Tharwa Investment Company K.S.C.C

And its subsidiaries

State of Kuwait

Consolidated Financial Statements and Independent Auditor's Report

For the year ended 31 December 2017

Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Financial Statements and Independent Auditor's Report
For the year ended 31 December 2017

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Independent Auditor's Report to the Shareholders

Tharwa Investment Company K.S.C.C

State of Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tharwa Investment Company K.S.C.C (the "Parent Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 6 March 2017.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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Independent Auditor's Report to the Shareholders

Tharwa Investment Company K.S.C.C

State of Kuwait

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of accounts have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained the information that we deemed necessary for the purpose of our audit and that the consolidated financial statements incorporate all the information that is required by the Companies Law No. 1 of 2016 and its executive regulations as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 31 December 2017 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our audit, we have not become aware of any material violations 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 or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the year ended 31 December 2017, that might have had a material effect on the business of the Group or on its consolidated financial position

Bader A. Al-Wazzan
Licence No. 62A
Deloitte & Touche – Al-Wazzan & Co.

Kuwait, 25 January 2018

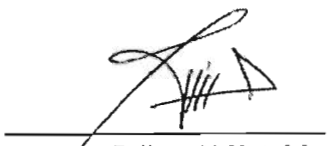
Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Statement of Financial Position as at 31 December 2017

(All amounts are in Kuwaiti Dinar)

	Note	2017	2016 (restated– note 21)
Assets			
Cash and cash equivalents	5	4,580,321	5,150,721
Investments at fair value through statement of income	6	16,890,631	15,530,177
Receivables and other debit balances	7	461,364	740,490
Available for sale investments	8	1,976,061	4,496,712
Investment property	9	726,230	735,648
Property and equipment		5,886	44,199
Total assets		24,640,493	26,697,947
Liabilities and equity			
Liabilities			
Payables and other credit balances	10	432,173	1,588,875
End of service indemnity		348,073	180,375
Total liabilities		780,246	1,769,250
Equity attributable to the shareholders of the Parent Company			
Share capital	11	15,112,500	15,112,500
Share premium		18,000	18,000
Statutory reserve	12	2,290,317	2,187,730
Foreign currency translation reserve		119,624	169,599
Change in fair value reserve		458,822	736,603
Retained earnings		4,144,990	4,763,131
		22,144,253	22,987,563
Non-controlling interests		1,715,994	1,941,134
Total equity		23,860,247	24,928,697
Total liabilities and equity		24,640,493	26,697,947

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



Marzouq Fajhan Al-Mutairi
Chairman

Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Statement of Income for the year ended 31 December 2017

(All amounts are in Kuwaiti Dinar)

	Note	2017	2016
Revenues			
Net investments income	13	1,536,997	2,369,728
Investment services income	14	1,358,648	1,807,930
Interest income		9,266	32,319
Other income		38	587
		2,904,949	4,210,564
Expenses and other charges			
Staff costs		1,099,158	1,484,131
General and administrative expenses		389,700	409,285
Losses/ (gains) from foreign currencies differences		289,126	(148,466)
		1,777,984	1,744,950
Net profit for the year before deductions		1,126,965	2,465,614
Contribution to Kuwait Foundation for the Advancement of Science		(9,233)	(22,191)
Zakat expense		(11,936)	(24,753)
Board of Directors' remuneration		(9,000)	(70,000)
Net profit for the year		1,096,796	2,348,670
Attributable to:			
Shareholders of the Parent Company		995,696	2,348,670
Non-controlling interests		101,100	-
		1,096,796	2,348,670
Earnings per share to the shareholders of the Parent Company (fils)	15	6.59	15.54

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

Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Statement of Comprehensive Income for the year ended 31 December 2017

(All amounts are in Kuwaiti Dinar)

	2017	2016
Net profit for the year	1,096,796	2,348,670
Other comprehensive income items		
Items that may be reclassified subsequently to the consolidated statement of income		
Available for sale investment:		
Change in fair value	60,915	620,572
Transferred to the consolidated statement of income on sale	(338,696)	(288,355)
	(277,781)	332,217
Foreign currency translation differences	(59,127)	4,892
Total other comprehensive income items	(336,908)	337,109
Total comprehensive income for the year	759,888	2,685,779
Attributable to:		
Shareholders of the Parent Company	667,940	2,685,779
Non-controlling interests	91,948	-
	759,888	2,685,779

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

Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company							Non-controlling interests	Total Equity
	Share capital	Share premium	Statutory reserve	Foreign currency translation reserve	Change in fair value reserve	Retained earnings	Total		
Balance as at 1 January 2016	15,112,500	18,000	1,941,169	164,707	259,583	3,863,700	21,359,659	-	21,359,659
Net profit for the year	-	-	-	-	-	2,348,670	2,348,670	-	2,348,670
Other comprehensive income items	-	-	-	4,892	332,217	-	337,109	-	337,109
Transferred to statutory reserve	-	-	246,561	-	-	(246,561)	-	-	-
Cash dividends	-	-	-	-	-	(1,057,875)	(1,057,875)	-	(1,057,875)
Balance as at 31 December 2016 – before restated	15,112,500	18,000	2,187,730	169,599	591,800	4,907,934	22,987,563	-	22,987,563
Effect of consolidation of investment funds (note 17)	-	-	-	-	144,803	(144,803)	-	1,941,134	1,941,134
Balance as at 31 December 2016 – restated	15,112,500	18,000	2,187,730	169,599	736,603	4,763,131	22,987,563	1,941,134	24,928,697
Balance as at 1 January 2017	15,112,500	18,000	2,187,730	169,599	736,603	4,763,131	22,987,563	1,941,134	24,928,697
Changes in non-controlling interests (Note 17)	-	-	-	-	-	-	-	(317,088)	(317,088)
Net profit for the year	-	-	-	-	-	995,696	995,696	101,100	1,096,796
Other comprehensive income items	-	-	-	(49,975)	(277,781)	-	(327,756)	(9,152)	(336,908)
Transferred to statutory reserve	-	-	102,587	-	-	(102,587)	-	-	-
Cash dividends (Note 18)	-	-	-	-	-	(1,511,250)	(1,511,250)	-	(1,511,250)
Balance as at 31 December 2017	15,112,500	18,000	2,290,317	119,624	458,822	4,144,990	22,144,253	1,715,994	23,860,247

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

Tharwa Investment Company K.S.C.C
And its subsidiaries
State of Kuwait

Consolidated Statement of Cash Flows for the year ended 31 December 2017

(All amounts are in Kuwaiti Dinar)

	Note	2017	2016 (restated- note 21)
Cash flow from operating activities			
Net profit for the year		1,096,796	2,348,670
Adjustments:			
Net Investments income		(1,536,997)	(2,369,728)
Interest income		(9,266)	(32,319)
Depreciation		41,388	53,226
Finance cost		-	1,930
End of service indemnity provision		192,466	36,376
Operating (loss)/ profit before changes in working capital		(215,613)	38,155
Investments at fair value through statement of income		(705,361)	5,086,504
Receivables and other debit balances		279,126	(270,780)
Payables and other credit balances		(981,935)	412,608
Paid of end of service indemnity		(24,768)	(20,762)
Net cash (used in)/ generated from operating activities		(1,648,551)	5,245,725
Cash flow from investing activities			
Paid for purchase of property and equipment		(3,075)	-
Paid for purchase of available for sale investments		(1,170,978)	(1,315,551)
Proceeds from sale of available for sale investments		3,606,147	2,215,924
Cash dividends received		689,605	181,290
Interest income received		9,266	32,319
Cash generated from consolidation of investment funds	17	-	390,649
Net cash generated from investing activities		3,130,965	1,504,631
Cash flow from financing activities			
Term loan		-	(2,936,399)
Cash dividends paid		(1,735,726)	(988,955)
Changes in non-controlling interests		(317,088)	-
Finance cost paid		-	(13,661)
Net cash used in financing activities		(2,052,814)	(3,939,015)
Net (decrease)/ increase in cash and cash equivalents		(570,400)	2,811,341
Cash and cash equivalents at the beginning of the year		5,150,721	2,339,380
Cash and cash equivalents at the end of the year	5	4,580,321	5,150,721

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

1. Incorporation and activities

Tharwa Investment Company is a Kuwaiti Closed Shareholding Company ("the Parent Company") incorporated in Kuwait in 28 August 2006 as per incorporation memorandum No. 6156/ Vol. 1 as amended.

The main objectives of the Parent Company are as follow:

1. Investment in real estate, industrial, agricultural and other economic sectors by contributing to the establishment of specialized companies or acquiring shares or bonds of these companies in various sectors inside and outside Kuwait.
2. Contribution to the establishment or partial ownership of companies in different sectors.
3. Managing funds of public and private institutions and investing these funds in various economic sectors, including management of financial and real estate portfolios.
4. Providing and preparing technical, economic, consultations and valuation studies, studying projects related to investment and preparing the studies necessary for such institutions and companies. (Provided that the necessary conditions should be met in those engaged in this activity).
5. Performing brokerage role in lending and borrowing processes.
6. Carry out the functions of issuing managers for bonds and shares issued by companies and agencies and the functions of investment custodians.
7. Financing and brokerage in international trade operations.
8. Providing loans to others in various sectors, taking into consideration the financial safety principles in granting loans and maintaining the continuity of safety of the financial position of the company in accordance with the conditions, rules and limits set by the Central Bank of Kuwait.
9. Dealing and trading in foreign exchange market and Precious Metals Market inside and outside Kuwait for the benefit of the company only.
10. Transactions related to the trading of securities including purchase and sale of shares and bonds of companies and local and international government agencies.
11. Provide all services assisting to develop and enhancing the capacity of the financial and monetary market in Kuwait and meet its needs, all within the limits of the law and the procedures or instructions issued by the Central Bank of Kuwait.
12. Establishing investment funds for its own account and for the account of others, offering its units for subscription and acting as custodian or investment manager of rental investment funds inside and outside in accordance with applicable laws and resolutions in the country (after obtaining the approval of the Central Bank).

The Company may have an interest or participate in any way in any entity that conducts similar business or which may assist it to achieve its objectives inside and outside Kuwait and it may also purchase such entities or affiliate thereof to it.

The Parent Company's registered office is Al-Raya Tower 2 – Floor 21 & 22 – AbdulAziz Hamad AlSaqer Street – Shareq - P.O Box 811 Safat 13009 Kuwait.

The Parent Company are subject to the Central Bank of Kuwait and Capital Markets Authority regulations.

These consolidated financial statements include the financial statement of the Parent Company and its subsidiaries (note 17), known together ("the Group").

The consolidated financial statements for the year ended 31 December 2017, were authorized for issue by the Board of Directors on 24 January 2018. The General Assembly for the shareholders has the authority to amend the consolidated financial statements after issuance.

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 (IFRSs). These consolidated financial statements have been prepared based on the historical cost basis except for certain financial instruments and investment property that are measured at fair values, as explained in the accounting policies below.

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

2.2.1 New and revised IFRSs applied with no material effect on the consolidation financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2017, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 7 Statement of Cash Flows that require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.
- Amendments to IAS 12 Income Taxes relating to recognition of deferred tax assets for unrealized losses.
- Annual improvements to IFRSs 2014 – 2016 cycle - IFRS 12.

2.2.2 New and revised IFRS in issue but not yet effective

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

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016: Cycle amending IFRS 1 and IAS 28.	1 January 2018
Annual Improvements to IFRS Standards 2015–2017: Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019
IFRIC 22: *Foreign Currency Transactions and Advance Consideration*	1 January 2018
IFRIC 23: *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to IFRS 2: *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4: *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40: *Investment Property*	1 January 2018
IFRS 9: *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment**: 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15: *Revenue from Contracts with Customers*	1 January 2018
IFRS 15 was issued in May 2014, which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.	
The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	
Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	
IFRS 16 *Leases*	1 January 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
Amendments to IAS 28: *Investment in Associates and Joint Ventures*	1 January 2019
Amendments to IFRS 7: *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
Amendments to IFRS 10: *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

The Management anticipates that IFRS 9 will be applied in the Group's consolidated financial statements for the period beginning on 1 January 2018. Following are the impacts of the application of IFRS 9:

- Management is expected to choose not to restate the comparative figures when applying IFRS 9 for the first time.
- The application of IFRS 9 will affect the classification and measurement of the Group's financial assets. Management expects that certain investments will be reclassified from "available for sale" to investments "at fair value through statement of income", which will result in the transfer of approximately KD 470 thousand from the change in fair value reserve to the retained earnings as of 1 January 2018.
- It is not expected to have a significant impact on the classification and measurement of financial liabilities.
- There is no material impact of the allowance for expected credit losses on the consolidated financial statements.

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 recognized 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

(A) The aggregate of the fair value of the consideration received and the fair value of any retained interest,

(B) 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 combinations

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

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

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of income. Amounts, that have previously been recognised in other comprehensive income, are reclassified to the statement of income as if that interest was 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.

2.3.2 Financial instruments

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

All 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 or deducted on initial recognition. Transaction costs directly attributable to the acquisition are recognized immediately in the statement of income.

Financial assets

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

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at fair value through statement of income when the financial asset is held for trading or it is designated as that on acquisition date.

Financial assets at FVTPL are stated at its fair value. The net gains or losses are recognized in the statement of income and incorporates any dividend or interest earned on the financial asset and recognized in the line of "gains or losses from investments". Fair value is determined in the manner described in note 3.3.

Loans and receivables

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

Available for sale (AFS) financial assets

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 is re-measured at fair value. The fair value is determined in the manner described in note 3.3.

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

AFS unquoted equity investments 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 the statement of income 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 statement of income.

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

For financial instruments 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 statement of income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in statement of income are not reversed through statement of income. 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 the statement of income.

Financial liabilities

Financial liabilities (including payables, other payables and borrowings) 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 the statement of income.

2.3.3 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

2.3.4 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. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The assets' residual values, useful lives and depreciation methods 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 of properties and equipment 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.

2.3.5 End of service indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment, regarding the 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 balance sheet date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2.3.6 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.

2.3.7 Dividends

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

2.3.8 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. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign exchange gains and losses resulted from the settlement of such transactions and translation of the monetary assets and liabilities dominated in foreign currencies are recognised in the statement of income at year end.

Group's companies

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

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

2.3.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

- Services revenues are recognized when the services are rendered.
- Dividend income is recognized when the right to receive payment has been established.
- Deposits interests are recognized on time basis using effective yield basis.

2.3.10 Leases

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

2.3.11 Fiduciary assets

Assets which are kept by the Group as an agency or under a fiduciary capacity are not considered as Group's assets.

3. Financial risk management

3.1 Financial risk

The activities of the Group expose it to a Group of financial risks, which are market risks, which include (foreign currency risks and risks of fair value resulting from the changes 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 manages these financial risks, by the continuous evaluation of market conditions and its trends and the management's assessments of the changes for long-term and short-term market factors.

(a) Market risk

Foreign currency risk

The foreign exchange risk arises from future transactions on financial assets and liabilities in currency differs from the functional currency. The group is principally exposed to the foreign currencies risk from dealing in financial instruments in AED and USD.

The Group develops policies to manage the risks of foreign currency represented in monitoring changes of the currency rate as well as the impact on the Group's financial situation. The Group ensures that the net exposure to foreign currency risks is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

The Group is mainly exposed to the foreign currencies risk from translation of assets and liabilities denominated in foreign currencies such as cash and equivalent cash, investments, receivables and payables.

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

	2017	2016
US Dollar	9,231,749	3,253,235
AED	3,880,402	15,201,019

Had the foreign currency changed by 5%, the consolidated statement of income and equity as at 31 December will be affected as follow:

	Consolidated statement of income		Equity	
	2017	**2016**	**2017**	**2016**
US Dollar	457,891	158,834	3,696	3,827
AED	194,020	631,507	-	128,544

Price risk

The Group is exposed to price risk through its investments classified as available for sale investments and investments at fair value through profit or loss in the consolidated financial statements.

The Group diversified its investment sectors to reduce these risks.

Equity price risk is risk that the fair values of equity instruments will decline as a result of changes in the level of equity instruments and equity values individually. Equity price risk arises from the Group's investments in equity instruments classified as financial assets at fair value through profit or loss and available for sale assets. The Group diversified its investment sectors in its investment portfolio.

The following sensitivity analysis of the changes in equity indices as a result of changes in the fair value of equity instruments that held by the Group which has an effective exposure as at the date of the consolidated financial statements.

	2017			2016		
Market Indicators	**Increase/ (decrease) against KD**	**Effect on the consolidated statement of income**	**Effect on the consolidated comprehensive statement of income**	**Increase/ (decrease) against KD**	**Effect on the consolidated statement of income**	**Effect on the consolidated comprehensive statement of income**
Kuwait Stock Exchange	±5%	±127,373	-	±5%	±60,551	-
Dubai and Abu Dhabi Securities Market	±5%	±194,020	-	±5%	±624,805	±128,544
New York Stock Exchange	±5%	±323,586	±682	±5%	±14,370	-

Fluctuations in cash flows risks and fair value of changes in interest rates

The Group has no deposits or credit facilities as at 31 December 2017.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the counterparty.

The Group is mainly exposed to credit risk arising from cash and cash equivalent. The Group monitors and manages credit risk exposure by maintaining cash and cash equivalents with high credit rating financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of Directors. The Group manages liquidity risk by maintaining adequate funds and high liquidity investments and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Most of the Group's liabilities are due within one year from the date of the consolidated financial statements.

3.2 Capital risk management

The Group manages its capital to ensure that` entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimization of the equity balance.

The Group has no credit facilities, as the Group is depending on its own cash to finance activities.

3.3 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.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

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

	Fair value as at 31 December		Fair value hierarchy	Valuation technique(s) and Key input(s)	Relationship of unobservable inputs to fair value
	2017	2016 (restated)			
Financial assets at Fair value through statement of income:					
- Foreign quoted shares	14,343,179	14,319,162	Level 1	Last bid price	-
- Local quoted shares	2,547,452	1,211,015	Level 1	Last bid price	-
Available for sale investments:					
- Foreign quoted shares	13,648	2,586,429	Level 1	Last bid price	-
- Local funds	1,517,134	1,464,286	Level 2	Net assets value	-

The fair values of other financial assets and financial liabilities approximately equal its book value as at the consolidated financial statements date.

4. Critical accounting estimates and judgments

In the application of the Group's accounting policies, 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 an ongoing 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 future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the assets recognised in the consolidated financial statements:

Classification of investments

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

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

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Fair value measurements and valuation techniques

Certain assets and liabilities of the Group are measured at fair value for the purposes of preparing the consolidated financial statements. The Group's management determines the main appropriate techniques and inputs required for measuring the fair value. In determining the fair value of assets and liabilities, management uses observable market data as appropriate, in case no observable market data is available the Group uses an external valuer qualified to do the valuation. Information regarding the required valuation techniques and inputs used to determine the fair value of financial assets and liabilities is disclosed in notes 3.3 and 9.2.

Evidence of impairment of investments

The Group determines the impairment in investments available for sale when there is a significant or prolonged decline in the fair value of these investments. Determination of what is significant or prolonged requires judgment from management. The Group evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments, impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Note 13 sets out the impact of that on the consolidated financial statements.

5. Cash and cash equivalents

	2017	2016 (restated)
Cash on hand and at banks	2,176,847	2,668,183
Cash at clearing and brokerage companies	2,403,474	1,782,538
Deposits at banks	-	700,000
	4,580,321	5,150,721

The interest rate on term deposits was 1.62% as at 31 December 2016.

6. Investments at fair value through statement of income

	2017	2016 (restated)
Foreign quoted shares	14,343,179	14,319,162
Local quoted shares	2,547,452	1,211,015
	16,890,631	15,530,177

Fair value of investments at fair value through profit or loss is determined in the manner described in (Note 3.3).

7. Receivables and other debit balances

	2017	2016 (restated)
Accrued income	373,846	627,477
Prepaid expenses	29,615	27,234
Other receivables	57,903	85,779
	461,364	740,490

8. Available for sale investments

	2017	2016 (restated)
Foreign quoted shares	13,648	2,586,429
Local Funds	1,517,134	1,464,286
Local unquoted shares	380,000	380,000
Foreign unquoted shares	57,664	58,576
Others	7,615	7,421
	1,976,061	4,496,712

8.1 Fair value of available for sale investments has been determined based on valuation basis described in (Note 3.3).

8.2 Available for sale investments in unquoted shares and others were carried at cost less impairment losses as its fair value cannot reliably measured. The Group's management believes that there is no indication of further impairment in value in respect of these investments.

9. Investment property

9.1 Investment property is represents in lands located in Al-Seef district in Kingdom of Bahrain.

9.2 The fair value of the Group's investment properties as at 31 December 2017 are estimated based on the valuations carried out on the respective dates by independent valuers not related to the Group. These valuers are registered at the related governmental bodies, and they have appropriate and recent experience in the valuation of properties in the relevant locations. The Fair value was determined based on the market comparable approach that reflects recent transactions prices (level 2), which has not resulted in any change in fair value. In estimating the fair value of these properties, their current use was assumed to be the highest and best use of the properties.

10. Payables and other credit balances

	2017	2016 (restated)
Accrued expenses and benefits	394,497	1,235,854
KFAS payable	9,233	22,191
Zakat payable	11,936	24,753
Board of Directors' remuneration accruals	9,000	70,000
Accrued dividends	5,027	229,503
Other credit balances	2,480	6,574
	432,173	1,588,875

11. Share capital

The authorized, issued and fully paid up capital is KD 15,112,500 allocated over 151,125,000 shares with nominal value of 100 fils per share and all shares are in cash.

12. Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, 10% of net profit before KFAS, Board of Directors' remuneration and Zakat expense are transferred to statutory reserve. When the balance of the reserve exceeds 50% of share capital, the General Assembly is permitted to discontinue this transfer. The reserve could be utilized to secure payment of a dividend of 5% of share capital in years when retained earnings are not sufficient for payment of dividends.

13. Net investments income

	2017	2016
Investments at fair value through profit or loss:		
Realized gains	89,861	634,034
Unrealized gains	565,232	1,326,549
Cash dividends	579,546	175,392
	1,234,639	2,135,975
Available for sale investments:		
Realized gains	192,299	275,355
Impairment	-	(47,500)
Cash dividends	110,059	5,898
	302,358	233,753
	1,536,997	2,369,728

14. Investments services income

	2017	2016
Management fees	1,214,694	1,464,545
Incentive fees	90,360	285,164
Other fees	53,594	58,221
	1,358,648	1,807,930

15. Earnings per share

Earnings per share are computed by dividing net profit for the year attributable to the shareholders of the Parent Company by the weighted average number of outstanding ordinary shares. The computation of earnings per share during the year as follows:

	2017	2016
Net profit for the year	995,696	2,348,670
Weighted average number of outstanding ordinary shares (share)	151,125,000	151,125,000
Earnings per share (fils)	6.59	15.54

16. Related party transactions

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Key Management personnel, their immediate family members and their owned companies. In the ordinary course of business, the Group entered into transactions with related parties during the year. The following are the transactions and balances resulted from these transactions:

	Nature of relationship	2017	2016
Transactions			
Investments services income - management fees	Funds and portfolios	259,457	422,075
Key management remuneration			
Salaries and other benefits	Key management	439,342	887,719
Board of Directors' remuneration	Board of Directors	9,000	70,000

		2017	2016
Balances			
Receivables and other debit balances	Funds and portfolios	71,968	107,347
Remuneration and benefits	Key management	215,064	664,420
Board of Directors' remuneration	Board of Directors	9,000	70,000

17. Subsidiaries

17.1 Structure of the Group:

Company name	Legal structure	Ownership percentage (direct & indirect) (%)		Activity	Country of corporation
		2017	2016		
TIC Real Estate Company	B.S.C.C	100	100	Real Estate	Bahrain
Tharwa Arabic Fund	Local fund	81.5	79.8	Fund	Kuwait
Tharwa Islamic Fund	Local fund	55.3	50.2	Fund	Kuwait

Subsidiaries total assets amounted to KD 6,680,143 as at 31 December 2017 (KD 6,937,850 - 2016) and its profits amounted to KD 511,220 for the year ended 31 December 2017 (losses of KD 17,453 - 2016).

Considering the requirements of IFRS (10), the Group has determined that it controls certain investment funds being managed by the Group, especially as its shares in these funds exceeds 50% of the capital before the beginning of the current year. Therefore, the financial statements of these investment Funds were subsequently consolidated retrospectively along with the adjustment of the opening balances of assets, liabilities and equity as at 1 January 2017 (Note 21), due to the difficulty in specifying the commencement date of exercising the control and the consolidation impact is immaterial in accordance with the requirements of IAS (8). The effect of the consolidation on the opening balances as at 1 January 2017 is as follows:

The consolidation effect on the opening balances as at 1 January 2017 is as follows:

	KD
Increase in cash and cash equivalents	390,649
Increase in investments at fair value through statement of income	3,200,984
Decrease in available for sale investments	1,297,720
Increase in payables and other credit balances	352,779
Increase in change in fair value reserve	144,803
Decrease in retained earnings	144,803
Increase in non-controlling interests	1,941,134

During the current year, some unitholders redeemed the value of their units in these funds, resulting in increasing the Group's ownership as shown in the table above

17.2 Statement of the subsidiaries (significant) not wholly owned by the Group including material non-controlling interests:

Tharwa Islamic Fund

Balance of non-controlling interests in this fund is KD 1,075,999 as at 31 December 2017 (KD 1,288,286 - 2016) which represent 44.7%. The following is the financial information of Tharwa Islamic Fund:

	2017	2016
Assets	2,427,085	2,922,890
Liabilities	20,593	336,884
Equity attributable to the shareholders of the Parent Company	1,330,493	1,297,720
Non-controlling interests	1,075,999	1,288,286

	2017	2016
Revenues	150,286	155,452
Expenses	(88,103)	(55,216)
Profit for the year	62,183	100,236
Profit for the year attributable to the shareholders of the Parent Company	32,773	-
Profit for the year attributed to non-controlling interests	29,410	-

	2017	2016
Net cash flow (used in)/ generated from operating activities	(223,855)	652,050
Net cash flow generated from investing activities	102,449	95,286
Net cash flow used in financing activities	(241,697)	(428,361)
Net cash flows	(363,103)	318,975

18. Dividends

The Ordinary General Assembly of the Parent Company's shareholders held on 19 April 2017, approved the consolidated financial statements for the year ended 31 December 2016, and approved cash dividends of 10 Fils/share amounted to KD 1,511,250 and approved Board of Directors remuneration of KD 70,000 for the year ended 31 December 2016.

On 24 January 2018, the Board of Directors proposed to distribute cash dividends of 5 Fils/share to the shareholders amount to KD 755,625 for year 2017.

These proposals are subject to the approval of the shareholders at the General Assembly of the Parent Company.

19. Fiduciary Assets

The Parent Company, as portfolios and funds manager on behalf of other parties and related parties, maintains investments and bank accounts of KD 141,936,637 as at 31 December 2017 (KD 134,575,752 - 31 December 2016) in its name as acting trustee. These assets are items out of the consolidated statement of financial position of the Group, except for funds with an asset value of KD 5,908,263 as at 31 December 2017 (KD 5,847,736 - 31 December 2016) were consolidated in these consolidated financial statements (Note 17).

20. Segment information

The Group activities are concentrated in two main sectors as follow:

Manages of Group's investments: Invest of the Group's funds in securities, real estate and management of the Group's liquidity requirements.

Manages of assets and investments services: Manage of investments portfolios with direct and indirect management system, management of local investment funds and other related investment services.

Geographical distribution of assets and liabilities

	Assets		Liabilities	
	2017	**2016**	**2017**	**2016**
Kuwait	7,039,102	7,185,724	777,285	1,752,376
GCC	8,643,223	17,510,914	1,049	976
Other foreign countries	8,958,168	2,001,309	1,912	15,898
	24,640,493	26,697,947	780,246	1,769,250

21. Comparative figures

Certain comparative figures have been adjusted for the effect of the consolidation of the financial statements of the funds as at 31 December 2016, in addition to the reclassification of certain items to conform with the current year classification. The reclassification has not had a material effect, and it is difficult to determine the consolidation effect on the financial position before 1 January 2017 (Note 17.1). Accordingly, the statement of financial position was not presented as at 1 January 2016 in accordance with the requirements of IAS 1.