Kuwait Real Estate Investment Consortium - KSCC
And its subsidiary
State of Kuwait

Consolidated Financial Statements
And Independent Auditor's Report

For the year ended 31 December 2013

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kuwait Real Estate Investment Consortium KSCC, "the Company" and its subsidiary (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of income, comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

We draw attention to note (6) to these consolidated financial statements where the fair value of one of the investments classified at fair value through profit or loss amounting to KD 595 thousand as of 31 December 2013 (KD 673 thousand - 2012) based on the management estimates taking into consideration the financial difficulties faced by the investees as a result of the global and regional economic crisis. Our opinion is not qualified in respect of this matter.

Kuwait Real Estate Investment Consortium - KSCC
State of Kuwait

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS (Continued)

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained the information that we required for the purpose of our audit and the consolidated financial statements incorporate all information that is required by the Companies Law no. 25 of 2012, and by the Company's Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law no. 25 of 2012, or of the Articles of Association of the Company have occurred during the year ended 31 December 2013 that might have had a material effect on the business of the Group or on its consolidated financial position except as disclosed in note (21) to the consolidated financial statements.

Talal Yousef Al-Muzzaini
Licence No. 209-A
Deloitte & Touche
Al-Wazzan & Co.

Kuwait
11 March 2014

Consolidated Statement of Financial Position as at 31 December 2013

(All amounts are in Thousand Kuwaiti Dinars)

	Note	2013	2012
Assets			
Current assets			
Cash and cash equivalents	5	4,042	2,807
Investments at fair value through profit or loss	6	3,507	3,209
Accounts receivables	7	153	208
Due from related parties	8	349	370
		8,051	6,594
Non-current assets			
Investments available for sale	9	1,884	2,312
Held to maturity investments		24	26
Land and real estate under development		1,477	1,469
Investment in associates	10	2,600	2,498
Investment properties	11	16,378	16,657
Property and equipment		36	50
		22,399	23,012
Total assets		30,450	29,606
Liabilities and Equity			
Current liabilities			
Accounts payables	12	3,332	2,907
Equity			
Share capital	13	10,000	10,000
Statutory reserve	14	3,585	3,508
Voluntary reserve	15	3,585	3,508
Foreign currency translation reserve		(1,075)	(777)
Change in fair value reserve		335	326
Group’s share in associates’ reserves		(50)	(50)
Retained earnings		10,738	10,184
Total equity		27,118	26,699
Total Liabilities and Equity		30,450	29,606

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

Abdullah Abdul Wahab Al-Ramadan
Chairman

Ali S. Al-Ghunaim
General Manager

Consolidated Statement of Income for the year ended 31 December 2013
(All amounts are in Thousand Kuwaiti Dinars)

	Note	2013	2012
Revenues			
Management fees	8	199	204
Net investment properties income	16	1,420	1,384
Investments (losses) / gains	17	115	(94)
Group's share in associates' results	10	785	487
Other income	18	181	295
		2,700	2,276
Expenses and other charges			
Other expenses	19	459	223
Staff costs	20	1,122	1,064
Depreciation	11	307	556
Provision for doubtful debts		49	218
Contribution to Kuwait Foundation for the Advancement of Science		7	2
Board of Directors' remuneration	21	48	30
		1,992	2,093
Net profit for the year		708	183
Earnings per share (fils)	22	7.08	1.83

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

Consolidated Statement of Comprehensive Income for the year ended 31 December 2013
(All amounts are in Thousand Kuwaiti Dinars)

	2013	2012
Net profit for the year	708	183
Other comprehensive income		
Transferred to statement of income on sale of investments available for sale	(13)	-
Change in fair value of investment available for sale	(395)	19
Impairment of investments available for sale	417	55
Foreign currency translation	(298)	(25)
Group's share in associates' reserves	-	(5)
	(289)	44
Total comprehensive income for the year	419	227

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2013
(All amounts are in Thousand Kuwaiti Dinars)

	Share capital	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change in fair value reserve	Group's share in associates' reserves	Retained earnings	Total
Balance at 1 January 2012	10,000	3,486	3,486	(752)	252	(45)	10,545	26,972
Net profit for the year	-	-	-	-	-	-	183	183
Other comprehensive income								
Change in fair value of investments available for sale	-	-	-	-	19	-	-	19
Impairment of investments available for sale	-	-	-	-	55	-	-	55
Foreign currency translation reserve	-	-	-	(25)	-	-	-	(25)
Group's share in associates' reserves	-	-	-	-	-	(5)	-	(5)
Total other comprehensive income	-	-	-	(25)	74	(5)	-	44
Cash dividends	-	-	-	-	-	-	(500)	(500)
Transfer to reserves	-	22	22	-	-	-	(44)	-
Balance at 31 December 2012	10,000	3,508	3,508	(777)	326	(50)	10,184	26,699
Balance at 1 January 2013	10,000	3,508	3,508	(777)	326	(50)	10,184	26,699
Net profit for the year	-	-	-	-	-	-	708	708
Other comprehensive income								
Change in fair value of investments available for sale	-	-	-	-	(395)	-	-	(395)
Impairment of investments available for sale	-	-	-	-	417	-	-	417
Transferred to statement of income on sale of investments available for sale	-	-	-	-	(13)	-	-	(13)
Foreign currency translation reserve	-	-	-	(298)	-	-	-	(298)
Total other comprehensive income	-	-	-	(298)	9	-	-	(289)
Transfer to reserves		77	77	-	-	-	(154)	-
Balance at 31 December 2013	10,000	3,585	3,585	(1,075)	335	(50)	10,738	27,118

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

Consolidated Statement of Cash Flows for the year ended 31 December 2013
(All amounts are in Thousand Kuwaiti Dinars)

	Note	2013	2012
Cash flows from operating activities:			
Net profit for the year		708	183
Adjustments:			
Provisions no longer required		-	(120)
Investments losses / (gain)	17	(115)	94
Interest income	18	(20)	(23)
Group's share in associates' results		(785)	(487)
Depreciation		307	556
Provision for doubtful debts		49	218
Operating profit before changes in operating assets and liabilities		144	421
Investments at fair value through profit or loss		55	220
Accounts receivables		55	(268)
Due from related parties		(28)	(17)
Accounts payables		429	(309)
Net cash flows generated from operating activities		655	47
Cash flows from investing activities:			
Dividends received from an associate		375	629
Paid for investment properties		-	(7)
Proceeds from sale of investments available for sale		90	-
Purchase of property and equipment		(14)	(10)
Interest received		20	23
Dividends received from investment	17	109	109
Net cash generated from investing activities		580	744
Cash flows from financing activities:			
Cash dividends paid		-	(500)
Net cash used in financing activities		-	(500)
Net increase in cash and cash equivalents		1,235	291
Cash and cash equivalents at beginning of the year		2,807	2,516
Cash and cash equivalents at end of the year	5	4,042	2,807

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

1. Incorporation of the Group

Kuwait Real Estate Investment Consortium ("The Company") is a Kuwaiti Shareholding Company (Closed) incorporated in 26 October 1975 and it is a subsidiary of Kuwait Investment Authority.

The activities for which the company was incorporated for are as follows:

- Coordinate the efforts of Kuwaiti Real Estate Companies.
- Carry out the real estate works and actions for the purpose of making a profit including selling, buying, renting and leasing lands and properties. Establish buildings and preparation of Studies of public or private real estate projects and also its implementation whether through direct undertaking or intermediation.
- Carry out various types of construction and any subdivisions thereof whether for its account or for the third parties' account. Import and trade all materials related to real estate and subdivisions thereof.
- Establish, and manage hotels, clubs, restaurants, cafes, motels, chalets and all tourism, sport, and leisure facilities.
- Invest in the shares of projects and companies that are engaged in similar activities and also manage such companies and direct it in order to serve the interest.
- Build and construct housing whether for individuals, Public or private bodies inconsideration of receiving its amount whether in cash or over instalments.
- Management of third parties' properties.
- Establish companies with similar objectives in different countries and also engage therein in accordance with the applicable laws in such countries to achieve the company's objectives and strengthen the Arab and international cooperation. Also, the Company may have an interest or be involved in any way with the entities that are engaged in similar activities or that may assist the Company in achieving its objectives. The Company may also buy these entities or merge with them.
- Utilizing the company's available surplus by investing them in financial and real estate portfolios managed by specialized companies and entities.
- Establish and manage real estate funds.
- Conduct and manage the real estate auctions according to the rules and regulations applicable by the Ministry.
- Evaluate third parties' assets and properties as per the rules and regulations applicable by the Ministry of Commerce and Industry.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary (Lebanon Real Estate Investment Consortium Company) together referred as the "Group".

The subsidiary's aggregate assets is equivalent to KD 1,911 thousand as at 31 December 2013 (KD 2,072 thousand as at 31 December 2012) aggregate net losses is equivalent of KD 22 thousand for the year ended 31 December 2013 (KD 11 thousand for the year ended 31 December 2012).

The audited financial statements for the subsidiary for the year ended 31 December 2013 were used in the preparation of the consolidated financial statements for the Group.

The Company is located in Al Sharq, Ahmed Al Jaber Street, P.O. Box 23411, Safat 13095, Kuwait.

Kuwait Investment Authority owns 99.127% of the total shares of the Company.

On 1 April 2013, the shareholders' general assembly approved the consolidated financial statements of the Group for the year ended 31 December 2012.

The consolidated financial statements were authorized for issue by the Board of Directors on 11 March 2014.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. These consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below.

2.2 New and revised standards

New and revised IFRSs issued and effective

In the current year, the Group has applied a number of new and revised IFRSs that are issued and effective for accounting periods that begin on or after 1 January 2013.

IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement to similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and of SIC-12 Consolidation – Special Purpose Entities.

Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The adoption of this standard has not resulted in any significant impact on the performance of the Group or its financial position.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 “Interests in Joint Ventures”. The standard removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Under IFRS 11, there are only two types of joint arrangements (a) joint ventures and (b) joint operations. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Investment in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from sale of the output by the operation) and its expenses (including its share of expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards. The adoption of this standard has no impact on the performance of the Group or its financial position.

IFRS 12 Disclosure of interest in Other Entities

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of this standard resulted in more extensive disclosures in the consolidated financial statements (notes 10).

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. Fair value under this standard is an exit price regardless of whether price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements (note 3.2).

Other than the additional disclosures, the application of the standard has not had any material impact on the amounts recognised in the consolidated financial statements.

IAS 1 Presentation of Financial Statement

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendment affects presentation only and has no impact on the performance of the Group or its financial position. The amendments have been applied retrospectively, and hence the presentation of other comprehensive income has been modified to reflect the changes.

New and revised IFRSs in issue but not yet effective

For annual periods beginning on or after 1 January 2014

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group’s consolidated financial statements as the Company is not an investment entity.

IAS 32 “Financial Instruments – Presentation”

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’.

The Group does not anticipate that the application of these amendments will have a significant impact on the Group’s consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

For annual periods beginning on or after 1 January 2015

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. The Group anticipates that the application of IFRS 9 in the future may have impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

2.3 Significant accounting policies

2.3.1 Basis of consolidation

Subsidiaries

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

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

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

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

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

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

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business Combination

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

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

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

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

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

Goodwill

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

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

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.3.2 Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

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

Financial Assets

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

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note (3.2).

Receivables

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

Available for sale (AFS)

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

The financial assets available for sale are re-measured at fair value. The fair value is determined in the manner described in note (3).

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

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

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

Impairment in value

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

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

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

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

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

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

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

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

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities

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

Derecognition

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

2.3.3 Land and real estate under development

Land and real estate under development are recognized at cost, which includes development cost. When the development process is completed, the land and real estate are classified as either investment properties or land and real estate held for trading according to the management’s intention regarding the future use of these properties.

2.3.4 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, less accumulated depreciation and impairment losses if any.

Investments properties are depreciated on straight-line basis over its estimated useful life.

2.3.5 Property and equipment

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

Depreciation is calculated based on estimated useful life of the applicable assets except for the land on a straight line basis.

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

2.3.6 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Impairment losses are recognised in the consolidated statement of income for the period in which they arise. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of income.

2.3.7 Provisions

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

2.3.8 End of service's indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment, regarding the labour in other countries; the indemnity is calculated based on law identified in these countries. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of all employees on the financial position date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2.3.9 Revenue recognition

- Management fees are recognized based on an accrual basis as specified in the portfolios' management agreement.
- Interest income from deposits is recognized on time basis.
- Dividends income is recognized when right to receive payment is established.
- Operating rental income is recognized on a straight-line method during the contract period.
- Gain from sale of land and real estate is recognized on the completion of the sale contract these risks and rewards are transferred generally to the buyer on delivery.

2.3.10 Leasing

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

The Group as lessor

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

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

The Group as lessee

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

2.3.11 Foreign currencies

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end are recognized in the consolidated statement of income.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

2.3.12 Dividends

The dividends attributable to shareholders of the Company are recognized as liabilities in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.3.13 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these consolidated financial statements.

3. Financial risk management

3.1 Financial risks

The activities of the Group expose it to a series of financial risks, market risks (which include foreign currency risks and risks of change in fair value resulting from the change in interest rates, and risks of fluctuations in cash flows resulting from changes in interest rates, and risks of market prices) in addition to credit risk and liquidity risks.

The Group is managing these financial risks by focusing on a continuous evaluation of market conditions and its trends and the management's assessments of the changes for long and short-term market factors.

The Group relies on its internal sources to finance its activities.

Market risk

Foreign currency risk

Foreign exchange risk is the risk of fluctuation of the fair value or on cash flow of financial instruments resulting from the change in exchange rates of foreign currencies.

The Group is exposed to the foreign currency risk as a result from dealing in foreign currencies mainly in Egyptian Pound and U.S Dollar and Lebanese Lira. The foreign currency risk is resulted from the future transactions that take place on the Group's net investments in the foreign associates and subsidiaries with Egyptian Pound, Lebanese Lira and certain investments at fair value in US Dollar.

The Group's exposure to this risk is considered immaterial as the Group's total investments in foreign currencies are not considered material to the Group's total investments as a whole. Nevertheless, the Group monitors on a regular basis the movement of the foreign exchange rates against Kuwaiti Dinar to identify the effect on its financial statements and to take the necessary procedures.

Fair value risk

The fair value risk is the risk of fluctuation in value of financial instrument resulting from change in market price. The Group is exposed to the fair value risk arising from its investments classified in the consolidated financial statements as available for sale investments.

The Group is exposed to the risk of fluctuations in the value of equity instruments classified as investments available for sale and investments at fair value through profit or loss.

The Group manages this risk by monitoring the market prices on a regular basis by implementing a diversified strategy in its investments. The Group is attempting to concentrate its investments in real estate companies to minimize the risk of fluctuations in fair value.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Group does not have financial assets bear interest rates, the Group is not exposed to the risk of changes in the fair value of financial instruments, nor exposed to the risk of fluctuations in the cash flows as a result from the change in the interest rates as the Group does not have liabilities carry interest rates.

The Group is exposed to the risk of cash flows fluctuation resulting from changes of interest rates on deposits; the exposure of this risk is minimal as the maturities of deposits are short-term.

Credit risk

Credit risk is the risk that the Group will incur a loss because its customers, clients or counterparties failed to discharges their contractual obligations.

Credit risk is managed by the level of the Group by monitoring credit policy on regular basis.

Credit risk is highly concentrated in cash and cash equivalents and due from related parties; The Group holds the cash and cash equivalents at entities and financial institutions with high credit reputation. The amount due from related parties is concentrated with the Company's major shareholder, which is a governmental body in the State of Kuwait and Real Estate Fund managed by the Group.

Liquidity risk

The liquidity risk is the risk that the Group becomes unable to settle its liabilities when due.

The management of liquidity risk is mainly to maintain sufficient balance of cash, highly liquid financial instruments and financial resources are made available to meet the needs of liquidity.

The Group monitors liquidity risk by maintaining group of highly liquid financial investments. This facilitates to the Group, the availability of liquidity when needed. In addition, the Group studies the extent of liquidity in these investments on a regular basis and adjusts the components of these assets when this is necessary.

All of the Group’s liabilities are due within three months from the date of the consolidated financial statements.

3.2 Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the assets and liabilities that are not based on observable market data.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

Fair value of the Group's financial assets that are measured at fair value on recurring basis

Financial assets	Fair value as at 31 December		Valuation date	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/12/2013	31/12/2012					
Investments available for sale							
– Investments in local unquoted shares	740	33	31 December	3	Technical valuation techniques	Adjusted book value by market risk	The higher the market risk, the lower the fair value.
– Investments in foreign unquoted shares	1,144	1,470	31 December	3	Technical valuation techniques	Adjusted book value by market risk	The higher the market risk, the lower the fair value.
Investment at Fair value thorough profit or loss							
– Investments in real estate fund - local	2,546	2,129	31 December	2	Published NAV	N/A	N/A
– Investments in money market fund - local	595	673	31 December	3	As per managements' estimates	Adjusted book value managements' estimates	The higher the market risk, the lower the fair value.
– Investments in unquoted shares	274	314	31 December	2	Published NAV	N/A	N/A
– Investments in unquoted shares	93	93	31 December	3	Technical valuation techniques	Adjusted book value by market risk	The higher the market risk, the lower the fair value.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted valuation techniques such as the carrying amounts for the investees' shares.

Reconciliation of Level 3 fair value measurements

	2013	2012
Balance at 1 January	2,269	2,492
Total gains or losses:		
In statement of income	(460)	(298)
In statement of comprehensive income	22	75
Disposal	(69)	-
Transfers out of level 3	810	-
Balance at 31 December	2,572	2,269

All gains and losses recognized in the statement of other comprehensive income, relating to unquoted securities, are presented as a change within "change in fair value reserve'.

The fair values of the financial assets and financial liabilities that are not measured at fair value on a recurring basis approximate its carrying amounts.

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

4. Critical accounting estimates and assumptions

In the application of the Group's accounting policies, which are described in note 2, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of receivables

The Group reviews investments in debt instruments on a quarterly basis to assess whether a provision for impairment should be recorded in the statement of income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required.

Evidence of impairment of investments

The Group determines "available for sale" equity investments as impaired when there has been a significant or prolonged decline in their fair value below their cost. The determination of what is "significant" or "prolonged" requires significant judgment. In addition, the Group also evaluates among other factors, normal volatility in the share price for quoted equities and the future cash flows and the discount factors of unquoted equities. Impairment may be considered appropriate when there is evidence of deterioration in the financial position of the investee, industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of associates

Estimation has been made for the existence of impairment of an associate while there is an indicator for this impairment. The Group has studied the carrying value of the Group's investments in associate including goodwill; accordingly, impairment in goodwill study is not prepared independently.

5. Cash and cash equivalents

	2013	2012
Time deposits and call accounts	3,002	1,756
Cash and current accounts in banks	1,040	1,051
	4,042	2,807

The effective interest rate on term deposits is 0.8% during the year ended 31 December 2013 (1.3% - 2012) and time deposits mature within three months from date of placement.

6. Investments at fair value through profit or loss

	2013	2012
Investments in real estate funds – local	2,546	2,129
Investments in money market funds – local	595	673
Investments in unquoted securities	366	407
	3,507	3,209

6.1 Investments at fair value through profit or loss are dominated into the following currencies:

	2013	2012
Kuwaiti Dinar	3,233	2,895
Other currencies	274	314
	3,507	3,209

6.2 The fair value of these investments is determined based on valuation techniques mentioned in note 3.2.

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

6.3 The Group's investments in money market funds represent an investment in a local fund, which has liquidity difficulties due to the impacts of the global and regional financial crisis. Furthermore, neither the financial statements nor the net asset value of the fund were approved by the regulatory authorities. Based on this, The Group's management estimated the fair value of its investment in such fund of KD 595 thousand as at 31 December 2013 (KD 673 thousand – 2012). While the fair value of such fund as per the net asset value declared by the Fund manager is amounted to KD 1,077 thousand as at 31 December 2013 (KD 673 thousand – 2012).

7. Accounts receivables

	2013	2012
Trade receivables	409	408
Accrued revenues	79	117
Other receivables	93	354
	581	879
Provision for doubtful debts	(428)	(671)
	153	208

The provision's movement is as follows:

	2013	2012
Balance at the beginning of the year	671	500
Provided	-	171
Utilized during the year	(243)	-
Balance at the end of the year	428	671

8. Related parties transactions

This item represents transactions with the principle shareholder in Kuwait Real Estate Investment Consortium, the fund managed by the Group and Board members. The prices and settlement terms related to these transactions are approved by the Group's management.

The following is a statement of transactions and balances related parties:

	2013	2012
Transactions		
Management fees for principal shareholder's portfolio	155	160
Management fees of First Real Estate Fund	44	44
Rental income	124	120
Executive committee remuneration	12	14
Board of Directors' remuneration	48	30

Balances due from the related parties as at 31 December:

	2013	2012
Balances		
Kuwait Investment Authority	398	371
First Real Estate Fund	44	44
	442	415
Provision for doubtful debts	(93)	(45)
	349	370

Related parties transactions are subject to the approval of shareholders in the General Assembly.

9. Investments available for sale

	2013	2012
Local shares – unquoted	740	771
Foreign shares – unquoted	1,144	1,541
	1,884	2,312

9.1 The fair value of these investments is determined based on valuation techniques mentioned in note 3.2.

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

9.2 During the year ended 31 December 2013, the Group's management estimated impairment losses of available for sale investments amounted to KD 417 thousand as a result of the impairment decline in its fair value (KD 55 thousand as at 31 December 2012).

10. Investments in associates

	Country of incorporation	Ownership (%)	2013	2012
Arab Ceramic Company - Egyptian Shareholding Co.	Egypt	24.4	2,598	2,496
Arab Brick Company - Egyptian Shareholding Co.	Egypt	31.5	1	1
Financial Economic Development Company - Egyptian Shareholding Company	Egypt	23.8	1	1
			2,600	2,498

10.1 The Group's shares in the net assets and the results of operations of "Arab Ceramic Company" – Egyptian Shareholding Company – have been recorded based on the latest available financial information reviewed by the auditor of this Company as at 30 September 2013. The fair value of the investment in associate is equivalent to KD 10,777 thousand as at 31 December 2013 (KD 6,033 thousand - 2012).

10.2 Arab Ceramic Company – Egyptian Shareholding Company – is a company under liquidation, and the Group's investment value in this company had been fully diluted during the previous years. In the course of the liquidation completion, the Group has received an amount equivalent to KD 9 thousand during the year ended 31 December 2013. Accordingly, the Group has recorded such amount within other income for the current year.

10.3 Below the summarized financial information of the associate company according to the latest available financial statements for that Company.

Arab Ceramic Company – S.A.E.

	2013	2012
Current assets	7,991	7,002
Non-current assets	7,179	7,870
Current liabilities	4,129	4,258
Non-current liabilities	382	378

	2013	2012
Revenues	14,744	13,594
Gain form continued operations	4,453	3,315
Gain for the year	3,217	2,310
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,217	2,310
Dividend received form associate during the year	375	629

Reconciliation of the above summarized financial information to the carrying amount of the interest in Arab Ceramic Company – S.A.E recognised in the consolidated financial statements:

	2013	2012
Net assets of the associate	10,659	10,236
Group ownership interest in Arab Ceramic Company (%)	24.39	24.39
Carrying amount of the company	2,598	2,496

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

11. Investment properties

Investment properties are represented in residential buildings and commercial complexes in various areas in the State of Kuwait. The fair value of the investment properties amounted to KD 27 million as at 31 December 2013 (KD 25.1 million - 2012) was determined based on external evaluator. The investment properties' movement is as follows:

	2013	2012
Opening balance	16,657	17,179
Additions	-	7
Depreciation *	(279)	(529)
Balance as at the end of the year	16,378	16,657

* During the year, the company's management has reviewed the useful lives of the investments properties, taking into consideration the future economic benefits expected from these investments, which have been estimated in accordance with an internal study approved by the Company's management and therefore, the useful lives have been changed accordingly. This has resulted in a decrease in the depreciation expense amounted to KD 211 Thousand for the year ended 31 December 2013.

12. Accounts payables

	2013	2012
Employees end of service indemnity	1,689	1,558
Due to staff	425	381
Provision for claims	489	463
Customers advances	96	87
Other payables	498	348
Accrued expenses	104	55
Contribution to KFAS	16	9
Zakat	15	6
	3,332	2,907

All payables are in Kuwaiti Dinars as at 31 December 2013 and 2012.

13. Share capital

The issued and fully paid up capital is amounted to KD 10 million distributed over 100 million shares 100 fils per share, all shares are in cash.

14. Statutory reserve

In accordance with the Companies Law and the Company's Articles of Association 10% of the net profit for the year before Kuwait Foundation for the Advancement of Sciences (KFAS), Board remuneration and Zakat expense is to be transferred to the statutory reserve. The shareholders may resolve to discontinue such annual transfers when the statutory reserve reaches half of the share capital. Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend of 5% of share capital in years when retained earnings are not sufficient for the payment of a dividend of that amount. When the balance of the reserve exceeds 50% of share capital, the General Assembly is permitted to utilize amounts in excess of 50% of the share capital in aspects seen appropriate for the benefit of the shareholders.

15. Voluntary reserve

In accordance with the Company's Articles of Association, 10% of the net profit before KFAS and Board remuneration and Zakat expense proposed by the Board of Directors and approved by the General Assembly is transferred to voluntary reserve. Such annual transfers may be discontinued by a resolution of the General Assembly based on the proposal by the Board of Directors. The Board of Directors proposed to transfer 10% of the net profit before KFAS, Board of Directors remuneration and Zakat to voluntary reserve.

16. Net investment properties income

	2013	2012
Rental revenues	1,545	1,473
Properties expenses	(125)	(89)
	1,420	1,384

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

17. Investments (losses) / gains

	2013	2012
Investments available for sale:		
Cash dividend	38	38
Gain from sale	70	-
Impairment in value	(417)	(55)
	(309)	(17)
Investments at fair value through profit or loss:		
Cash dividend	71	71
Gain from sale	20	6
Change in the fair value	333	(154)
	424	(77)
	115	(94)

18. Other income

	2013	2012
Provisions no longer required	-	120
Gains from valuation of properties belongs to others	86	29
Interest income	20	23
Others	75	123
	181	295

19. Other expenses

	2013	2012
Rent	111	111
Maintenance expenses	28	21
Others expenses	320	91
	459	223

20. Staff cost

	2013	2012
Salaries and wages	637	612
Employees end of service indemnity	135	127
Accrued leave	100	97
Staff bonus	160	120
Social security and others	90	108
	1,122	1,064

21. Board of Director's remuneration

The Company's Board of Directors has proposed Board of Director's remuneration for the year ended 31 December 2013 amounted to KD 48 thousand which subject to the approval of the shareholders in the general assembly. This amount exceeds the maximum limit stipulated in Article No. (229) of Companies Law and Article No. (25) Of the Company's Articles' of Association.

22. Earnings per share

Earnings per share are calculated by dividing the net profit of the year by the weighted average number of outstanding shares during the year as follows:

	2013	2012
Net profit for the year (KD thousand)	708	183
Weighted average No. of outstanding shares (share)	100,000,000	100,000,000
Earnings per share (fils)	7.08	1.83

(All amounts are in Thousand Kuwaiti Dinars unless otherwise stated)

23. Dividends

On 1 April 2013, the General Assembly of the company's shareholders has approved the financial statements for the year ended 31 December 2012 and approved not to distribute dividends for the year ended 31 December 2012.

On 11 March 2014, the Board of Directors has proposed not to distribute dividends for the year ended 31 December 2013. This proposal is subject to the approval of the shareholders' General Assembly.

24. Segment information

The Group is organized into business segments; real estate, investments and projects and maintenance management. Segments results are reported to senior executive management. Furthermore, Group's operating results, assets and liabilities are reported according to geographical areas in which the Group operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparing the consolidated financial statements.

Business segment analysis in line with internal reports submitted to management is as follows:

	Investment department		Real estate management		Projects & maintenance department		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Segment revenue	900	454	1,420	1,464	380	358	2,700	2,276
Segment results	343	41	289	148	140	31	772	220
Unallocated expenses							(64)	(37)
Net profit for the year							708	183

Geographical segment analysis

	Kuwait		Middle East (Except Kuwait)		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Total revenue	1,962	1,854	738	422	2,700	2,276
Total assets	24,848	23,494	5,602	6,112	30,450	29,606
Total liabilities	3,320	2,787	12	120	3,332	2,907

25. Future contingent liabilities and commitments

	2013	**2012**
Bank guarantees	60	63

26. Fiduciary assets

The fiduciary assets have amounted KD 86,527 thousand as at 31 December 2013 (KD 85,100 thousand as at 2012).