

**Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait**

Interim condensed consolidated financial information (unaudited)
and review report for the three month period ended 31 March 2018

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Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Al Madar Finance and Investment Company K.S.C. (Public) State of Kuwait

Introduction

We have reviewed the interim condensed consolidated financial information of Al Madar 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 at 31 March 2018, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standards 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 Auditors 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.

Basis for qualified conclusion

The Group has not applied IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers", which are effective from 1 January 2018. Accordingly, we were unable to determine whether it is necessary to make any adjustments on the accompanying interim condensed consolidated financial information and the opening balances as at 1 January 2018.

Qualified conclusion

Based on our review, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, 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 34.

Emphasis of a matters

Without qualifying our conclusion, we draw attention to Note 21 on the interim condensed consolidated financial information, which indicates that current liabilities of the Group has exceeded its current assets by KD 21,434,185 as at 31 March 2018 (31 December 2017: KD 22,300,467, and 31 March 2017: KD 21,192,769).

Without qualifying our conclusion, we draw attention to Note 22 on the interim condensed consolidated financial information regarding that the Parent Company did not appoint Board of Directors up to the date of report.

Report on Other Legal and Regulatory Requirements

Furthermore, except for the possible effects of the matter described in the “Basis for Qualified Opinion” paragraph above, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report nothing has come to our attention indicating occurrence of contraventions during the three month period ended 31 March 2018, of the Companies Law No. 1 of 2016, and its Executive Regulations as amended or Law No. 7 of 2010 in respect of the establishment of Capital Markets Authority and Organization of securities activity and its Executive Regulations and the Parent's Company's Memorandum of Incorporation and Articles of Association, as amended, that would materially affect the Group's activities or its interim condensed consolidated financial position.

We further report that, except for the possible effects of the matter described in the “Basis for Qualified Opinion” paragraph above, during the course of our review, we have not become aware of any material violations during the three month period ended 31 March 2018 of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and related regulations.



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Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position (unaudited)
As at 31 March 2018

		31 March	31 December	31 March
		2018	2017	2017
	Notes	KD	(Audited)	KD
			KD	
Assets				
Bank balances and cash	5	1,535,433	960,559	592,901
Investments at fair value through statement of income	6	139,269	148,191	214,172
Receivables and other debit balances	7	3,189,744	2,943,223	4,390,350
Due from related parties	14	567,965	601,126	728,698
Available for sale investments	8	55,010	55,289	55,177
Investment properties	9	23,048,565	23,563,334	23,820,585
Investments in associates	10	1,060,757	1,098,501	1,155,180
Property, plant and equipment		6,714,305	6,759,358	7,113,759
Intangible assets		655,562	686,754	839,918
Total assets		36,966,610	36,816,335	38,910,740
Liabilities and equity				
Liabilities				
Wakala payables	11	21,160,698	21,164,197	22,420,323
Ijara payables	12	2,614,486	2,578,479	588,347
Payables and other credit balances	13	2,768,887	2,877,624	2,287,487
Due to related parties	14	322,525	333,266	1,822,733
Employees' end of service indemnity		1,248,791	1,210,022	1,108,278
Total liabilities		28,115,387	28,163,588	28,227,168
Equity				
Share capital		21,386,865	21,386,865	21,386,865
Share premium		4,990,296	4,990,296	4,990,296
Treasury shares	15	(4,573,296)	(4,573,296)	(4,573,296)
Change in fair value reserve		1,540	1,116	1,004
Revaluation surplus		-	-	97,037
Foreign currency translation reserve		(104,802)	(95,064)	(88,943)
Other reserve		(122,147)	(122,147)	(122,147)
Accumulated losses		(14,520,338)	(14,723,982)	(12,823,774)
Total equity attributable to shareholders of the Parent Company		7,058,118	6,863,788	8,867,042
Non-controlling interests		1,793,105	1,788,959	1,816,530
Total equity		8,851,223	8,652,747	10,683,572
Total liabilities & equity		36,966,610	36,816,335	38,910,740

The notes on pages 8 to 26 form an integral part of this interim condensed consolidated financial information.

Ahmad Abdul Razzaq Albahr
CEO's Assistant

Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of income (unaudited)
For the three month period ended 31 March 2018

	Notes	Three months ended 31 March	
		2018	2017
		KD	KD
Revenues			
Finance revenues / murabaha		58,321	8,281
Change in fair value of investments at fair value through statement of income		(8,922)	(47,913)
Cash dividends		569	-
Impairment of available for sale investments	8	(703)	(23,237)
Group's share of associates' results		(15,169)	(9,487)
Investment services revenues		13,004	1,573
Realized gains on sale of investment properties	9	1,177	4,777
Rental income		380,234	340,935
Foreign currency valuation differences		-	2,232
Write-back of finance transactions provision		390,308	24,620
Net sales profit		221,616	195,353
Other income		142,046	6,323
Total income		1,182,481	503,457
Expenses and other charges			
General and administrative expenses		938,141	757,323
Provision for doubtful debts		543	-
Finance costs		36,007	7,638
Total expenses and other charges		974,691	764,961
Net profit/(loss) for the period		207,790	(261,504)
Attributable to:			
Shareholders of the Parent Company		203,644	(282,329)
Non-controlling interests		4,146	20,825
Net profit/(loss) for the period		207,790	(261,504)
Basic and diluted earning /(loss) per share attributable to shareholders of the Parent Company / (fils)	16	.984	(1.364)

The notes on pages 8 to 26 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of comprehensive income (unaudited)
For the three month period ended 31 March 2018

	Three months ended 31 March	
	2018	2017
	KD	KD
Net profit / (loss) for the period	207,790	(261,504)
Other comprehensive income items:		
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>		
Change in fair value of available for sale investments	424	(7,713)
Transferred to interim condensed consolidated statement of income from impairment of available for sale investments	-	23,237
Foreign currency translation reserve	(9,738)	12,884
Other comprehensive (loss)/income	(9,314)	28,408
Total comprehensive income/(loss) for the period	198,476	(233,096)
Attributable to:		
Shareholders of the Parent Company	194,330	(253,921)
Non-controlling interests	4,146	20,825
	198,476	(233,096)

The notes on pages 8 to 26 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of changes in equity (unaudited)
For the three month period ended 31 March 2018

	Share capital	Share premium	Treasury shares	Change in fair value reserve	Revaluation surplus	Foreign currency translation reserve	Other reserve	Accumulated losses	Equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2017	21,386,865	4,990,296	(4,573,296)	(14,520)	97,037	(101,827)	(122,147)	(12,541,445)	9,120,963	1,795,705	10,916,668
Net (loss)/profit for the period	-	-	-	-	-	-	-	(282,329)	(282,329)	20,825	(261,504)
Other comprehensive income for the period	-	-	-	15,524	-	12,884	-	-	28,408	-	28,408
Total comprehensive income/(loss) for the period	-	-	-	15,524	-	12,884	-	(282,329)	(253,921)	20,825	(233,096)
Balance at 31 March 2017	21,386,865	4,990,296	(4,573,296)	1,004	97,037	(88,943)	(122,147)	(12,823,774)	8,867,042	1,816,530	10,683,572
Balance at 1 January 2018	21,386,865	4,990,296	(4,573,296)	1,116	-	(95,064)	(122,147)	(14,723,982)	6,863,788	1,788,959	8,652,747
Net profit for the period	-	-	-	-	-	-	-	203,644	203,644	4,146	207,790
Comprehensive income/(loss) for the period	-	-	-	424	-	(9,738)	-	-	(9,314)	-	(9,314)
Total comprehensive income/(loss) for the period	-	-	-	424	-	(9,738)	-	203,644	194,330	4,146	198,476
Balance at 31 March 2018	21,386,865	4,990,296	(4,573,296)	1,540	-	(104,802)	(122,147)	(14,520,338)	7,058,118	1,793,105	8,851,223

The notes on pages 8 to 26 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of cash flows (unaudited)
For the three month period ended 31 March 2018

	Notes	Three months ended 31 March	
		2018 KD	2017 KD
Operating activities			
Net profit / (loss) for the period		207,790	(261,504)
Adjustments:			
Depreciation and amortization		79,365	43,919
Finance costs		36,007	7,638
Change in fair value of investments at fair value through statement of income		8,922	47,913
Cash dividends		569	-
Realized gains on sale of investment properties		(1,177)	(4,777)
Impairment of available for sale investments	8	703	23,237
Group's share of associates' results		15,169	9,487
Provision for doubtful debts		543	-
Write-back of finance transactions provision		(390,308)	(24,620)
Foreign currency valuation differences		-	(2,232)
Employees' end of service indemnity		66,030	60,757
Operating profit / (loss) before calculating effect of the change in working capital items		23,613	(100,182)
Receivables and other debit balances		155,521	427,532
Due from / to related parties - net		22,420	(170,514)
Payables and other credit balances		(108,746)	21,105
Cash generated from operations		92,808	177,941
Employees end of service benefits paid		(27,261)	(61,052)
Net cash generated from operating activities		65,547	116,889
Investing activities			
Paid for purchase of investment in an associate		-	(20,323)
Paid for the acquisition of property, plant and equipment		(3,120)	(234)
Proceeds from sale of investment properties		523,151	40,606
Paid for purchase of investment properties	9	(7,205)	(4,225)
Net cash generated from investing activities		512,826	15,824
Financing activities			
Finance costs paid		(3,499)	(395)
Net cash used in financing activities		(3,499)	(395)
Net increase in bank balances and cash		574,874	132,318
Bank balances and cash at the beginning of the period		960,559	460,583
Bank balances and cash at the end of the period	5	1,535,433	592,901

The notes on pages 8 to 26 form an integral part of this interim condensed consolidated financial information.

1. Incorporation and activities

Al Madar Finance and Investment Company – K.P.S.C. (“the Parent Company”) was incorporated on 23 November 1998. The Parent Company is registered with the Central Bank of Kuwait and Capital Market Authority as an investment company. The Company’s shares are listed in the Kuwait Stock Exchange on 20 June 2005.

The Parent Company is principally engaged in the following activities in compliance with the Islamic Sharia as follows:

- Promoting and marketing shares and bonds of all types for the favor of the Company according to Islamic Shari’a.
- Investment in all types of movables whether for its own favor or for others by way of agency or brokerage except for the Company’s trading in commodities for its favor.
- Lending, borrowing and financing international trading transactions as well as issue and exchange of Islamic bonds of all kinds and forms for its clients.
- Portfolio management as per relevant laws and according to Islamic Shari’a.
- Purchase, lease, acquisition, rent, licensing of all kinds of investment equipment and subsequent sale or disposal thereof.
- Carry out real estate investments for the Parent Company’s account or for third parties.
- Providing research and studies and other technical services related to investment and employing funds for others.
- Establishing and managing investment funds as per relevant laws and regulations and after approval of concerned parties.

The Parent 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 the State of Kuwait or abroad. It may also incorporate, purchase and/or participate in incorporation of such entities or affiliate them.

The Parent Company is domiciled in Kuwait and its registered office is P.O. Box 1376, Safat 13014, Kuwait.

The Parent Company is subsidiary to Al Thekair General Trading and Contracting Company (sole proprietorship) (“the Ultimate Parent Company”).

The interim condensed consolidated financial information of Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries (the “Group”) for the financial period ended 31 March 2018 was authorized for issue by the appointed managerial committee which has been appointed by the Ordinary General Assembly on 5 February 2018, which authorized Mr. Ahmad Abdul Razaq Albahar (“Assistant CEO”) to approve the interim condensed consolidated financial information on 14 May 2018.

2. Basis of preparation

The interim condensed Consolidated financial information have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” and instructions of Central Bank of Kuwait. Accordingly, it should be read in conjunction with the latest annual consolidated financial statements of the Group for the year ended 31 December 2017 (“the last annual consolidated financial statements”). The interim condensed Consolidated financial information does not include all of the information required for preparing complete financial statements in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (“CBK”) and Capital Market Authority (“CMA”). These regulations require adoption of all IFRSs except for the CBK’s requirement for a minimum general provision of 1% for cash facilities and 0.5% for non cash facilities, if any. However, certain detailed notes have been added in order to interpret the significant events and transactions to understand the changes in Group’s consolidated financial position and its performance since last annual consolidated financial statements. It is the first interim condensed consolidated financial statements of the Group, in which IFRS 15 and IFRS 9 are adopted. Changes in significant accounting policies are as follows:

Use of judgements and estimates

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. Actual results may differ from these estimates.

The significant judgements made by management in adoption of the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which were described below.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further details about the assumptions made in measuring fair value are included in note 20.

2. Basis of preparation (Continued)

Changes in significant accounting policies

Except as described below, the accounting policies applied in these condensed consolidated interim financial information are the same as those applied in the Group's consolidated financial statements for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements for the year ending 31 December 2018.

The Group didn't adopt IFRS 15 "Revenue from Contracts with Customers" (see A below) and IFRS 9 "Financial Instruments" (see B below) from 1 January 2018. Certain adjustments are effective from 1 January 2018 but it does not have a material effect on the Group's condensed consolidated interim financial information.

A) IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The Group didn't adopt this standard. Accordingly, no nay impacts on IFRS 15 have been recognized on 1 January 2018 on the group's the consolidated financial statements as at 31 December 2017 and the interim condensed consolidated financial information for the three month period ended 31 March 2018.

Service and contracting revenues

Services and contracting revenues are recognised when the services are provided to the customers in accordance with recognition criteria required by IFRS 15. The Group believes that the recognition criteria in progress are still appropriate for its contracts.

B) IFRS 9: Financial Instruments

IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non- financial items. This Standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The Group didn't adopt IFRS 9. Accordingly, no any amounts are recognised for the opening balance of accumulated losses.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

I. Classification and measurement of the financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables and available for sale financial assets.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

2. Basis of preparation (Continued)

B) IFRS 9: Financial Instruments (Continued)

I. Classification and measurement of the financial assets and liabilities (Continued)

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, fair value through statement of other comprehensive income – debt investments, at fair value through statement of other comprehensive income – equity investments; or at fair value through profit or loss. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as financial asset recognized at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not recognized at fair value through profit or loss, transaction costs that are directly attributable to its acquisition.

2. Basis of preparation (Continued)

B) IFRS 9: Financial Instruments (Continued)

I. Classification and measurement of the financial assets and liabilities (Continued)

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity investments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

II. Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets carried at amortised cost include bank balances and cash, receivables and other debit balances, due from related parties.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities, bank balances, and term deposits for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

2. Basis of preparation (Continued)

B) IFRS 9: Financial Instruments (Continued)

II. Impairment of Financial Assets (Continued)

The Group has not determined the method of measuring impairment provisions for receivables and other debit balances because IFRS 9 has not been applied to carrying amounts on 1 January 2018. Accordingly, the group's financial assets categories have not been re-measured in accordance with the Standard as at 1 January 2018.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, are presented separately in interim condensed consolidated statement of income.

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has not determined IFRS 9's impairment requirements as at 1 January 2018. Accordingly, no any additional allowances are recognised.

2. Basis of preparation (Continued)

B) IFRS 9: Financial Instruments (Continued)

II. Impairment of Financial Assets (Continued)

Receivables

The following analysis provides further detail about the calculation of ECLs related to receivables on the adoption of IFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

Receivables' ECLs have not been calculated as at 1 January 2018 since the standard has not been adopted.

Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, geographic region and industry, delinquency status, age of relationship and type of product purchased where applicable.

Actual credit loss experience was adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

III. Transition

The Group has taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and liabilities resulting from the adoption of IFRS 9 are not recognised in the retained earnings and reserves as at 1 January 2018 since the standard has not been adopted by the Group.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss.
- The designation of certain investments in equity instruments not held for trading as at fair value through other comprehensive income.

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3. Subsidiaries

The interim condensed consolidated financial information includes the financial information of Al Madar Finance and Investment Company K.S.C. (Public) and its following subsidiaries:

Name of the subsidiary	Country of incorporation	Activity	Voting rights and equity interest %		
			31 March 2018	31 December 2017 (Audited)	31 March 2017
Dar Al-Thuraya Real Estate Co. K.S.C. (Public)	State of Kuwait	Real estate	88.35%	88.35%	88.35%
Fiduciary International For Programming and Printing Software Company W.L.L.*	State of Kuwait	Programming and operating computer, printing and distribution of software and computers	99%	99%	99%
Al-Madar Real Estate Development Company K.S.C. (Closed)*	State of Kuwait	Real estate	98.5%	98.5%	98.5%
Althuraya for Warehousing & Cold Storage K.S.C. (Closed) *	State of Kuwait	Warehousing	96%	96%	96%

* During the period ended 31 March 2018, the Group has consolidated the interim condensed financial information of Fiduciary International for Programming and Printing Software Company W.L.L., Al Madar Real Estate Development Company K.S.C. (Closed) and Althuraya for Warehousing & Cold Storage K.S.C. (Closed) based on interim financial information prepared by the management as at 31 March 2018.

As at the reporting date, shares of the subsidiaries (Dar Al-Thuraya Real Estate Company K.S.C. (Public), Al Madar Real Estate Development Company K.S.C. (Closed) and Althuraya for Warehousing & Cold Storage K.S.C. (Closed) totaling 125,434,632 shares, 68,950,000 shares and 9,900,000 shares respectively are retained to some creditors.

The interim condensed consolidated financial information includes the interim condensed financial information of Dar Al-Thuraya Real Estate Co. K.P.S.C. and its following subsidiaries:

Name of the subsidiary	Country of incorporation	Activity	Voting rights and equity interest %		
			31 March 2018	31 December 2017 (Audited)	31 March 2017
Thuraya Star Company W.L.L.	State of Kuwait	General Trading and Contracting	99%	99%	99%
Kuwait Building Real Estate Company K.S.C (Closed)	State of Kuwait	Real estate	96%	96%	96%
Pack & Move Holding Company K.S.C (Holding)	State of Kuwait	Holding	99.88%	99.88%	99.88%
Golden Madar Real Estate Company W.L.L.	State of Kuwait	Real estate	98%	98%	98%

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4. Significant accounting assumptions and judgments

The preparation of interim condensed consolidated financial information in accordance with International Financial Reporting Standards requires use of estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial information and the reported amounts of revenues and expenses during the period. Although these estimates depend on the best knowledge of the current events by the management, but the actual results may vary from these estimates.

5. Bank balances and cash

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Bank balances	1,487,939	910,366	510,321
Cash on hand	47,494	50,193	82,580
	<u>1,535,433</u>	<u>960,559</u>	<u>592,901</u>

Cash at banks includes unrestricted current and savings accounts with local banks.

The annual average effective yield rate on the savings accounts as at 31 March 2018 was 0.75% (31 December 2017: 0.75% and 31 March 2017: 0.65%).

6. Investments at fair value through statement of income

Below is analysis of investments at fair value through statement of income for the period / year / period:

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Investments in unquoted local shares	44,179	53,101	122,232
Investments in portfolio - local funds	41,147	41,147	41,147
Investments in portfolio – foreign funds	53,943	53,943	50,793
	<u>139,269</u>	<u>148,191</u>	<u>214,172</u>

Valuation techniques for investments at fair value through statement of income are disclosed in note 20.

Unquoted local shares and foreign funds of KD 103,532 (31 December 2017: KD 103,532, and 31 March 2017: KD 141,935) are carried at cost less impairment since their fair values could not be measured reliably. Management does not have any indication of impairment in these investments.

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

Investments at fair value through statement of income include certain shares retained for a creditor at an amount of KD 18,178 (31 December 2017: KD 22,601 and 31 March 2017: KD 84,956).

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7. Receivables and other debit balances

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Trade receivables	4,075,269	4,415,577	5,982,637
Provision for doubtful debts	(3,934,457)	(4,324,222)	(5,301,469)
	<u>140,812</u>	<u>91,355</u>	<u>681,168</u>
Receivables from sale of financial and real estate investments and services	730,199	741,737	768,610
Accrued revenues	230,068	178,431	675,378
Staff receivables	10,447	19,947	22,697
Prepaid expenses	307,910	387,569	1,122,085
Other receivables	<u>1,770,308</u>	<u>1,524,184</u>	<u>1,120,412</u>
	<u><u>3,189,744</u></u>	<u><u>2,943,223</u></u>	<u><u>4,390,350</u></u>

Receivables from sale of financial and real estate investments and services has been presented after deducting doubtful debts provision of KD 820,179 as at 31 March 2018 (31 December 2017: KD 820,179 and 31 March 2017: KD 704,049).

The item for accrued revenues has been presented after deducting a provision for doubtful debts of KD 617,258 as at 31 March 2018 representing provisions recorded in subsidiaries (31 December 2017: KD 617,258 and 31 March 2017: KD 145,000).

The item "other receivables" has been presented after deducting doubtful debts provision of KD 283,256 as at 31 March 2018 (31 December 2017: KD 283,256, and 31 March 2017: KD 122,057).

The maximum exposure to credit risks at reporting date is the fair value of each class of receivables. The Group holds guarantees of KD 474,491 for trade receivables as at 31 March 2018 (31 December 2017: KD 474,491 and 31 March 2017: KD 1,059,099).

During the previous year, the debt due from one of the finance customers of KD 125,950 was approved to be written off and also it was approved to write-off its related provision of KD 110,000 and its related deferred revenues of KD 15,950 from the accounting books and records of the Parent Company, based on judgment of the concerned court on 5 October 2016.

Based on meeting of the Parent Company's board of directors held on 19 November 2017, the debt due from one of the finance customers of KD 1,545,055 was approved to be written off and also it was approved to write-off its related provision of KD 919,441. Further, it was approved to recognize bad debts of KD 472,499 as well as its related deferred revenues of KD 153,115 from the accounting books and records of the Parent Company. This procedure will not affect the legal actions taken by the Parent Company for claiming the customer to pay the debt in full.

The Group does not charge any financial charges on the overdue receivables.

Analysis of provision for doubtful debts during the period/year/period is as follows:

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Specific provision	<u>5,655,150</u>	<u>6,044,915</u>	<u>6,272,575</u>

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8. Available for sale investments

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Investment in quoted local shares	5,550	5,126	5,043
Investments in unquoted local shares	13,266	13,969	13,940
Investment in foreign unquoted shares	36,194	36,194	36,194
	<u>55,010</u>	<u>55,289</u>	<u>55,177</u>

Investments in local and foreign shares include unquoted shares of KD 41,194 (31 December 2017: KD 41,194 and 31 March 2017: KD 41,899) carried at cost due to non-availability of a basis to be based upon to measure its fair value at the date of the interim condensed consolidated statement of financial position. Management does not have any indication of impairment in these investments.

Available for sale financial investments include unquoted foreign shares at an actual cost of KD 3,698,839 (31 December 2017: KD 3,698,839 and 31 March 2017: KD 3,698,839) brought forward from 2009. Since these investments are the subject of a legal dispute, management decided to reduce the cost of these investments in full in the previous years until they are finally resolved.

During the period, the Group's management has recognized impairment of available for sale investments of KD 703 (31 March 2017: KD 23,237).

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

Available for sale investments include certain shares retained for a creditor at an amount of KD 8,264 (31 December 2017: KD 8,264 and 31 March 2017: KD 8,264).

Valuation techniques of available for sale investments are disclosed in note 20.

9. Investment properties

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Investment properties			
Balance at beginning of the period/year/period	17,611,217	14,839,420	14,839,420
Disposals	(500,000)	(780,000)	-
Transfer from properties under development	-	3,357,730	-
Change in fair value	-	262,361	-
Foreign currency translation differences	-	(68,294)	-
Balance at end of the period/year/period	<u>17,111,217</u>	<u>17,611,217</u>	<u>14,839,420</u>

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9. Investment properties (Continued)

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Properties under development			
Balance at beginning of the period/year/period	5,952,117	9,012,769	9,012,769
Additions	7,205	39,880	4,225
Disposals	(21,974)	(96,968)	(35,829)
Transfers to investment properties	-	(3,357,730)	-
Change in fair value	-	408,797	-
Foreign currency translation differences	-	(54,631)	-
Balance at end of the period/year/period	<u>5,937,348</u>	<u>5,952,117</u>	<u>8,981,165</u>
Balance at end of the period/year/period	<u>23,048,565</u>	<u>23,563,334</u>	<u>23,820,585</u>

During the period ended 31 March 2018, the Group sold one of its investment properties of KD 500,000. Without resulted in any profit or loss from such transaction.

During the period ended 31 March 2018, the Group sold properties under development in Sultanate of Oman of KD 23,151, resulted in profits by KD 1,177 from such transaction.

The Group owns certain investment properties under Ijara contracts with a promise for purchase by a local bank (note 12).

10. Investments in associates

The details of investments in subsidiaries are as follows:

Name of the associate	Country of incorporation	Measurement method	Activity	Voting rights and equity interest %		
				31 March 2018	31 December 2017 (Audited)	31 March 2017
Interpack Kuwait Limited for General Trading and Contracting Company W.L.L	State of Kuwait	Equity method	General Trading and Contracting	40%	40%	40%
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)	The Arab Republic of Egypt	Equity method	Medical devices and equipment	30.26%	30.26%	29.35%

The carrying value of each individual associate is as follows:

Name of the associate	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Interpack Kuwait Limited for General Trading and Contracting Company W.L.L	822,292	848,510	907,369
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)	<u>238,465</u>	<u>249,991</u>	<u>247,811</u>
	<u>1,060,757</u>	<u>1,098,501</u>	<u>1,155,180</u>

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10. Investments in associates (Continued)

The Group's share in results of associates has been recognised based on the financial information prepared by the management as at 31 March 2018 due to non-availability of associates' financial statements as at 31 March 2018.

During the period, one of the associates "Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E.)" distributed cash dividends at 10% of the nominal value of the share totaling KD 12,846 in accordance with the decision issued by the company's board of directors.

11. Wakala payables

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Wakala payables	<u>21,160,698</u>	<u>21,164,197</u>	<u>22,420,323</u>

The average effective cost rate on wakala was 5.28% as at 31 March 2018 (31 December 2017: 5.8% and, 31 March 2017: 4%).

Wakala payables include past due wakala of KD 3,636,816 (31 December 2017: KD 3,636,816 and 31 March 2017: KD 4,887,212). The Parent Company was obliged to pay in accordance with a legal judgment against the Parent Company, and amicable settlement is currently in progress with the prevailing party.

During the previous years, wakala of KD 16,999,319 was due with one of the payable parties and was not renewed. Such party has filed a legal lawsuit against the Parent Company. The litigation is still in process and no final judgment was made up to date of preparing the interim condensed consolidated financial information.

12. Ijara payables

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Ijara payables	2,648,641	2,648,641	589,790
Future finance costs	<u>(34,155)</u>	<u>(70,162)</u>	<u>(1,443)</u>
	<u>2,614,486</u>	<u>2,578,479</u>	<u>588,347</u>

Ijara payables represent facilities contracts granted by a local bank in return for lease contracts concluded with the bank related to investment properties, with a promise for purchase as follows:

- An amount of KD 533,341 (31 December 2017: KD 533,341 and 31 March 2017: KD 589,790) represents deferred rental value due at end of the contract period on 17 April 2018. The effective yield rate was 6.05% per annum (31 December 2017: 6.05% and 31 March 2017: 6.05%).

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12. Ijara payables (Continued)

- An amount of KD 793,275 (31 December 2017: KD 793,275 and 31 March 2017: nil) represents deferred rental value due at end of the contract period on 3 June 2018. The effective yield rate was 5.77% per annum (31 December 2017: 5.77%, and 31 March 2017: nil).
- An amount of KD 1,322,025 (31 December 2017: KD 1,322,025 and 31 March 2017: nil) represents deferred rental value due at end of the contract period on 5 August 2018. The effective yield rate was 5.78% per annum (31 December 2017: 5.78% and 31 March 2017: nil).

13. Payables and other credit balances

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Trade payables	531,681	548,091	871,208
Accrued expenses	539,902	631,669	838,586
Purchase of land and financial investments payables	235,015	235,575	278,930
Other payables	1,462,289	1,462,289	298,763
	<u>2,768,887</u>	<u>2,877,624</u>	<u>2,287,487</u>

14. Related party transactions

Related parties comprise of the Group's major shareholders who are members in the managerial committee, key management personnel, and subsidiaries in which the Company has representatives in their board. In the ordinary course of business, related party transactions were carried out with approval of the Group's management during the period / year / period. Balances and transactions between the Group and its subsidiaries, which are deemed as related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Interim condensed consolidated statement of financial position			
Investments at fair value through statement of income	460	460	-
Due from related parties	567,965	601,126	728,698
Due to related parties	322,525	333,266	1,822,733
Three months ended 31 March			
	2018	2017	
	KD	KD	
Interim condensed consolidated statement of income			
Salaries and other short term benefits		44,428	91,104
End of service benefits		12,185	7,222
		<u>56,613</u>	<u>92,326</u>

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15. Treasury shares

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Number of shares purchased (shares)	6,845,096	6,845,096	6,845,096
Ownership percentage (treasury shares percentage to total issued shares)	3.2%	3.2%	3.2%
Cost (KD)	4,573,296	4,573,296	4,573,296
Market value (KD)	184,818	169,758	85,564

The Parent Company is committed to keeping reserves and capital share premium equal to the purchased treasury shares cost which are non-distributable along acquisition period by the Parent Company in accordance with instructions of the concerned regulatory authorities. Treasury shares are retained for certain creditors.

16. Basic and diluted earning/ (loss) per share attributable to shareholders of the Parent Company/ (fils)

Basic and diluted earning/ (loss) per share is computed by dividing earning/ (loss) for the period attributable to the shareholders of Parent Company by the weighted average number of ordinary shares outstanding during the period except treasury shares.

	Three months ended 31 March	
	2018	2017
Net profit/(loss) for the period attributable to shareholders of the Parent Company	203,644	(282,329)
Weighted average number of outstanding shares:		
Number of issued shares (shares)	213,868,650	213,868,650
Less: weighted average number of treasury shares (shares)	(6,845,096)	(6,845,096)
Weighted average number of outstanding shares (shares)	207,023,554	207,023,554
Basic and diluted earning / (loss) per share attributable to the shareholders of the Parent Company / (fils)	.984	(1.364)

17. Fiduciary assets

Fiduciary assets comprise of investments and funds managed on behalf of clients. These assets are not owned by the Parent Company, and accordingly they are not included in the interim condensed consolidated financial information. As at the interim condensed consolidated financial position date, total fiduciary assets managed on behalf of clients amounted to KD 4,124,530 (31 December 2017: KD 4,194,000, and 31 March 2017: KD 7,588,000).

18. Segment information

Operating segments are identified based on the internal reports of Group segments which are regularly reviewed by the Chairman and general manager as the principal decisions makers in the Group so as to allocate resources to and evaluate performance of these segments on an ongoing basis.

The operating segments that meet the conditions and criteria for reporting them in the interim condensed consolidated financial statements and are used in the internal reports regularly submitted to decision makers are as follows:

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18. Segment information (Continued)

a) Real estate:

This sector represents investing in investment properties to generate rental income, for capital appreciation, or for trading purposes.

b) Financial investments:

This sector represents investment in short term money market instruments, investment in shares of listed and unlisted companies whose articles of association and activities are in compliance with rules of the noble Islamic Shari'a.

c) Corporate finance:

Activity of this segment is to provide finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts that are in compliance with rules of the noble Islamic Shari'a.

d) Other:

This includes the revenues and expenses that are not included under the above sectors.

Summarized information in respect of the Group's segment information is given below:

	Segment revenues		Profit/ (loss) for the segment	
	Three months ended		Three months ended	
	31 March		31 March	
	2018	2017	2018	2017
Investment properties	381,411	345,712	381,411	345,712
Financial investments	(24,225)	(80,637)	(24,225)	(80,637)
Corporate finance	58,321	8,281	22,314	643
Other	766,974	230,101	766,974	230,101
	<u>1,182,481</u>	<u>503,457</u>	<u>1,146,474</u>	<u>495,819</u>
General and administrative expenses			(938,141)	(757,323)
Provision for doubtful debts			(543)	-
Profit / (loss) for the period			<u>207,790</u>	<u>(261,504)</u>

The assets and liabilities of the different operating segments are analysed as follows:

	31 March	31 December	31 March
	2018	2017	2017
	KD	(Audited)	KD
Segment assets			
Investment properties	23,048,565	23,563,334	23,820,585
Financial investments	1,255,036	1,301,981	1,424,529
Corporate finance	140,812	91,356	681,168
Other	12,522,197	11,859,664	12,984,458
Total segment assets	<u>36,966,610</u>	<u>36,816,335</u>	<u>38,910,740</u>

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18. Segment information (Continued)

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Segment liabilities			
Investment properties	235,015	235,575	238,775
Corporate finance	23,775,184	23,742,676	23,008,670
Other	4,105,188	4,185,337	4,979,723
Total segment liabilities	28,115,387	28,163,588	28,227,168

19. Shareholders general assembly

The Parent Company's annual general assembly for the financial year ended 31 December 2017 has not been held until the date of approval of this interim condensed consolidated financial information. Consequently, the consolidated financial statements for the financial year ended 31 December 2017 were not approved. The interim condensed consolidated financial information for the three month period ended 31 March 2018 does not include any adjustments, which might have been required, had the annual general assembly not approved the consolidated financial statements for the financial year ended 31 December 2017.

20. Financial instruments

Categories of financial instruments

The financial assets and liabilities of the Group have been classified in the interim condensed consolidated statement of financial position as follows:

	31 March 2018	31 December 2017 (Audited)	31 March 2017
	KD	KD	KD
Financial assets			
Bank balances and cash	1,535,433	960,559	592,901
Investments at fair value through statement of income	139,269	148,191	214,172
Receivables and other debit balances (excluding prepaid expenses)	2,881,834	2,555,654	3,268,265
Due from related parties	567,965	601,126	728,698
Available for sale investments	55,010	55,289	55,177
	5,179,511	4,320,819	4,859,213
Financial liabilities			
Wakala payables	21,160,698	21,164,197	22,420,323
Ijara payables	2,614,486	2,578,479	588,347
Payables and other credit balances	2,768,887	2,877,624	2,287,487
Due to related parties	322,525	333,266	1,822,733
	26,866,596	26,953,566	27,118,890

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20. Financial instruments (Continued)

Fair value of financial instruments

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (for example: inputs relating to prices).
- Level 3: Inputs derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
31 March 2018			
<u>Financial assets:</u>			
Investments at fair value through statement of income	-	35,737	35,737
Available for sale investments	5,550	8,266	13,816
Total	<u>5,550</u>	<u>44,003</u>	<u>49,553</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
31 December 2017 (Audited)			
<u>Financial assets:</u>			
Investments at fair value through statement of income	-	44,659	44,659
Available for sale investments	5,126	8,969	14,095
Total	<u>5,126</u>	<u>53,628</u>	<u>58,754</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
31 March 2017			
<u>Financial assets:</u>			
Investments at fair value through statement of income	-	72,237	72,237
Available for sale investments	5,043	8,235	13,278
Total	<u>5,043</u>	<u>80,472</u>	<u>85,515</u>

21. Liquidity risk

Liquidity risk is the risk that the Group will encounter the difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Group periodically assesses the financial viability of customers and invests in bank deposits or other investments that are readily realizable. Further, the Group plans and manages its expected cash flows through maintaining cash reserves.

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21. Liquidity risk (Continued)

As at 31 March 2018, the current liabilities of the Group exceeded its current assets with an amount of KD 21,434,185 (31 December 2017: KD 22,300,467 and 31 March 2017: KD 21,192,769). Whereas the Group maintains adequate cash reserves and owns investment properties of KD 23,048,565 as at 31 March 2018 (31 December 2017: KD 23,563,334 and 31 March 2017: KD 23,820,585) which may be sold or utilized by the Group in settlement of its debt with creditors related to wakala payables of KD 21,160,698 as at 31 March 2018 (31 December 2017: KD 21,164,197 and 31 March 2017: KD 22,420,323). Furthermore, the Group maintains guarantees of KD 474,491 as at 31 March 2018 (31 December 2017: KD 474,491 and 31 March 2017: KD 1,059,099) against receivables due from customers. This indicates that the Group will be able to meet its short term commitments.

22. Approval of the interim condensed consolidated financial information

The Parent Company's board of directors has not been appointed up to the reporting date. Accordingly, the interim condensed consolidated financial information was approved by Mr. Ahmad Abdul Razaq Albahar ("Assistant CEO") based on an authorization of the managerial committee appointed by the General Assembly on 5 February 2018, as the company's board of directors and the chair executive officer have been dismissed.

23. Comparative figures

Certain comparative figures for the year / prior period have been re-classified to conform to current period's presentations. Such reclassification did not affect the previously reported loss or equity.