Al Madar Finance and Investment Company

K.S.C (Public)
and its subsidiaries
Kuwait
Interim condensed consolidated financial information
for the nine months ended September 30, 2018
(Unaudited)
with review report

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K.S.C (Public)
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for the nine months ended September 30, 2018
(Unaudited)
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Contents

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The Board of Directors
Al Madar Finance and Investment Company
K.S.C (Public)
And its subsidiaries
Kuwait

Review report on the interim condensed consolidated financial information

Introduction

We have reviewed the accompanying 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 of September 30, 2018 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent 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 of Qualified Conclusion

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

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Emphasis of matter

Without qualifying our conclusion, we draw attention to Note (21) on the interim condensed consolidated financial information which states that the current liabilities of the Group exceeded its current assets with an amount of KD 7,022,535 as of September 30, 2018 (KD 22,300,467 as of December 31, 2017 and KD 21,477,224 as of September 30, 2017).

Report on review of other legal and regulatory matters

Furthermore, except for the possible effects of the matter described in the "Basis for Qualified Conclusion" paragraph above, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its Executive Regulations or the law No. 7 of 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and its Executive regulation or the Memorandum and Articles of Association of the Parent Company as amended, during the nine month period ended September 30, 2018, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.

We further report - except for the possible effects of the matter stated in the "Basis for Qualified Conclusion" in the paragraph above - that we were not become aware of any material violations during the nine month period ended September 30, 2018 of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations.

Abdul Hussain M. Al-Rasheed	**Faisal Saqer Al Saqer**
Licence No. 67 (A)	**License No. 172 (A)**
Rödl Middle East	**BDO Al Nisf & Partners**
Burgan - International Accountants	

November 7, 2018
State of Kuwait

Exhibit – A

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

Interim condensed consolidated statement of financial position as of September 30, 2018 (Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Assets				
Cash and cash equivalents	5	**426,207**	960,559	1,688,191
Investments at fair value through statement of profit or loss	6	**135,277**	148,191	163,502
Receivables and other debit balances	7	**2,113,900**	2,943,223	3,801,147
Due from related parties	14	**2,035**	601,126	588,065
Available for sale investments	8	**55,892**	55,289	55,177
Investment properties	9	**20,934,234**	23,563,334	22,995,091
Investment in associates	10	**250,476**	1,098,501	1,111,360
Property, plant and equipment		**6,607,671**	6,759,358	6,964,617
Intangible assets		**631,815**	686,754	707,946
Total assets		**31,157,507**	36,816,335	38,075,096
Liabilities and equity				
Liabilities				
Wakala payables	11	**4,091,466**	21,164,197	21,937,257
Ijara payables	12	**2,289,974**	2,578,479	2,024,912
Payables and other credit balances	13	**2,985,749**	2,877,624	3,104,962
Due to related parties	14	**332,765**	333,266	650,998
Employees' end of service indemnity benefits		**1,283,900**	1,210,022	1,366,162
Total liabilities		**10,983,854**	28,163,588	29,084,291
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		**2,249**	1,116	1,004
Revaluation surplus		**-**	-	97,037
Foreign currencies translation reserve		**(104,710)**	(95,064)	(90,358)
Other reserve		**(122,147)**	(122,147)	(122,147)
Accumulated losses		**(3,240,281)**	(14,723,982)	(14,477,873)
Total equity attributable to the shareholders of the Parent Company		**18,338,976**	6,863,788	7,211,528
Non-controlling interests		**1,834,677**	1,788,959	1,779,277
Total equity		**20,173,653**	8,652,747	8,990,805
Total liabilities and equity		**31,157,507**	36,816,335	38,075,096

Hamad Saleh Al Thekair
Chairman

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

Al Madar Finance and Investment Company

K.S.C (Public)
and its subsidiaries
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Interim condensed consolidated statement of profit or loss for the nine months ended September 30, 2018
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Revenue					
Rental income		**360,980**	402,409	**1,078,031**	1,055,514
Net profit from sales		**141,124**	(66,963)	**548,984**	343,665
Investment services revenues		**11,194**	-	**21,077**	6,938
Finance revenues/Murabahat		**-**	-	**237,065**	11,845
Change in fair value of investments at fair value through statement of profit or loss		**(1,992)**	3,150	**(10,914)**	(98,583)
Cash dividends		**-**	-	**569**	-
Write back of finance transactions		**-**	-	**1,852,974**	34,310
Impairment of available for sale investments	8	**-**	-	**(703)**	(23,237)
Share of associates' results		**2,483**	(18,724)	**(3,250)**	(41,103)
Profit / (Losses) result from sale investment properties	9	**-**	-	**2,008,933**	(28,408)
Realized gain on sale of investment in associate	10	**-**	-	**429,773**	-
Foreign currency translation differences		**-**	(5,951)	**-**	2,056
Realized gain on settlement of wakala payables		**-**	-	**8,497,026**	-
Realized gain on sale of investments at fair value through statement of profit or loss		**500**	-	**500**	-
Other income		**(5,807)**	4,690	**277,851**	250,974
Total income		**508,482**	318,611	**14,937,916**	1,513,971
Expenses and other charges					
General and administrative expenses		**926,613**	685,989	**2,853,870**	2,887,375
Provision for doubtful debts		**2,703**	536,900	**41,199**	536,900
Finance costs		**35,660**	31,987	**107,428**	47,741
Total expenses and other charges		**964,976**	1,254,876	**3,002,497**	3,472,016
Net (loss)/profit before National Labour Support Tax and Zakat		**(456,494)**	(936,265)	**11,935,419**	(1,958,045)
National Labour Support Tax		**14,539**	-	**(290,124)**	-
Zakat		**5,816**	-	**(116,049)**	-
Net (Loss)/profit for the period		**(436,139)**	(936,265)	**11,529,246**	(1,958,045)
Attributable to:					
Shareholders of the Parent Company		**(449,252)**	(929,288)	**11,483,701**	(1,936,428)
Non-controlling interests		**13,113**	(6,977)	**45,545**	(21,617)
Net (Loss)/profit for the period		**(436,139)**	(936,265)	**11,529,246**	(1,958,045)
Basic and diluted (loss)/gain per share attributable to shareholders of the Parent Company/(Fils)	16	**(2.17)**	(4.49)	**55.47**	(9.35)

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

Al Madar Finance and Investment Company

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Interim condensed consolidated statement of profit or loss and other comprehensive income for the nine months ended September 30, 2018
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Net (loss)/profit for the period	**(436,139)**	(936,265)	**11,529,246**	(1,958,045)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Changes in fair value of available for sale investments	**784**	(15)	**1,306**	(7,713)
Transferred to interim condensed consolidated statement of profit or loss as a result of impairment of available for sale investments	**-**	-	**-**	23,237
Foreign currencies translation reserve	**4,451**	7,629	**(9,646)**	11,469
Total other comprehensive income/(loss)	**5,235**	7,614	**(8,340)**	26,993
Total comprehensive (loss)/income for the period	**(430,904)**	(928,651)	**11,520,906**	(1,931,052)
Attributable to:				
Shareholders of the Parent Company	**(444,190)**	(921,674)	**11,475,188**	(1,909,435)
Non-controlling interests	**13,286**	(6,977)	**45,718**	(21,617)
Total comprehensive (loss)/income for the period	**(430,904)**	(928,651)	**11,520,906**	(1,931,052)

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

Exhibit - D

Al Madar Finance and Investment Company
K.S.C (Public)
and its subsidiaries
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Interim condensed consolidated statement of changes in equity for the nine months ended September 30, 2018 (Unaudited)
"All amounts are in Kuwaiti Dinar"

	Share capital	Share premium	Treasury shares	Change in fair value reserve	Revaluation surplus	Foreign currencies translation reserve	Other reserve	Accumulated losses	Total equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total equity
Balance at January 1, 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
Loss for the period	-	-	-	-	-	-	-	(1,936,428)	(1,936,428)	(21,617)	(1,958,045)
Other comprehensive loss for the period	-	-	-	15,524	-	11,469	-	-	26,993	-	26,993
Total comprehensive loss for the period	-	-	-	15,524	-	11,469	-	(1,936,428)	(1,909,435)	(21,617)	(1,931,052)
Effect of change on non-controlling interests	-	-	-	-	-	-	-	-	-	5,189	5,189
Balance at September 30, 2017	21,386,865	4,990,296	(4,573,296)	1,004	97,037	(90,358)	(122,147)	(14,477,873)	7,211,528	1,779,277	8,990,805
Balance at January 1, 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
Profit for the period	-	-	-	-	-	-	-	11,483,701	11,483,701	45,545	11,529,246
Other comprehensive loss for the period	-	-	-	1,133	-	(9,646)	-	-	(8,513)	173	(8,340)
Total comprehensive income for the period	-	-	-	1,133	-	(9,646)	-	11,483,701	11,475,188	45,718	11,520,906
Balance at September 30, 2018	**21,386,865**	**4,990,296**	**(4,573,296)**	**2,249**	**-**	**(104,710)**	**(122,147)**	**(3,240,281)**	**18,338,976**	**1,834,677**	**20,173,653**

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

Al Madar Finance and Investment Company
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Interim condensed consolidated statement of cash flows for the nine months ended September 30, 2018
(Unaudited)
"All amounts are in Kuwaiti Dinar"

		The nine months ended September 30,	
Operating activities	Note	2018	2017
Net profit/(loss) for the period		11,529,246	(1,958,045)
Adjustments:			
Depreciation and amortization		168,709	318,472
Finance costs		107,428	47,741
Change in fair value of investments at fair value through statement of profit or loss		10,914	98,583
Realized (gain)/ loss on sale of investment properties		(2,008,933)	28,408
Impairment of available for sale investments		703	23,237
Realized gain on sale of investments at fair value through statement of profit or loss		(500)	-
Group's share of associates results		3,250	41,103
Loss /(Gain) on sale of property, plant and equipment		25,108	(1,941)
Provision for doubtful debts		41,199	536,900
Write back off the finance transactions provision		(1,852,974)	(34,310)
Realized gain on settlement of wakala payables		(8,497,026)	-
Realized gain on sale of investment in associate		(429,773)	-
Foreign currencies evaluation differences		-	(2,056)
Employees' end of service indemnity benefits		147,497	480,580
Operating loss before calculating change in working capital items		(755,152)	(421,328)
Receivables and other debit balances		468,892	490,401
Related parties		50,655	(38,090)
Payables and other credit balances		108,029	(300,034)
Cash used in operations		(127,576)	(269,051)
Employees' end of service indemnity paid		(68,019)	(222,991)
Net cash used in operating activities		(195,595)	(492,042)
Investing activities			
Paid for purchase of investment in an associate		-	(38,193)
Paid for purchase of property, plant and equipment		(24,251)	(48,787)
Proceeds from sale of property, plant and equipment		31,460	57,055
Proceeds from sale of investment properties		523,151	81,208
Proceeds from sale of investment at fair value through statement of profit or loss		2,500	-
Paid for purchase of investment properties	9	(15,118)	(19,869)
dividends received from associate		12,846	17,190
Net cash generated from investing activities		530,588	48,604
Financing activities			
Ijara payables		(250,302)	2,000,000
Wakala payables		(473,412)	(303,253)
Financial costs paid		(145,631)	(30,890)
Net movement on non-controlling interests		-	5,189
Net cash (used in)/ generated from financing activities		(869,345)	1,671,046
Net (decrease) /increase in cash and cash equivalents		(534,352)	1,227,608
Cash and cash equivalents at beginning of the period		960,559	460,583
Cash and cash equivalents at end of the period	5	426,207	1,688,191

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

Al Madar Finance and Investment Company
K.S.C (Public)
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Notes to the interim condensed consolidated financial information for the nine months ended September 30, 2018
(Unaudited)
"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Incorporation and activities

Al Madar Finance and Investment Company K.S.C (Public) ("the Parent Company") was incorporated on November 23, 1998. The Parent Company is registered at the Central Bank of Kuwait and Capital Market Authority as an investment company. And listed in Kuwait Stock Exchange on June 20, 2005.

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

- Promoting and marketing the shares and bonds for the favor of the companies.
- Investing in all types of movables whether for its own favor or for others by way of agency or brokerage except 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.
- Management of portfolio and third party funds as per relevant laws.
- Purchase, lease, acquisition, rent, licensing of all kinds of investment equipment and subsequently sale or disposal thereof in any other way.
- Real estate investment for its own 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 has the right to participate and subscribe in any way, in other firms or institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The head office of Parent Company is located in Kuwait and its registered office is P.O. Box 1376, Al 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 for the nine month period ended September 30, 2018 has been approved for issue by the Board of Directors on November 7, 2018.

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2- Significant Accounting Policies

2/1) Basis of preparation

The interim condensed consolidated financial information of the "Group" has been prepared in accordance with IAS 34, "***Interim Financial Reporting***". and the instructions of CMA and CBK ,and Kuwait Stock Exchange.

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and modified for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRS except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK's requirement for a minimum general provision of 1% for cash facilities and 0.5% for non-cash facilities. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of "the Group" for the year ended December 31, 2017 except for the adoption of IFRS 9: Financial Instruments ("IFRS 9") and IFRS 15: Revenue from Contracts with Customers ("IFRS 15") from January 1, 2018. The changes in the accounting policies arising from the adoption of these standards are explained below.
In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the consolidated year ending December 31, 2018. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2017.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of "the Group".

2/2) Application of new International Financial Reporting Standards (IFRSs)

- **Adoption of IFRS 9: Financial Instruments**

The Group has not applied IFRS 9 issued in July 2014, It's initial application date was on January 1, 2018,therefor no amounts were recorded on the opening balances for the accumulated losses. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

Financial assets
The Group classifies financial assets upon initial recognition of IFRS 9 into following categories:

- Fair Value Through Profit and Loss (FVTPL)
- Fair value though other comprehensive income (FVOCI)
- Amortised cost (AC)

All financial assets are initially measured at fair value. Transaction costs are added to the cost of all financial instruments except for financial assets classified as at fair value through profit or loss. Transaction costs on financial assets classified as at fair value through profit or loss are recognized in the interim condensed consolidated statement of profit or loss.

Fair value through profit and loss (FVTPL)
Financial assets whose business model is to acquire and sell, or whose contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding are classified as FVTPL.

In addition to the above, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as FVTPL are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in the interim condensed consolidated statement of profit or loss. Interest income and dividends are recognized in the interim condensed consolidated statement of profit or loss according to the terms of the contract, or when the right to payment has been established.

Fair value through other comprehensive income (FVOCI)
Debt instruments at FVOCI
The Group classifies debt instruments at FVOCI if it meets both of the following conditions:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments classified as FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in the interim condensed consolidated statement of profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to interim condensed consolidated statement of profit or loss.

Equity instruments at FVOCI
Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.
Equity instruments at FVOCI are subsequently measured at fair value. Changes in fair value including foreign exchange gains and losses are recognized in OCI. Dividends are recognized in interim condensed consolidated statement of profit or loss when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Equity instruments at FVOCI are not subject to an impairment assessment. On derecognition, cumulative gains or losses will be reclassified from fair value reserve to retained earnings in the interim condensed consolidated statement of changes in equity.

Amortised cost (AC)
The Group classifies financial assets at AC if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Financial assets classified at AC are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains/losses and impairment are recognized in the interim condensed consolidated statement of profit or loss. Any gain or loss on derecognition is recognized in the interim condensed consolidated statement of profit or loss.

Financial liabilities
The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from Group's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the interim condensed consolidated statement of profit or loss.
Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

Classification and measurement of financial assets and financial liabilities
The Group determines classification and measurement category of financial assets, except equity instruments and derivatives, based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account.

The SPPI test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows met the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a basic lending arrangement are typically the consideration for the time value of money, credit risk, other basic lending risks and a profit margin. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Impairment of financial assets

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "Expected Credit Loss" (ECL) model. Accordingly, the Group applies the new impairment model for its financial assets. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Incorporating forward-looking information increases the degree of judgment required as to how changes in these macro-economic factors will affect ECLs. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

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IFRS 9 introduces three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12 months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognized .

Stage 2: Lifetime ECL – not credit impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized
Stage 3: Lifetime ECL – credit impaired
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The Group expects to apply the simplified approach to recognize lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorized under stage 2 and lifetime ECL is recognized.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral etc.

The Group assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets for AC.

Adoption of IFRS 15: Revenue from Contract from Customers
IFRS 15 was issued in May 2014 and is effective for annual periods commencing on or after January 1, 2018. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several Standards and Interpretations within IFRS. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

It established a new five-step model that will apply to revenue arising from contracts with customers as follows:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has not applied IFRS 15 "Revenue from Contract from Customers" resulting in no change in the revenue recognition policy of the Group in relation to its contracts with customers.

3- Critical judgments and estimates

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

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying "the Group's" accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2017.

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4- 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:

			Shareholding percentage %		
	Country of incorporation	**Activity**	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Dar Al-Thuraya Real Estate Co. K.S.C (Public)	Kuwait	Real estate	**%88.35**	%88.35	%88.35
Fiduciary International For Programming and Printing Software Company W.L.L*	Kuwait	Programming and operating computer, printing and distribution of software and computers	**%99**	%99	%99
Al Madar Real Estate Development K.S.C (Closed)*	Kuwait	Real estate	**%98.5**	%98.5	%98.5
Al Thuraya for Warehousing and Cold Storage K.S.C (Closed)*	Kuwait	Warehousing	**%96**	%96	%96

During the period ended September 30, 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 K.S.C (Closed) and Al Thuraya for Warehousing and Cold Storage K.S.C (Closed) based on the interim financial information prepared by the management as of September 30, 2018.

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 and Cold Storage K.S.C. (Closed) totaling 125,434,632 shares, 68,950,000 shares and 9,900,000 shares respectively are retained to certain creditors (Note:11).

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The interim condensed consolidated financial information includes the interim condensed consolidated financial information of Dar Al Thuraya Real Estate K.S.C (Public) company and its following subsidiaries:

	Country of incorporation	Activity	Shareholding percentage %		
			September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Al-Thuraya Star Company W.L.L	Kuwait	General Trading and Contracting	%99	%99	%99
Kuwait Mabani Real Estate Company K.S.C (Closed)	Kuwait	Real estate	%96	%96	%96
Pack & Move Holding Company K.S.C (Holding)	Kuwait	Holding	%99.88	%99.88	%99.88
Golden Madar Real Estate Company W.L.L	Kuwait	Real estate	%98	%98	%98

During the period ended, the subsidiary (Dar Al Thuraya Real Estate Company K.S.C (Public)) has consolidated the interim condensed financial information for the nine month ended September 30 , 2018 for its subsidiaries based on financial information prepared by management of the subsidiaries as of September 30, 2018 except for (Al-Thuraya Star Company W.L.L, Golden Madar Real Estate Company W.L.L and Wafir Foodstuff Company - Mohammad Yousuf Al Roumi & Partners and its subsidiaries LLC) which have been consolidated based on financial information dated June 30, 2018 due to non availability of financial information as of September 30, 2018 prepared by management of the parent company

5- Cash and cash equivalents

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Cash at banks	**359,662**	910,366	1,647,815
Cash on hand	**66,545**	50,193	40,376
	426,207	960,559	1,688,191

The effective yield rate on saving accounts as of September 30, 2018 was 0.75% (December 31, 2017: 0.75% and September 30, 2017: 0.65%).

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6- Investments at fair value through statement of profit or loss

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

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Investments in unquoted local shares	**40,187**	53,101	68,412
Investments in portfolio - local funds	**41,147**	41,147	41,147
Investments in portfolio – foreign funds	**53,943**	53,943	53,943
	135,277	148,191	163,502

- Investments in unquoted local shares and foreign funds have been recorded with an amount of KD 115,550 (December 31, 2017: KD 103,532 and September 30, 2017: KD 91,142) and carried at cost less impairment, since their fair values could not be measured reliably. Management does not have indicator for the impairment of these investments.

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

Investments at fair value through statement of profit or loss include certain shares retained for certain creditors of KD 15,187 (December 31, 2017: KD 22,601 and September 30, 2017: KD 28,090).

Valuation techniques for investments at fair value through statement of profit or loss are disclosed in note (20).

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7- Receivables and other debit balances

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Trade receivables	**2,546,304**	4,415,577	5,963,437
Provision for doubtful debts	**(2,512,447)**	(4,324,222)	(5,828,679)
	33,857	91,355	134,758
Receivables from sale of financial, properties and services investments	**32,797**	741,737	681,010
Accrued revenue	**211,232**	178,431	809,876
Staff receivables	**11,871**	19,947	16,505
Prepaid expenses	**312,157**	387,569	622,567
Other receivables	**1,511,986**	1,524,184	1,536,431
	2,113,900	2,943,223	3,801,147

- The Item of receivables from sale of financial, properties and services investments has been presented after deducting a provision for doubtful debts of KD 820,179 as of September 30, 2018 (December 31, 2017: KD 820,179 and September 30, 2017: KD 849,049).

- The Item of accrued revenues has been presented after deducting a provision for doubtful debts of KD 617,258 as of September 30, 2018 representing provisions recorded in subsidiaries (December 31, 2017: KD 617,258 and September 30, 2017: nil).

- Other receivables have been presented after deducting a provision for doubtful debt of KD 246,394 as of September 30, 2018 (December 31, 2017: KD 283,256 and September 30, 2017: KD 122,057).

- The maximum exposure to credit risks as of the report date is the fair value of each class of receivables. The Group holds guarantees amounted to KD 33,604 for trade receivables as of September 30, 2018 (as of December 31, 2017: KD 474,491 and September 30, 2017: KD 517,688).

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During the period ended September 30, 2018, the Parent Company has signed a settlement contract with a creditor on May 16, 2018 against settlement of Wakala payables balance of KD 16,999,319 including assignment of certain finance customers' receivable balances, which were estimated at a total amount of KD 2,285,177, resulted in realized gain of KD 1,664,621 from such transaction. An amount of KD 1,395,171 has been recognized under write-back of finance transactions provision, an amount of KD 156,479 related to the deferred revenue has been recognized under finance revenues and an amount of KD 112,971 under realized gain on settlement of Wakala payables. Furthermore, assignment of certain finance customer's balance of KD 1,545,055, which has been written off during the previous year as per the Parent Company's board of directors meeting held on November 19, 2017 resulted in realized gain of KD 1,545,055 from such transaction, which have been recognized in the interim condensed consolidated statement of profit or loss under realized gain on settlement of Wakala payables.

- The Group does not incur any finance charges on the overdue receivables.

The following is analysis of the provision for doubtful debts during the period/ year/period:

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Specific provision	**4,196,278**	6,044,915	6,799,785

8- Available for sale investments

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Investments in quoted local shares	**6,432**	5,126	5,015
Investments in unquoted local shares	**13,266**	13,969	13,969
Investments in unquoted foreign shares	**36,194**	36,194	36,193
	55,892	55,289	55,177

- Investments in local and foreign shares include unquoted shares amounting to KD 49,458 (December 31, 2017: KD 41,194 and September 30, 2017: KD 41,900) carried at cost since their fair value could not be measured reliably at the date of interim condensed consolidated financial position. Management does not have indicators for investment impairment.

- Available for sale investments include unquoted foreign investments with actual cost of KD 3,698,839 (December 31, 2017: KD 3,698,839 and September 30, 2017: KD 3,698,839) carried forward from the year 2009 since these investments are subject to a legal dispute. The management decided to reduce the cost of this investment in previous years until it is finally settled.

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- During the period, the Group recorded impairment of available for sale investments of KD 703 (September 30, 2017: KD 23,237).

- Investments in unquoted shares are evaluated in accordance with the estimated procedures based on the available information on the financial position, operations results of the investee companies, the expected future profits of these companies while also considering the rates of any 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 with an amount of KD 8,264 (December 31, 2017: KD 8,264 and September 30, 2017: KD 8,264).

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

9- Investment properties

Investment properties	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Balance at beginning of the period/year/period	**17,611,217**	14,839,420	14,839,420
Disposals	**(2,250,737)**	(780,000)	(780,000)
Transfer from properties under development	-	3,357,730	3,325,883
Change in fair value	-	262,361	-
Foreign currencies translation differences	-	(68,294)	-
Balance at the ending of the period/ year/ period	**15,360,480**	17,611,217	17,385,303

Properties under development	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Balance at beginning of the period/ year/period	**5,952,117**	9,012,769	9,012,769
Additions	**15,118**	39,880	19,869
Disposals	**(393,481)**	(96,968)	(96,967)
Transfer to investment properties	-	(3,357,730)	(3,325,883)
Change in fair value	-	408,797	-
Foreign currencies translation differences	-	(54,631)	-
Balance at the ending of the period/year/ period	**5,573,754**	5,952,117	5,609,788
Balance at the ending of the period/year/ period	**20,934,234**	23,563,334	22,995,091

During the period ended September 30, 2018, the Group sold one of its investment properties at KD 500,000. No profit or loss resulted from this transaction.

During the period ended September 30, 2018, the Group sold properties under development in Sultanate of Oman with an amount of KD 23,151, resulted in gain of KD 1,177 from such transaction recorded in the interim condensed consolidated statement of profit or loss.

During the period ended September 30, 2018, the Parent Company has signed a settlement contract with a creditor on May 16, 2018 against settlement of Wakala payables balance of KD 16,999,319 including assignment of certain investment properties and properties under development, which were estimated at total amount of KD 4,130,000 while its cost amounted to KD 2,122,244, resulted in realized gain of KD 2,007,756 from such transaction, which have been recognized in the interim condensed consolidated statement of profit or loss under realized gain on sale of investment properties.

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

10- Investment in associates

The statement of these investments in associates is as follows:

				Ownership percentage %		
Name of associate	**Country of incorporation**	**Measurement method**	**Activity**	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Interpack Kuwait Limited for General Trading and Contracting Company W.L.L	Kuwait	Equity method	General Trading and Contracting	-	%40	%40
Egyptian Saudi Company for Medical Equipment (S.A.E)	Arab Republic of Egypt	Equity method	Medical equipment and devices	**%30.26**	%30.26	%30.26

The book value of each associate is as follows:

Name of associate	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Interpack Kuwait Limited for General Trading and Contracting Company W.L.L	-	848,510	868,106
Egyptian Saudi Company for Medical Equipment (S.A.E)	**250,476**	249,991	243,254
	250,476	1,098,501	1,111,360

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The Group's share in business results of associates has been recognized based on the financial information prepared by the management as of September 30, 2018 due to non-availability of associates' condensed financial information as of September 30, 2018.

During the period, one of the associates "Egyptian Saudi Company for Medical Equipment (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.

During the period ended September 30, 2018, the Parent Company has signed a settlement contract with a creditor on May 16, 2018 against settlement of Wakala payables balance of KD 16,999,319 including assignment of an associate "Interpack Kuwait Limited for General Trading and Contracting Company W.L.L.", which were estimated at total amount of KD 1,800,000, its carrying value amounted to KD 822,292 in addition to the assignment of the associate's debt balance of KD 547,935, resulted in realized gain of KD 429,773 from such transaction, which have been recognized in the interim condensed consolidated statement of profit or loss under realized gain on sale of investment in an associate.

11- Wakala payables

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Wakala payables	**4,091,466**	21,164,197	21,937,257

The average effective cost rate on wakala was 5.8% as of September 30, 2018 (December 31, 2017: 5.8% and September 30, 2017: 5.8%).

Wakala payables include past due wakala of KD 3,636,816 (December 31, 2017: KD 3,636,816 and September 30, 2017: KD 4,887,212). The Parent Company was obliged to pay based on the judicial decision taken against the Parent Company, while an amicable settlement is currently in progress with the prevailing party.

During the period ended September 30, 2018, the Parent Company has signed a settlement contract with a creditor on May 16, 2018 against settlement of Wakala payables balance of KD 16,999,319, which was due during the previous years. The settlement items included the following:

- Cash payment of KD 400,000.
- Assignment of certain finance customers' receivable balances, which were estimated at a total amount of KD 2,285,177, resulted in realized gain of KD 1,664,621 from such transaction. An amount of KD 1,395,171 has been recognized under write-back of finance transactions provision, an amount of KD 156,479 related to the deferred revenue which has been recognized under finance revenues and an amount of KD 112,971 under realized gain on settlement of Wakala payables.

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- Furthermore, assignment of certain finance customer's balance of KD 1,545,055, which has been written off during the previous year as per the Parent Company's board of directors meeting held on November 19, 2017 resulted in realized gain of KD 1,545,055 from such transaction, which has been recognized in the interim condensed consolidated statement of profit or loss under realized gain on settlement of Wakala payables (Note 7).
- Assignment of certain investment properties and properties under development, which were estimated at total amount of KD 4,130,000 while its cost amounted to KD 2,122,244, resulted in realized gain of KD 2,007,756 from such transaction, which has been recognized in the interim condensed consolidated statement of profit or loss under gain on sale of investment properties (Note 9).

- Assignment of an associate "Interpack Kuwait Limited for General Trading and Contracting Company W.L.L.", which were estimated at total amount of KD 1,800,000, its carrying value amounted to KD 822,292 in addition to the assignment of the associate's debt balance in total carrying value of KD 547,935, resulted in realized gain of KD 429,773 from such transaction, which has been recognized in the interim condensed consolidated statement of profit or loss under realized gain on sale of investment in an associate (Note 10).

- The remaining debt of KD 6,839,000 has been deducted against the Parent Company's commitment to the content of the settlement concluded with the creditor, which has been recognized under realized gain on settlement of Wakala payables.

Total gain of KD 12,486,292 have been resulted from the settlement, which have been recognized in the interim condensed consolidated statement of profit or loss for the period ended September 30, 2018 as per the above mentioned items.

12- Ijara payables

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Ijara payables	**2,393,953**	2,648,641	2,115,300
Future financial cost	**(103,979)**	(70,162)	(90,388)
	2,289,974	2,578,479	2,024,912

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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 its purchase as follows:

- An amount of KD 481,153 (December 31, 2017: KD 533,341 and September 30, 2017: nil) represents deferred rental value due at end of the contract duration on April 17, 2018. The effective yield rate was 6.30% per annum (December 31, 2017: 6.05% and September 30, 2017: 6.05%). During the period ended September 30, 2018, Ijara contract with an amount of KD 452,709 has been renewed and the maturity date has been extended to 12 monthly installments starting from April 18, 2018 to April 17, 2019.

- An amount of KD 717,337 (December 31, 2017: KD 793,275 and September 30, 2017: KD 793,275) represents deferred rental value due at end of the contract duration on June 3,2019. The effective yield rate was 6.29% per annum (December 31, 2017: 5.79% and September 30, 2017: 5.77%). During the period ended September 30, 2018 Ijara contract with an amount of KD 675,000 has been renewed and the maturity date has been extended to 12 monthly installments starting from June 3, 2018 to June 3, 2019.

- An amount of KD 1,195,463 (December 31, 2017: KD 1,322,025 and September 30, 2017: KD 1,322,025) represents deferred rental value due at end of the contract duration on August 5, 2019.The effective yield rate was 6.28% per annum (December 31, 2017: 5.78% and September 30, 2017: 5.78%).During the period ended September 30, 2018 Ijara contract with an amount of KD 1,125,000 has been renewed and the maturity date has been extended to 12 monthly installments starting from August 6, 2018 to August 5, 2019.

13- Payables and other credit balances

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Trade payables	**162,489**	548,091	1,592,351
Accrued expenses	**561,663**	631,669	71,155
Payables - purchasing of land and financial investments	**31,131**	235,575	277,930
Other creditors	**2,230,466**	1,462,289	1,163,526
	2,985,749	2,877,624	3,104,962

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14- Related parties transactions

Related parties comprise of the Group's major shareholders who are members in the 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.

The balances with related parties during the period/year/period are as follows:

Interim condensed consolidated statement of financial position:	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Due from related parties	**2,035**	601,126	588,065
Due to related parties	**332,765**	333,266	650,998

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Interim condensed consolidated statement of profit or loss				
Salaries and other short term benefits	**53,611**	79,739	**106,613**	246,376
End of service indemnity benefits	**3,294**	29,495	**17,615**	85,184

15- Treasury shares

	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Number of shares purchased (share)	**6,845,096**	6,845,096	6,845,096
Ownership percentage (percentage of treasury shares to the total issued shares)	**%3.2**	%3.2	%3.2
Cost	**4,573,296**	4,573,296	4,573,296
Market value (KD)	**937,778**	169,758	157,437

The Parent Company is committed to retain the share premium of share capital which is equivalent to the cost of the purchased treasury shares while considering it non-distributable during the period owned by the Parent Company and this according to the instructions of the relevant regulatory authorities. Treasury shares are retained for certain creditors.

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16- Basic and diluted (loss)/ profit per share attributable to shareholders of the Parent Company/(Fils)

Basic and diluted (loss)/ profit per share profit attributable to shareholder of the Parent Company is calculated by dividing the net (loss)/ profit for the period attributable to the shareholders of the Parent Company by the weighted average number of outstanding shares of issued share capital during the period excluding treasury shares:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Net (Loss)/profit for the period attributable to shareholders of the Parent Company	**(449,252)**	(929,288)	**11,483,701**	(1,936,428)
Weighted average number of outstanding shares:				
Number of issued shares	**213,868,650**	213,868,650	**213,868,650**	213,868,650
Less: Weighted average number of treasury shares	**(6,845,096)**	(6,845,096)	**(6,845,096)**	(6,845,096)
Weighted average number of outstanding shares	**207,023,554**	207,023,554	**207,023,554**	207,023,554
Basic (loss)/profit per share attributable to equity shareholders of the Parent Company/ (fils)	**(2.17)**	(4.49)	**55.47**	(9.35)

17- Fiduciary assets

Fiduciary assets comprise of investments and funds managed on behalf of clients. These are not assets of the Parent Company and accordingly, are not included in the interim condensed consolidated financial information. As of the condensed consolidated statement of financial position date, total Fiduciary assets managed on behalf of clients amounted to KD 4,213,500 (December 31, 2017: KD 4,194,000 and September 30, 2017: KD4,196,000), including a portfolio managed on behalf of related party amounting to KD 9,373 as of September 30, 2018 (December 31, 2017: KD 12,884 and September 30, 2017: KD 13,022).

18- Segment information

The operating segments are identified based on the internal reports of Group segments which are regularly reviewed by the chairman and managing director who take the main operating decisions in the Group so as allocate resources and to evaluate performance of these segments on an ongoing basis.

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

A. Real estate:
This sector represents investing in investment properties to generate rental income, gain from capital appreciation, or for trading purposes.

B. Financial investments:
This sector represents investment in short term money market instruments and investment in shares of listed and unlisted companies whose articles of association and activities comply with the rules of noble Islamic Shari'a.

C. Corporate finance:
The activity of this segment is to provide finance to companies by using the various islamic financing instruments, i.e. Murabaha, Wakala, future sales, and other contracts compliant with the rules of noble Islamic Shari' a.

D. Other:
This includes the revenue and expenses that do not belong to the above sectors.

The information of the Group's segments reports are summarized as follows:

	Segment revenue		Segment Profit / (loss)	
	Nine months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Properties	**3,086,965**	1,027,106	**3,086,965**	1,027,106
Financial investments	**415,975**	(162,923)	**415,975**	(162,923)
Corporate finance	**237,065**	11,845	**129,637**	(35,896)
Other	**11,197,911**	637,943	**11,197,911**	637,943
	14,937,916	1,513,971	**14,830,488**	1,466,230
General and administrative expenses			**(2,853,870)**	(2,887,375)
Provision for doubtful debts			**(41,199)**	(536,900)
National Labour Support Tax			**(290,124)**	-
Zakat			**(116,049)**	-
profit/ (loss) for the period			**11,529,246**	(1,958,045)

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

Segment assets	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Properties	**20,934,234**	23,563,334	22,995,091
Financial investments	**441,645**	1,301,981	3,018,230
Corporate finance	**33,858**	91,355	134,758
Other	**9,747,770**	11,859,665	11,927,017
Total segment assets	**31,157,507**	36,816,335	38,075,096

Segment liabilities	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Properties	**31,131**	235,575	237,175
Corporate finance	**6,381,440**	23,742,676	23,962,169
Other	**4,571,283**	4,185,337	4,884,947
Total segment liabilities	**10,983,854**	28,163,588	29,084,291

19- General Assembly of Shareholders

The annual general assembly of the shareholders was held on July 24, 2018 and approved the consolidated financial statements of the Group for the financial year ended December 31, 2017. It also approved board of directors' recommendations for non distribution of dividends for the financial year ended December 31, 2017 and non distribution of remuneration to the board of directors members for the financial year ended December 31, 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:

Financial assets	**September 30, 2018**	December 31, 2017 (Audited)	September 30, 2017
Cash and cash equivalents	**426,207**	960,559	1,688,191
Investments at fair value through statement of profit or loss	**135,277**	148,191	163,502
Receivables and other debit Balances	**2,113,900**	2,943,223	3,801,147
Due from related parties	**2,035**	601,126	588,065
Available for sale investments	**55,892**	55,289	55,177
	2,733,311	4,708,388	6,296,082

Al Madar Finance and Investment Company
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"All amounts are in Kuwaiti Dinar unless stated otherwise"

Financial liabilities	September 30, 2018	December 31, 2017 (Audited)	September 30, 2017
Wakala payables	**4,091,466**	21,164,197	21,937,257
Ijara payables	**2,289,974**	2,578,479	2,024,912
Payables and other credit balances	**2,985,749**	2,877,624	3,104,962
Due to related parties	**332,765**	333,266	650,998
	9,699,954	26,953,566	27,718,129

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Fair value of the non-derivative financial instruments is not materially different from its respective carrying value.

The hierarchy levels of fair value are set out below:

- Level 1: prices included (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (inputs relating to prices).
- Level 3: inputs for assets and liabilities that are not based on observable market information (non observable information).

Financial assets and liabilities are classified in the level was based on the lower level for the important information.

The following table presents financial assets and liabilities measured at fair value in the interim condensed consolidated financial position in accordance with the fair value hierarchy, where the hierarchy classifies the financial assets and liabilities to nine levels based on the importance of the inputs used in the measurement of the fair value of the financial assets and liabilities.

As of September 30, 2018:

	Level 1	**Level 2**	**Total**
Investments at fair value through statement of profit or loss	**-**	**19,727**	**19,727**
Available for sale investments	**6,432**	**2**	**6,434**
Total	**6,432**	**19,729**	**26,161**

As of December 31, 2017 (Audited):

	Level 1	Level 2	Total
Investments at fair value through statement of profit or loss	-	44,659	44,659
Available for sale investments	5,126	8,969	14,095
Total	5,126	53,628	58,754

As of September 30, 2017:

	Level 1	Level 2	Total
Investments at fair value through statement of profit or loss	-	72,360	72,360
Available for sale investments	5,015	8,262	13,277
Total	5,015	80,622	85,637

21- Liquidity risks

The Liquidity risks generated from the lack of the Group's ability to provide necessary funds to meet its liabilities that related to the financial instruments. in order to manage these risks the Group periodically evaluates its customer's financial ability and invests in the bank's deposits or other highly liquidated investments accompanied by planning and managing the Group's expected cash flows through retaining cash reserves.

As of September 30, 2018, the current liabilities of the Group exceeded its current assets with an amount of KD 7,022,535 (December 31, 2017: KD 22,300,467 and September 30, 2017: KD 21,477,224). However the Group maintains adequate cash reserves and owns investment properties of KD 20,934,234 as of September 30, 2018 (December 31, 2017: KD 23,563,334 and September 30, 2017: KD 22,995,091) which may be sold or utilized by the Group in settlement of its debt with creditors related to wakala payables of KD 4,091,466 as of September 30, 2018 (December 31, 2017: KD 21,164,197 and September 30, 2017: KD 21,937,257). Furthermore, the Group maintains guarantees of KD 33,604 as of September 30, 2018 (December 31, 2017: KD 474,491 and September 30, 2017: KD 517,688) against receivables due from customers which indicates that the Group will be able to meet its short-term commitments.

22- 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.