loans and debtors

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables and cash at banks) are measured at amortised cost using the effective interest method, less any impairment.

Impairment in value

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced by making an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the cosolidated statement of income.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the consolidated statement of income for the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through consolidated statement of income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in the consolidated statement of income are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of income.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are recognised initially at fair value, net of transaction costs incurred and remeasured at amortised cost using the effective interest method.

Derecognition

The Group derecognises financial liabilities only when the Group's obligations are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of income.

Offsetting

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

2.3.7 Land and properties held for trading

Land and real estate held for trading are stated at cost when acquired. Cost is determined on an individual basis for such land or real estate, cost represents the fair value of the consideration given, plus ownership transfer fee and brokerage expenses. Land and real estate held for trading are classified under current assets and are valued at the lower of cost or net realisable value on an individual basis. Net realisable value is determined on the basis of estimated sale value, less the estimated expenses necessary to complete the sale. Gains and losses from the sale of land and property held for trading are reported in the consolidated statement of income by the difference between sale value and its book value.

2.3.8 Employees' end of service indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment. Regarding the Non-Kuwaitis labour in other countries; the indemnity is calculated based on law applicable in these countries. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of employees on the consolidated financial statement's date. The management expects that this method would result in a reliable approximation of the present value of the Group's liability.

2.3.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.3.10 Equity, reserves and dividend payments

Issued ordinary shares are recorded within equity. Direct costs relating to issuing of shares are stated as discounted from the amounts received for issuing these shares within equity under share premium. Share capital represent the nominal value of the shares issued.

Dividends are recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the shareholders.

2.3.11 Treasury shares

Treasury shares represent the Parent Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity when the treasury shares are disposed; gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account in the limit of its credit balance, any additional losses are charged to retained earnings to reserves and then to premium. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

2.3.12 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment where the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign exchange gains and losses are resulted from the settlement of such transactions and from the translation at year-end in the income statement.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows (other than companies, which are operating in high inflation countries):

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that consolidated financial statements.
- Income and expenses for each income statement are translated at average exchange rates.
- All resulting exchange differences are recognized as a separate component of equity.

2.3.13 Revenue recognition

Gains and losses resulted from the sale of financial investments, investment property and land and real estate held for trading are recognised in consolidated statement of income when sale is completed. Sale is completed when the risks and rewards related to the assets sold are transferred to the buyer.

Rental income from investment property are recorded as mentioned in note (2.3.15).

Hotel income is recognized when the services are performed and completed for clients.

Dividends income resulted from investment is recognized in the consolidated statement of income when the right to receive them is established.

2.3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.3.15 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

2.3.16 Zakat and Deductions

Responsibility of paying zakat lies on the shareholders and not the company.

The Group calculates zakat and NLST in accordance with the Ministry of Finance resolution No. 46 of 2006 and No. 19 of 2000. They are recognized as expense in the relevant period on accrual basis.

The Group's contribution to KFAS is recognized as an expense in the relevant period on accrual basis.

3. Financial risk management

3.1 Financial risks

The group's activities expose it to a variety of financial risks, which are market risks (which include foreign currency risks and risks of Fair value resulting from interest rates, and risks of fluctuations in cash flows resulting from changes in interest rates, and market prices risks) in addition to credit risk and liquidity risks.

The group's risk management focuses on the unpredictable issues in the financial markets in order to reduce the potential negative impact on the financial performance of the group to the minimum. The Group currently does not use hedging instruments to manage its exposure to these risks.

A) Market risk

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates.

The Group is exposed to this risk as a result of holding financial assets and liabilities in foreign currencies, primarily in US Dollar, Sterling Pound and Bahraini Dinar. The Group's management monitoring the change in exchange rates of foreign currencies that might negatively affect the Group's results.

The following is the net positions of foreign currencies denominated in KD as at the consolidated financial statements date:

	2014	2015
US Dollar	26,062,840	21,244,565
Sterling Pound	9,800,070	8,960,064
Bahrain Dinar	21,029,252	19,211,732
Other	15,824,786	9,833,256

The following is the effect of change of foreign exchange rates by 5% against Kuwaiti Dinar, with all other variables are held constant on the Group's equity/consolidated statement of income:

	2015		2014	
	Equity	Statement of income	Equity	Statement of income
US Dollar	519,295	783,847	387,578	674,650
Sterling Pound	243,489	246,514	192,299	255,704
Bahrain Dinar	28,103	1,023,360	25,752	934,935
Other	104,493	686,747	73,832	417,831

Interest rate risks

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Group is not exposed to interest rate risk as the group works under noble Principales of Islamic Sharia.

Fair value risks

Equity price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. Financial instruments, which potentially subject the market risk, consist of investment at fair value through statement of income, investments available for sale. The Group manages this risk by diversifying its investments on the basis of the pre-determined asset allocations across various categories, continuous appraisal of market conditions and trends and management estimate of long and short term changes in fair value. The Group maintains its quoted investments with specialized investment companies. Monthly reports on investments performance are sent to the Group management for follow up and decisions making . Effect of the fair value changes in the market prices is considered to be limited relatively to the Group's activity.

B) Credit risk

Credit risk is the risk that the Group will incur a loss due to the inability of one party to the financial instrument to meet its obligation to the Group. The credit policy is monitored on an ongoing basis. The Group seeks to avoid credit concentration with individuals or group of customers in particular location or activity. The assets exposed to credit risk represented in cash at banks, murabaha at banks and financial institutions, trade receivables and related parties. The Group receives the appropriate guarantees from customers classified under trade receivables. The cash balances are deposited in financial institutions with good credit reputation, and most of the debit balances exposed to credit risk is concentrated in related parties which have a good credit reputation and there are contractual agreements with those parties defining the terms of repayments. The amounts of the assets exposed to credit risk are not materially different from the corresponding carrying values in the consolidated financial statements.

C) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, and long-term funding and liquidity management requirements. The Group manages liquidity risk through maintaining adequate basket of assets, which are easily convertible into cash and also by securing of banking facilities and financing reserves in addition to ongoing monitoring of the expected and actual cash flows and maturity profile of financial assets and liabilities.

The table below analyses the non-derivative financial liabilities based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The maturities of undiscounted financial liabilities as at 31 December 2015 are as follows:

	2015		
	Within 3 months	**From 3 months to one year**	**1-5 years**
Financing from third party	8,405,372	24,752,693	126,158,819
Accounts payable	1,725,710	19,767,694	-

	2014		
	Within 3 months	**From 3 months to one year**	**1-5 years**
Financing from third party	8,207,886	19,159,660	104,831,247
Accounts payable	2,494,607	6,580,724	-

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, enabling it to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's capital structure consists of finance obtained from third party less cash and cash equivalents in addition to equity.

The Group manages the capital risk by continuously monitoring the gearing ratio.

The gearing ratio at year end was as follows:

	2015	**2014**
Financing from third party	143,700,251	119,907,876
Less: cash and cash equivalents	(7,006,106)	(6,529,424)
Net debt	136,694,145	113,378,452
Total equity	318,368,613	280,267,631
Debt ratio (%)	42,94	40.45

3.3 Fair value estimation

The fair values of financial assets and liabilities are estimated as follows.

- Level 1 Quoted prices in active markets for quoted financial instruments.
- Level 2 Quoted prices in an active market for similar instruments. Prices for similar instruments in inactive market. Other valuation methods where all the important inputs are based on comparative market data either directly or indirectly.
- Level 3 Valuation methods in which the inputs that are not based on any comparative market data.

Fair value of financial assets and liabilities of the Group measured at fair value on a periodical basis:

Financial assets	Fair value as at 2015	Fair value as at 2014	Date of valuation	Fair value level	Valuation methods and key inputs	Significant unobservable inputs	Relation of unobservable inputs to fair value
Available for sale investments:							
- Qouted shares	914,285	1,137,800	31 December	First	Last bid price	N/A	N/A
- Managed special ownership	20,400,826	20,742,851	31 December	Second	Net unit value announced	N/A	N/A
- Unqouted shares	37,135	62,792	31 December	Third	Technical valuation methods	Carrying amount adjusted for market risk	The higher market risk the lower the fair value
Investments at fair value through statement of income:							
- Managed special ownership	27,289,220	18,544,029	31 December	Second	Net unit value announced	N/A	N/A

Fair value of financial assets and liabilities of the Group not measured at fair value on a periodical basis:

	31 December 2015 Carrying amount	31 December 2015 Fair value	31 December 2014 Carrying amount	31 December 2014 Fair value
Financial assets:				
- Due from related parties	112,105	112,105	154,107	154,107
- Trade and other receivables	9,758,963	9,758,963	6,413,615	6,413,615
- Cash and cash equivalents	7,006,106	7,006,106	6,529,424	6,529,424
	16,877,174	16,877,174	13,097,146	13,097,146
Financial liabilities:				
- Finance from third parties	143,700,251	142,733,342	119,907,876	117,868,017
- Accounts payables and other credit balances	22,684,836	22,684,836	10,578,282	10,578,282
	166,388,087	165,421,178	130,486,158	128,446,299

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. There is no transfers between fair value levels during the year.

4. Significant Accounting estimates and Judgments

In the application of the Group's accounting policies, the management are required to make judgments and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and future periods if the revision affects both current and future periods. The following are the key assumptions concerning the future, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Control over Al-Salmiya Group

Note (24) sets out that Al-Salmiya Group company is a subsidiary of the Group although the Group owns 45.92% this judgement was made based on the majority of voting rights in the Board of Directors and therefore the Group has the ability to direct and affects its relevent activities and returns from those activities. Also, the other shares are attributable to asscoiates of the Group. Accordingly, the Company's management concluded that the Group has contols over Al-Salmiya Group Company.

Classification of investments

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

The Group classifies investments as "at fair value through statement of income" if they are acquired primarily for the purpose of short term profit making or if they are designated at fair value through statement of income at acquisition, when their fair values can be reliably estimated. All other investments are classified as "available for sale".

Fair value measurements and valuation techniques

Certain assets and liabilities of the Group are measured at fair value for the purposes of preparing the financial statements. The Group management determines the main appropriate techniques and inputs required for measuring the fair value. In determining the fair value of assets and liabilities, management uses observable market data as appropriate, in case no observable market data is available the Group uses an external valuer qualified to do the valuation. Information regarding the required valuation techniques and inputs used to determine the fair value of financial assets and liabilities is disclosed in note (3.3).

Valuation of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in the consolidated statement of income. The Group engaged independent valuation specialists to estimate fair values. The valuers have used valuation techniques to estimate these fair values. These estimated fair values of investment property may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (note 6).

Impairment of tangible and intangible assets

The Group reviews the tangible and intangible assets on a continuous basis to determine whether a provision for impairment should be recorded in the consolidated statement of income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Evidence of impairment of investments

The Group treats available for sale investments as impaired when there has been a significant or prolonged decline in the value of available for sale investments. The determination of what is "significant" or "prolonged" requires significant judgment in this regard. The Group evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments. Impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Note (21) sets out the impact of that on the consolidated financial statements.

Impairment of associates

Impairment testing of the associate is carried out when there is an indication of such impairment. Impairment is assessedfor the intire carrying value of the group's investment in the associate including goodwill, therefore no impairment study for goodwill is required independently. Note (7) shows this effect on the consolidated financial statements.

Impairment of receivables

Impairment of receivables is assessed on basis of the Group's past experience of probability of collection, an increase in the number of days late of making payment beyand the average credit period, as well as observable changes in domistic and international economic conditions that default on repayment. Impairment of due receivable balances is recognized when there are satisfactory reasons that other parties cannot pay as per the original contructual conditions. Note (11) sets out the impact of that on the consolidated financial statements.

Contingent liabilities

Contingent liabilities arise as a result of a past events confirmed only by the occurrence or non-occurrence of one or more of uncertain future events not fully within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities is based on management's judgment (note 28).

5. Property, plant and equipment

	Land and buildings	Furniture & fittings	Furniture & utensils	Office equipment	Working under progress	Total
Cost						
Balance at 1 January 2014	24,119,752	10,268,282	3,599,416	667,534	-	38,654,984
Additions	1,528,038	-	-	60,057	-	1,588,095
Disposals	-	-	(13,500)	(1,080)	-	(14,580)
Balance at 31 December 2014	25,647,790	10,268,282	3,585,916	726,511	-	40,228,499
Additions	950,096	174,138	110	245,448	-	1,369,792
Acquisation through business combination	-	550	-	29,522	212,792	242,863
Balance at 31 December 2015	26,597,886	10,442,970	3,586,026	1,001,481	212,792	41,841,154
Accumulated depreciation						
Balance at 1 January 2014	1,867,999	3,557,088	2,838,726	629,908	-	8,893,721
Depreciation for the year	511,361	995,347	657,749	24,172	-	2,188,629
Disposals	-	-	(12,390)	(446)	-	(12,836)
Balance at 31 December 2014	2,379,360	4,552,435	3,484,085	653,634	-	11,069,514
Depreciation for the year	511,381	1,016,113	42,932	52,899	-	1,623,325
Balance at 31 December 2015	2,890,741	5,568,548	3,527,017	706,533	-	12,692,839
Net carrying value						
As at 31 December 2015	23,707,145	4,874,422	59,009	294,948	212,792	29,148,315
As at 31 December 2014	23,268,430	5,715,847	101,831	72,877	-	29,158,985
Useful lives (year)	40	5-10	5	3-6	-	

Land and buildings are pledged for local financial institutions against the finance obtained by the Group (note 18).

6. Investment property

This represents in commercial, residentral propertie and lands most of which are located in the State of Kuwait. The movement on investment property during the year was as follows:

	2015	2014
Balance at 1 January	286,144,100	257,247,496
Additions during the year	720,889	2,667,321
Sales during the year	(4,682,800)	(11,368,860)
Transferred from projects in progress	1,730,774	23,171,196
Change in fair value	3,704,454	14,426,947
Acquisition through business combination (note 24.2)	71,000,000	-
Balance at 31 December	358,617,417	286,144,100

The fair value of the Group's investment property as at 31 December 2015 are estimated based on valuations carried out on that date by independent valuers not related to the Group. The independent valuers are liciened from the relevent regulatory bodies , and they have appropriate qualifications and recent experiences in valuation of properties at the relevant locations. The fair value of investment property was determined based on market comparable approach that reflects recent transactions prices for similar properties (level 2) and "net discounted cash flows" method, resulted from holding of such properties. In estimating the fair value of the investment property, their current use was assumed to be best use of the properties.

Investment property include properties of KD 238,290,960 as at 31 December 2015 (KD 210,105,380 - 2014) pledged as collateralfor finance obtained by the Group (note 18).

There has been no change to the valuation technique, nor transfers between different valuation hirarchy level during the year.

Notes to the Consolidated Financial Statement for the Year Ended 31 December 2015
(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Investments in associates

Company	Country of incorporation	Principal activity	Ownership %		2015	2014
			2015	2014		
Hajar Tower Real Estate Co.	Kuwait	Real Estate	20	20	8,637,616	8,518,689
Kuwait Resorts Co.	Kuwait	Services	33.10	33.32	7,165,331	4,698,141
Bayan Real Estate Co.	Saudi Arabia	Real Estate	21.68	21.68	3,270,759	5,097,477
Afkar Holding Co.	Kuwait	Holding Company	19.35	19.35	2,760,000	2,736,515
Kuwait Commercial Markets Complex Co.	Kuwait	Real Estate	22.67	22.92	874,943	870,184
Mozon Holding Co.	Morocco	Holding Company	34	34	326,078	340,000
Gulf Opportunities Co.	Kuwait	Real Estate	36	36	714,742	-
Industrial and Financial Investment Co.	Kuwait	Financial services	17.24	17.31	57,106	112,359
Al-Salmiya Group for Project Development Co.	Kuwait	Real Estate	-	41.15	-	10,300,059
					23,806,575	32,673,424

All investments above are accounted for using equity method in these consolidated financial statements.

Although the Group's hold less than 20% of the equity shares of both Industrial and Financial Investment Company K.P.S.C and Afkar Holding Company K.S.C.C, the Group exercise significant influence over the financial and operational policies of these entities through appointment of two out of five members in the Board of Directors of Industrial and Financial Investment Company, and three out of seven members in the Board of Directors of Afkar Holding Company and are therefore its classified as associate.

At the year end, the Group has subscribed in capital increase of Al Salmiya Group Company at KD 2,838,057 cocurrently the other shareholders of the Company did not subscribe in such increase, this resulted in increase of the Group's holding percentage to 45.92% and therefore the Group has able to exercise control over the Company from that date. Accordingly, the investment in that Company has been re-classified to "investment in a subsidiary" (note 24). The Group's previuosly held share in this associate has been re-measured at fair value as at the date of control, resulting in revaulation profits of KD 9,770,050 and bargaing purchase gain of KD 243,550 recognized in the consolidated statement of income for the year ended 31 December 2015.

All associates companies are not quoted in active markets except for Kuwait Resorts Company whose fair value of KD 6,011,626 as at 31 December 2015 (KD 5,096,633 - 2014).

Summarised financial information in respect of each of the Group's material associates are stated below. The summarised financial information below represents the amounts shown in the associate latest available financial statements prepared in accordance with International Financial Reporting Standards:

Kuwait Resorts Co.

	2015	2014
Current assets	16,185,117	16,968,419
Non-current assets	21,179,651	25,672,107
Current liabilities	5,830,874	12,942,304
Non-current liabilities	9,752,507	9,495,042

	2015	2014
Revenue	8,777,460	9,017,266
Profit for the year/total comprehensive income	1,733,824	2,232,828
Dividends received from associate during the year	336,494	283,816

Hajar Tower Real Estate Company

	2015	2014
Current assets	37,969,171	37,368,368
Non-current assets	34,992,142	37,023,958
Current liabilities	12,020,097	11,975,606
Non-current liabilities	17,753,139	19,823,280

	2015	2014
Revenue	13,507,648	13,767,701
Profit for the year/total comprehensive income	2,339,345	2,989,780
Dividends received from associate during the year	448,800	396,000

Aggregate information of associates that are not individually material

	2015	2014
The Group's share of loss from continuning operations	(699,097)	(226,717)
The Group's share of other comprehensive income	2,157,384	(151,050)
The Group's share of total comprehensive income	1,461,287	(377,767)
Aggregate carrying amount of the Group's interest in these associate	8,003,626	19,456,595

8. Available for sale investments

	2015	2014
Investment in quoted shares	914,285	1,137,800
Investment in private equities managed by others	16,971,784	12,556,388
Investment in real estate funds	3,466,177	8,249,255
	21,352,246	21,943,443

The fair value estimated based on the valuation techniques set out in note (3.5).

9. Land and real estate held for trading

	2015	2014
Balance as at 1 January	8,535,263	7,946,871
Additions	504,603	480,909
Disposal	(214,416)	(115,946)
Reversal of impairment	41,165	223,429
Balance as at 31 December	8,866,615	8,535,263

10. Investments at fair value through profit or loss

This represent investment in private equities managed by others. The fair values of such invetsments were estimated based on the investment's manager reports as set out in note (3.3).

11. Receivables and other debit balances

	2015	2014
Trade receivables	4,912,305	4,719,490
Due from related parties (note 26)	112,105	154,107
Provision for doubtful debts	(4,242,823)	(3,994,482)
	781,587	879,115
Advance payments for acquisition of investments	6,807,102	4,264,498
Advances to contractors and suppliers	954,733	736,861
Prepaid expenses	519,312	26,818
Refundable deposits	199,900	166,601
Other debit balances	608,434	493,829
	9,871,068	6,567,722

Trade receivables includes amount of KD 4,746,164 that are past due and not collected at 31 December 2015 for which the Group has recognized a provision of 4,242,823 (KD 4,548,239 with a provision of KD 3,994,482 – 2014).

Aging of past due but not collected trade and other receivables as at 31 December 2015 is as follows:

	2015	2014
30 – 60 days	260,573	433,854
60 – 90 days	142,883	190,594
90 – 120 days	90,476	96,077
Above 120 days	4,252,232	3,827,714
	4,746,164	4,548,239

Movement of provision for doubtful debts:

	2015	2014
Balance as at 1 January	3,994,482	4,545,709
Provided during the year	341,001	1,418,772
Reverse of provision of doubtful debt	(144,824)	(294,175)
Effect of acquisition of subsidiary	52,164	-
Bad debts	-	(1,675,824)
Balance as at 31 December	4,242,823	3,994,482

12. Cash and cash equivalents

	2015	2014
Murabaha at banks and financial institutions (due within 3 months)	4,000,000	-
Cash at banks and financial institutions	2,978,333	6,496,065
Cash in hand	27,773	20,850
Cash at investment portfolios	-	12,509
	7,006,106	6,529,424
Murabaha rate of return (%)	1.3	-

13. Share Capital

During the year bouns shares of 5% of the share capital have been distributed (note 25). Such increase has been registered in the Company's commercial register on 8 April 2015. Therefore, the authorized, issued, and fully paid up in cash share capital of the Parent Company is KD 178,708,714 distributed over 1,787,087,137 shares with a nominal value of 100 fils each, and all shares are in cash.

14. Treasury shares

	2015	2014
Number of shares - share	22,688,693	18,789,860
Proportion to issued shares (%)	1.27	1.10
Market value	1,769,718	1,785,037

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

Treasury shares of 12,696,840 shares are held by a subsidiary as of 31 December 2015 (10,000,000 shares - 2014).

15. Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, 10% of the net profit for the year, before contribution to Kuwait Foundation for Advancement of Sciences, National Labour Support Tax, directors' remuneration, and Zakat is transferred to the statutory reserve. The parent company may resolve to discontinue such transfers when this reserve equals 50% of the paid up share capital. This reserve is not available for distribution except in cases stipulated by Law and the Parent Company's Articles of Association.

16. Voluntary reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, a percentage of the net profit for the year, as proposed by the board and agreed by the shareholders general assembly, before contribution to Kuwait Foundation for Advancement of Sciences, National Labour Support Tax, directors' remuneration and Zakat is transferred to the voluntary reserve. Such transfers can be discontinued by a resolution adopted by the general assembly as recommended by the Board of Directors. The Parent Company's Board of Directors ha [illegible]

Notes to the Consolidated Financial Statement for the Year Ended 31 December 2015
(All amounts are in Kuwaiti Dinars unless otherwise stated)

17. Other reserves

	Change of fair value reserve	Group's share in associates' reserves	Property, plant and equipment revaluation surplus	Translation of foreign currencies	Total
Balance as at 1 January 2014	1,993,323	(1,667,886)	5,547,886	-	5,873,323
Total comprehensive income/ (losses) for the year	2,495,118	(20,043)	-	50,208	2,525,283
Balance as at 31 December 2014	4,488,441	(1,687,929)	5,547,886	50,208	8,398,606
Balance as at 1 January 2015	4,488,441	(1,687,929)	5,547,886	50,208	8,398,606
Total comprehensive (losses)/ income for the year	(1,390,547)	1,882,955	-	171,862	664,270
Balance as at 31 December 2015	3,097,894	195,026	5,547,886	222,070	9,062,876

18. Finance from Third parties

Finance from third parties represents murabaha and tawaruq contracts from banking institutions inside Kuwait and abroad.

Finance from third parties is divided into:

	2015	2014
Current portion	27,474,926	23,167,474
Non-current portion	116,225,325	96,740,402
	143,700,251	119,907,876

Average cost rate of finance from third parties is 3.81% as at 31 December 2015 (3.85% - 2014).

The maturities analysis of finance from third parties is set out in note no. (3.1)

The finance from third parties was given against pledging property, planet and equipment (note 5), investment property (note 6), investments in subsidiary (note 24).

19. Payables and other credit balances

	2015	2014
Trade payables	1,163,728	1,946,909
Retentions	3,104,594	1,293,722
Accrued expenses	3,319,869	3,556,601
Revenues received in advance	9,632,725	689,030
Deposits from others	3,129,845	1,110,690
Kuwait Foundation for the Advancement of Science (KFAS)	159,999	185,032
National Labor Support Tax	518,383	498,163
Zakat	206,991	218,706
Dividends payable to shareholders	681,988	204,060
Other credit balances	769,714	875,369
	22,687,836	10,578,282

20. Net investment property income

	2015	2014
Real estate rental income	14,992,817	14,128,147
Operating expenses	(2,748,459)	(3,233,691)
Net real estate rental income	12,244,358	10,894,456
Gain on sales	1,317,200	4,131,140
Change in fair value	3,704,454	14,426,947
	17,266,012	29,452,543

Notes to the Consolidated Financial Statement for the Year Ended 31 December 2015
(All amounts are in Kuwaiti Dinars unless otherwise stated)

21. Net income on financial investments

	2015	2014
Available for sale investments		
Gain on sales	1,823,935	118
Cash dividends	384,113	787,502
	2,208,048	787,620
Investments at fair value through profit or loss		
Gain on sales	-	106,650
Change in fair value	(877,310)	(17,044)
Cash dividends	1,051,678	413,014
	174,368	502,620
	2,382,416	1,290,240

22. Other income /(losses)

This item includs of KD 1,137,755 represented in the proceeds from sale of freehold lands since a verdict was issued by the Supreme Court in the case no. 115/2014 sales/2 filed by the Parent Company and others for sorting and appropriation of owners' shares in the freehold land plots in the State of Kuwait with a total area of 6,277 square meters. The Parent Company's share in such lands is 22%.

The court has decided to offer this lands for sale in a public auction due to difficulties in sorting and appropriation of such lands. A court verdict dated 7 January 2015 was issued to sell the major part of such properties. The sale process was completed and the Group has received its share in cash during the year ended 31 December 2015.

23. Earnings per share attributable to the Parent Company's shareholders

Earnings per share are calculated by dividing the net profit attributable to shareholders of the Parent Company for the year by the weighted average number of shares outstanding during the year, taking into account the treasury shares weighted average as follows:

	2015	2014
Net profit (KD)	20,591,397	18,922,382
Weighted average number of outstanding shares (share)	1,766,445,232	1,772,764,414
Basic earnings per share (fils)	11.66	10.67

The weighted avarage number of outstanding share for the comparative period has been adjusted with the bonus shares issued (note 13).

24. Investments in subsidiaries

24.1 The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries as follows:

Company name	Activity	Country of incorporation	Shareholding percent (%) 2015	2014
Al Mutajara Real Estate Company K.S.C.C.	Real Estate	State of Kuwait	71.71	71.33
Al-Tijaria Real Estate Development Co.	Real Estate	Kingdom of Bahrain	100	100
Symphony Style Kuwait Hotel	Hotel services	State of Kuwait	100	100
Al-Salmiya Group for Project Development Company	Real Estate	State of Kuwait	45.92	-

The financial statements of Al Mutajara Real Estate Company and Salmiya Group Project Development Company were consolidated based on the audited financial statements as at 31 December 2015. The financial statements of Symphony Style Hotel Kuwait and Al-Tijaria Real Estate Development Company were consolidated based on the financial informatinon prepared by the mangament of these subsidaries as at 31 December 2015.

Al-Tijaria Real Estate Development Co. was established in Bahrain, as a sole proprietorship with share capital of BD 250,000.

24.2 At the end of the year the Group has aquired an additional sare in Al-Salmiya Group for Project Development Company (note 7). Although the Group holds less than 50% of the voting shares, however, it believes that it has gained control on this company through majority of Board of Director representation, Therefore, such company has been reclassified into investment in a subsidiary. The analysis of the fair value of the acquired assets and liabilities assumed as at the acquisation date is as follows:

Cash and cash equivalents	4,981,791
Receivables and other debit balances	1,003,597
Property and equipment	242,864
Investment property	71,000,000
Credit facilities	(14,081,700)
Payables and other credit balances	(12,697,495)
Provision for Employees' end of service indemnity	(31,585)
Net aquired assets	50,417,472
Fair value of non-controlling interests	(27,265,755)
Parent company's share in net acquired assets	23,151,717
Fair value of the shares transferred from investments in associate	(22,908,167)
Bargaining purchase gain	243,550
Cash granted from acquisition of a subsidiary	4,981,791

The investment in Al-Salmiya Group for Project Development Company are pledging against bank facilities granted to the Company as at the consolidated financial statements (note 18).

24.3 Summary of the finanacial statments of the Group's subsidary including significant non-controlling interests is as follows:

Salmiya Group for Project Development Company

	2015
Current assets	5,985,385
Non-current assets	71,242,865
Current liabilities	9,131,711
Non-current liabilities	17,679,067
Equity attributable to shareholders of the Parent Company	23,151,717
Non-controlling interests	27,265,755

	2015
Net cash flow used in operating activities	(434,376)
Net cash flow used in investing activities	(2,222,871)
Net cash flow from financing activities	3,081,700
Net change in cash and cash equivalents of the subsidiary	424,453

Al Mutajara Real Estate Company

	2015	2014
Current assets	2,159,745	2,619,911
Non-current assets	42,142,203	40,774,959
Current liabilities	660,987	329,458
Equity attributable to shareholders of the Parent Company	31,297,000	30,685,679
Non-controlling interests	12,343,961	12,379,733

	2015	2014
Revenue	2,466,094	9,550,732
Expenses	(88,353)	(501,547)
Profit for the year	2,377,741	9,049,185
Profit for the year attributable to shareholders of the Parent Company	1,701,638	6,435,708
Profit for the year attributable to non-controlling interests	676,103	2,613,477
Total comprehensive income attributable to shareholders of the Parent Company	1,950,869	6,435,708
Total comprehensive income attributable to non-controlling interests	677,970	2,613,477
Total comprehensive income for the year	2,628,839	9,049,185
Dividends paid to non-controlling interests	580,247	603,025
Net cash flow from operating activities	1,344,943	2,104,674
Net cash flow (used in) / from investing activities	(1,513,613)	65,500
Net cash flows used in financing activities	(1,981,759)	(2,085,560)
Net change in cash and cash equivalents of the subsidiary	399,217	84,614

25. Dividends

On 29 March 2015, the general assembly of the Parent Company's shareholders has approved the consolidated financial statements for the year ended 31 December 2014 and approved the Board of Directors' proposal to distribute cash dividends of 6% and distribution of bonus shares of 5% of the share capital to the shareholders recorded at the ordinary general assembly date.

On 15 February 2016, the Parent Company's Board of Directors proposed cash dividends of 5% for the year ended 31 December 2015. This proposal is subject to the shareholders' approval at the general assembly meeting and the regulatory authorities.

26. Related parties transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, board of directors, key management personnel, associates and the companies, in which the company has representatives in their board. Significant related party transactions and resulting balances were as follows:

	2015	2014
Transactions		
Key management remuniration	978,492	1,195,191
Balances		
Receivables and other debit balances (note 11)	112,105	154,107
Key management remuneration	718,182	899,977

Balances due from/to related parties are interest-free and payable on demand. All related party transactions are subject to approval of the shareholders' general assembly.

27. Capital commitments

	2015	2014
Uncalled capital – investments	2,675,541	6,014,000
Contracts for projects under development	2,894,342	931,524
	5,569,883	6,945,524

28. Contingent liabilities

	2015	2014
Letters of guarantee	4,122,436	4,056,286

29. Segment information

The Group is organized into two major business segments; real estate and investment. Both segments results are reported senior executive management. Further, the Group's operating results, assets and liabilities are reported according to geographical areas, in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases adopted in preparation of the consolidated financial statements. Business segment analysis in line with internal reports submitted to the management is as follows:

	2015		
	Real estate sector	Investment sector	Total
Revenue	20,858,857	13,459,546	34,318,403
Direct cost	(4,274,070)	(1,252,992)	(5,527,062)
Gross profit	16,584,787	12,206,554	28,791,341
Unallocated costs			(7,554,387)
Currency valuation differences			30,546
Net profit			21,267,500

	2014		
	Real estate sector	Investment sector	Total
Revenue	32,058,011	2,897,355	34,955,366
Direct cost	(4,843,764)	(1,018,859)	(5,862,623)
Gross profit	27,214,247	1,878,496	29,092,743
Unallocated costs			(7,368,447)
Currency valuation differences			(188,437)
Net profit			21,535,859

Geographic distribution

	2015			
	State of Kuwait	Gulf Countries	Other	Total
Total income	31,239,674	92,428	467,893	31,799,995
Total expenses	(7,910,832)	(1,901,839)	-	(10,532,495)
Net profit/(loss)	23,328,842	(2,529,235)	467,893	21,267,500

	2014			
	State of Kuwait	Gulf Countries	Other	Total
Total income	30,320,817	902,842	445,553	31,669,212
Total expenses	(8,751,392)	(1,223,456)	(158,505)	(10,133,353)
Net profit/(loss)	21,569,425	(320,614)	287,048	21,535,859

Geographic distribution of assets and liabilities

	Assets		Liabilities	
	2015	2014	2015	2014
State of Kuwait	412,683,041	352,581,744	124,189,039	83,089,680
Gulf countries	37,341,691	32,591,505	43,399,911	48,469,853
Other	35,932,381	26,653,915	-	-
	485,957,562	411,827,164	167,588,950	131,559,533