شركة الساحل للتنمية والاستثمار ش.م.ك (مقفلة)

COAST INVESTMENT & DEVELOPMENT CO K S C (CLOSED)

In the name of Allah

The most gracious, the most merciful

His Highness Sheikh
Sabah Al-Ahmad Al-Jaber Al-Sabah
The Amir Of The State Of Kuwait

His Highness Sheikh
Nasser Al-Mohammed Al-Ahmad Al-Sabah
The Prime Minister

His Highness Sheikh
Nawaf Al-Ahmad Al-Jaber Al-Sabah
The Crown Prince

شركة الساحل للتنمية والاستثمار ش.م.ك (مقفلة)

COAST INVESTMENT & DEVELOPMENT CO K S C (CLOSED)

Board of Directors

Sulaiman Khaled Al-Sahli
Chairman

Hamad Ahmad Al-Amiri
Vice Chairman

Khaled Abdulaziz Al-Usaimi
Board Member

Anwar Jassim Al-Kharafi
Board Member

Abdulhadi Ahmad Al-Dousari
Board Member

Bader Yousef Al-Ghanim
Board Member

Bader Mohammad Al-Qattan
Board Member

General Management

Khaled Abdulaziz Al-Usaimi
Chief Executive officer

Mohammad Rashed Al-Qaoud
Senior Vice President- Support group

Muneer Abdulmuhsen Al-Sharhan
Senior Vice President- Investment group

Sulaiman Khaled Al-Sahli
Chairman

Dear Shareholders of Coast Investment & Development Company
Peace and Blessings of Allah be upon you,

It is our pleasure to welcome you to Coast's annual general meeting, and present to you the annual report for the year ended 31 December 2010.
Despite the effects of the prolonged global financial crisis dampening the economies of the world over the past three years, there have been some positive indications of a recovery of the world economy, particularly in the European countries; chief amongst them is the Republic of Germany, which has resurged back to achieve strong growth rates through the increase of exports in line with the increase of the global consumption levels. This stabilization resulted from intervention with monetary and fiscal policies undertaken by the western countries. In addition, huge funds were spent to reinforce their economies, financial institutions, and capital markets, which started to recover and restore its activity with the improved future prospects of the global economy.

Another sign of the increase in consumption and return of motion to the global economic wheel was the continuous development of the global oil markets during the year and the consequent increase in demand and thus increase of prices. Kuwaiti oil prices reached US$ 76 per barrel in 2010, i.e. an increase of almost 25% compared to 2009, which was US$ 61 per barrel. However, it should be noted that part of this increase was due to the continuous decline of the US dollar exchange rate, affected by the global financial crisis. The increase in oil prices positively affected the State's Budget, where the gross domestic product for 2010 is expected to exceed KD 36 billion compared to KD 31 billion in 2009, i.e. a surplus ranging between KD 3.5 and KD 5.3 billion.

On another front, legislating The Capital Markets Authority law in early 2010, the endorsement of State Development Plan, and the positive effects of the sale of Zain Africa assets, have combined to bolster confidence in the national economy and enhance the economic cycle. The Kuwait Stock Exchange performed well in 2010 compared to 2009 on the ground of several positive factors, most important of which was the improvement of the global economy and the increase in oil prices. The weighted index increased by 25.8%, while the capital value of the listed companies' stocks swelled by KD 6 billion. Nevertheless, liquidity remained low throughout the year as the daily trading average for 2010 was KD 51 million, with a decrease of 41% compared to last year.

Despite the good performance of Kuwait Stock Exchange during 2010, there are still many challenges facing mainly the companies in the investment and real estate sectors.
The amount of leverage granted to these companies concerns the creditor banks in light of the decrease in revenues, liquidity, and the fair values of assets. To confront and eliminate these concerns, companies strive to reduce their general expenses and adopt contractionary policies, leading to lower consumption levels and severe difficulties.

On the governmental level, the most important challenge in the foreseen future is the government's ability to enforce the endorsed laws such as Financial Stability Law and Capital Markets Law, and deal with the political gridlock and numerous interpellations by the parliament members; not to mention the passage of the first year of the development plan with no remarkable achievement.

Coast continued it's strictly conservative policy in terms of prioritizing its commitments through preservation of asset values and shareholders' equity on one hand, and providing necessary funds to honor its obligations to creditors on the other hand. In spite of the significant improvement of the company's Investments, nobody can deny that it is difficult to achieve such balance. Tough decisions taken at the beginning of the crisis and the restructuring of the company's foreign investments, mitigated the impacts of the fluctuations in the markets over the last years.
Thanks to Allah, your company has recorded income of KD 12.887 million, and net profit of KD 5.800 million. Total assets have reached KD 144,101 million decreasing by 0.77% and the shareholders' equity amounted to KD 56,336 million, i.e. growth by 16.25% over the year.

Finally, I would like to extend my deepest appreciation to the company's shareholders for their trust and enduring support, the board members and all staff for their loyalty and extensive hard work, and express our hope for growth and prosperity.

May Allah Grant us success!

Sulaiman Khaled Al-Sahli
Chairman

شركة الساحل للتنمية والاستثمار ش.م.ك (مقفلة)

COAST INVESTMENT & DEVELOPMENT CO K S C (CLOSED)

Contents

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COAST INVESTMENT & DEVELOPMENT COMPANY K.S.C. (CLOSED)

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Coast Investment & Development Company K.S.C.(Closed) (the "parent company") and its subsidiaries (collectively "the group"), which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with 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 auditors' 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 auditors consider 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 for 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 financial position of the group as at 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted for use by the State of Kuwait.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the parent company and the consolidated financial statements, together with the contents of the report of the parent company's board of directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Commercial Companies Law of 1960, as amended, and by the parent company's 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 Commercial Companies Law, as amended, nor of the parent company's articles of association, as amended, have occurred during the year ended 31 December 2010 that might have had a material effect on the business of the parent company or on its 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 organisation of banking business, and its related regulations during the year ended 31 December 2010.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG

DR. SAUD AL-HUMAIDI
LICENSE NO. 51 A
DR. SAUD AL-HUMAIDI & PARTNERS
MEMBER OF BAKER TILLY INTERNATIONAL

3 April 2011
Kuwait

Coast Investment & Development Company K.S.C. (Closed) and Subsidiaries
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Notes	*2010* *KD '000*	*2009* *KD '000*
ASSETS			
Cash and bank balances	3	**650**	344
Money at call and short notice	3	**2,349**	4,623
Financial assets at fair value through statement of income	4	**22,531**	24,854
Accounts receivable and other assets	5	**14,736**	20,809
Financial assets available for sale	6	**35,196**	32,572
Investment in associates	7	**67,354**	60,721
Investment property		**140**	144
Property and equipment	8	**1,145**	1,163
Total assets		**144,101**	145,230
LIABILITIES AND EQUITY			
Liabilities			
Bank overdrafts	3	**1,159**	14
Accounts payable and other liabilities	9	**3,668**	3,222
Borrowings	10	**82,938**	93,534
Total liabilities		**87,765**	96,770
Equity			
Share capital	11	**62,529**	62,529
Statutory reserve	11	**11,647**	11,647
Voluntary reserve	11	**1,991**	1,991
Treasury shares	11	**(7,340)**	(7,340)
Treasury shares reserve		**577**	577
Foreign currency translation reserve		**2,014**	4,984
Cumulative changes in fair value		**3,284**	(1,762)
Accumulated losses		**(18,409)**	(24,211)
Equity attributable to shareholders of the parent company		**56,293**	48,415
Non-controlling interests		**43**	45
Total equity		**56,336**	48,460
Total liabilities and equity		**144,101**	145,230

Sulaiman K. Al-Sahli
Chairman

Khaled A. Al-Usaimi
Chief Executive Officer

The notes set out on pages 17 to 50 form an integral part of these consolidated financial statements

Coast Investment & Development Company K.S.C. (Closed) and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2010

	Notes	2010 KD '000	2009 KD '000
INCOME			
Realised gain on financial assets at fair value through statement of income		**483**	1,140
Unrealised gain (loss) on financial assets at fair value through statement of income		**2,663**	(5,518)
Net gain on sale of financial assets available for sale		**502**	5,929
Dividend income	4 & 6	**2,920**	2,151
Management fees		**1,021**	1,175
Share of results of associates	7	**4,534**	(5,664)
Interest income	12	**754**	1,992
Other income		**10**	27
		12,887	1,232
EXPENSES			
Finance costs	12	**(4,882)**	(6,688)
General and administrative expenses		**(1,475)**	(1,645)
Impairment loss on financial assets available for sale	6	**(430)**	(6,488)
Impairment loss on accounts receivable		**(253)**	-
Write back of impairment loss on accounts receivable		**-**	111
Foreign exchange gain (loss)		**25**	(222)
Profit (loss) for the year before National Labour Support Tax (NLST), Zakat		**5,872**	(13,700)
NLST		**(54)**	-
Zakat		**(18)**	-
PROFIT (LOSS) FOR THE YEAR		**5,800**	(13,700)
ATTRIBUTABLE TO:			
Shareholders of the parent company		**5,802**	(13,700)
Non-controlling interests		**(2)**	-
		5,800	(13,700)
Basic and diluted earnings (loss) per share attributable to shareholders of the parent company	13	10 fils	(24) fils

The notes set out on pages 17 to 50 form an integral part of these consolidated financial statements

Coast Investment & Development Company K.S.C. (Closed) and Subsidiaries
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2010

	Note	2010 KD '000	2009 KD '000
Profit (loss) for the year		**5,800**	(13,700)
Other comprehensive income (loss)			
Change in fair value of financial assets available for sale		**4,944**	(3,317)
Impairment loss on financial assets available for sale transferred to consolidated statement of income		**166**	6,488
Realised gain on sale of financial assets available for sale transferred to consolidated statement of income		**(242)**	(4,876)
Share of other comprehensive income of associates	7	**178**	170
Exchange differences on translation of foreign operations		**(2,970)**	442
Other comprehensive income (loss) for the year		**2,076**	(1,093)
Total comprehensive income (loss) for the year		**7,876**	(14,793)
Attributable to:			
Shareholders of the parent company		**7,878**	(14,795)
Non-controlling interests		**(2)**	2
		7,876	(14,793)

The notes set out on pages 17 to 50 form an integral part of these consolidated financial statements

Coast Investment & Development Company K.S.C. (Closed) and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Attributable to shareholders of the parent company									*Non-controlling interests*	*Total*
	Share capital	*Statutory reserve*	*Voluntary reserve*	*Treasury shares*	*Treasury shares reserve*	*Foreign currency translation reserve*	*Cumulative changes in fair value*	*Accumulated losses*	*Sub total*		
	KD '000	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*	*KD '000*
At 1 January 2010	62,529	11,647	1,991	(7,340)	577	4,984	(1,762)	(24,211)	48,415	45	48,460
Profit for the year	-	-	-	-	-	-	-	5,802	5,802	(2)	5,800
Other comprehensive (loss) income	-	-	-	-	-	(2,970)	5,046	-	2,076	-	2,076
Total comprehensive (loss) income for the year	-	-	-	-	-	(2,970)	5,046	5,802	7,878	(2)	7,876
At 31 December 2010	**62,529**	**11,647**	**1,991**	**(7,340)**	**577**	**2,014**	**3,284**	**(18,409)**	**56,293**	**43**	**56,336**
At 1 January 2009	62,529	11,647	1,991	(7,377)	589	4,542	(225)	(10,511)	63,185	28	63,213
Loss for the year	-	-	-	-	-	-	-	(13,700)	(13,700)	-	(13,700)
Other comprehensive income (loss)	-	-	-	-	-	442	(1,537)	-	(1,095)	2	(1,093)
Total comprehensive income (loss) for the year	-	-	-	-	-	442	(1,537)	(13,700)	(14,795)	2	(14,793)
Purchase of treasury shares	-	-	-	(10)	-	-	-	-	(10)	-	(10)
Sale of treasury shares	-	-	-	47	-	-	-	-	47	-	47
Loss on sale of treasury shares	-	-	-	-	(12)	-	-	-	(12)	-	(12)
Other movement in non-controlling interests	-	-	-	-	-	-	-	-	-	15	15
At 31 December 2009	62,529	11,647	1,991	(7,340)	577	4,984	(1,762)	(24,211)	48,415	45	48,460

The notes set out on pages 17 to 50 form an integral part of these consolidated financial statements

Coast Investment & Development Company K.S.C. (Closed) and Subsidiaries
CONSOLIDATED Statement of cash flows
For the year ended 31 December 2010

	Notes	*2010 KD '000*	*2009 KD '000*
OPERATING ACTIVITIES			
Profit (loss) for the year		**5,800**	(13,700)
Adjustments for:			
Impairment loss on financial assets available for sale	6	**430**	6,488
Interest income	12	**(754)**	(1,992)
Dividend income	4 & 6	**(2,920)**	(2,151)
Unrealised (gain) loss on financial assets at fair value through statement of income		**(2,663)**	5,518
Net gain on sale of financial assets available for sale		**(502)**	(5,929)
Share of results of associates	7	**(4,534)**	5,664
Impairment loss (write back of impairment loss) on accounts receivable		**253**	(111)
Depreciation		**40**	48
Finance costs		**4,882**	6,688
		32	523
Changes in operating assets and liabilities:			
Financial assets at fair value through statement of income		**4,986**	(636)
Accounts receivable and other assets		**1,313**	14,221
Accounts payable and other liabilities		**278**	(459)
Net cash from operating activities		**6,609**	13,649
INVESTING ACTIVITIES			
Net movement in financial assets available for sale		**2,316**	(549)
Purchase of equipment		**(22)**	(9)
Acquisition of associates		**-**	(7)
Proceeds from redemption of investment in associates		**93**	250
Dividend received		**2,920**	2,151
Interest income received		**281**	1,839
Net cash from investing activities		**5,588**	3,675
FINANCING ACTIVITIES			
Purchase of treasury shares		**-**	(10)
Sale of treasury shares		**-**	35
Net movement in borrowings		**(10,596)**	(21,031)
Finance costs paid		**(4,714)**	(6,657)
Movement in non-controlling interests		**-**	15
Net cash used in financing activities		**(15,310)**	(27,648)
DECREASE IN CASH AND CASH EQUIVALENTS		**(3,113)**	(10,324)
Cash and cash equivalents at the beginning of the year	3	**4,953**	15,277
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	**1,840**	4,953

The notes set out on pages 17 to 50 form an integral part of these consolidated financial statements

Notes to the consolidated financial statements for the year ended 31 December 2010

1 INCORPORATION AND ACTIVITIES

Coast Investment & Development Company K.S.C. (Closed) (the “parent company”) is a Kuwaiti closed shareholding company incorporated on 29 July 1975. The parent company and its subsidiaries (collectively, the “group”) are engaged in various types of investment management activities such as private equity, asset management and real estate investments in local and international markets. The parent company’s registered office is at PO Box 26755, Safat 13128, State of Kuwait.

The parent company’s shares are listed on the Kuwait Stock Exchange.

The consolidated financial statements of the group for the year ended 31 December 2010 were authorised for issue in accordance with the resolution of the parent company’s board of directors on 3 April 2011. The annual general meeting of the shareholders of the parent company have the power to amend these consolidated financial statements at annual general meeting.

2.1 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait (“CBK”). These regulations require adoption of all IFRS except for the International Accounting Standard IAS 39: Financial Instruments: Recognition and Measurement requirement for a collective provision, which has been replaced by the CBK’s requirement for a minimum general provision as described under the accounting policy for impairment of financial assets.

The consolidated financial statements have been prepared under the historical cost convention except for the measurement at fair value of financial assets at fair value through statement of income, financial assets available for sale and investment property.

The consolidated financial statements are presented in Kuwaiti Dinars, which is the functional currency of the parent company.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 December 2010. Subsidiaries are those enterprises controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements on a line by line basis from the date that control is effective until the date that control ceases.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All material intra group balances, transactions, unrealised gains and losses resulting from intra group transactions are eliminated on consolidation.

Non-controlling interest represents the equity in the subsidiaries not attributable directly, or indirectly, to the shareholders of the parent company. Equity and net income attributable to non-controlling interests are shown separately in the consolidated statement of financial position, consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in consolidated statement of income
- Reclassifies the parent's share of components previously recognised in other comprehensive income to consolidated statement of income or retained earnings, as appropriate.

The consolidated financial statements include the financial statements of the parent company and the following subsidiaries:

	Country of incorporation	**Effective holding (%)**		**Principal activity**
		2010	*2009*	
Coast Investments Limited	British Virgin Islands	100	100	Investment services
Coast Holding Corporation	USA	100	100	Investment services
Lujain Group for Management & Economic Consultancy Co.	Kuwait	51	51	Management consultancy

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in previous year, except for the following issued, revised and amended International Accounting Standards Board (IASB) Standards and International Financial Reporting Interpretation Committee (IFRIC) interpretations adopted by the group during the year:

- *IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)* effective 1 July 2009, including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- *IFRIC 17 Distributions of Non-cash Assets to Owners* effective 1 July 2009

The adoption of the standards and interpretations is described below:

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended):
IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended): requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

IFRIC 17 Distributions of Non-cash Assets to Owners
This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position or performance of the group.

2.2 CHANGES IN ACCOUNTING POLICIES (continued)

The application of the above revised and amended IASB Standards and new interpretation did not have any impact on the consolidated financial statements of the group.

The following IASB Standards have been amended or issued but not yet mandatory, and have not been adopted by the group:

IAS 24 Related Party Disclosures (Amended)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities.

IFRS 9: Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the group's financial assets. The group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Improvements to IFRSs (issued in May 2010)

The IASB issued improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011.

IFRS 3 Business Combinations

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements

IAS 27 Consolidated and Separate Financial Statements

The group, however, expects no material impact from the adoption of the above amendments on its financial position or performance.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Combination from 1 January 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through statement of income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in statement of income or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

In comparison to the above-mentioned requirements, the following differences applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

Cash and cash equivalents

For purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances, money at call and short notice with maturities upto three months from the date of placement, net of outstanding overdraft.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities

The group classifies its financial assets and liabilities as "financial assets at fair value through statement of income", "loans and receivables", financial assets available for sale" and "financial liabilities other than at fair value through statement of income". The group determines the classification of financial assets and liabilities at initial recognition.

Financial assets

A financial asset or a financial liability is recognised when the group becomes a party to the contractual provisions of the instrument. All regular way purchase and sale of financial assets are recognised using trade date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

All financial assets and liabilities are recognised initially at fair value plus, in the case of investments not at fair value through statement of income, directly attributable transaction costs.

Financial assets at fair value through statement of income

Financial assets at fair value through statement of income includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through statement of income. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Non-trading financial assets may be designated at initial recognition as financial assets designated as at fair value through statement of income if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented investment and risk management strategy.

After initial recognition, financial assets at fair value through statement of income are remeasured at fair value with all changes in fair value recognised in the consolidated statement of income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

Financial assets available for sale

Financial assets available for sale are those non-derivative financial assets that are designated as available for sale or are neither classified as receivables nor classified as financial assets at fair value through statement of income.

After initial recognition, financial assets available for sale are measured at fair value with gains and losses being recognised as a separate component of other comprehensive income until the financial asset is derecognised or until the financial asset is determined to be impaired at which time the cumulative gain and loss previously reported in other comprehensive income is recognised in the consolidated statement of income. Financial assets whose fair value cannot be reliably measured are carried at cost less impairment losses, if any.

Financial liabilities

Financial liabilities comprise borrowings and accounts payables and accruals and are measured as financial liabilities other than at fair value through statement of income.

Borrowings

After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of income when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Fair values of financial instruments

The fair value of financial assets and financial liabilities traded in recognised financial markets is their quoted market price, based on the current bid price. For all other financial assets and financial liabilities where there is no quoted market price, a reasonable estimate of fair value is determined by reference to the current fair value of another instrument that is substantially the same; recent arm’s length market transactions or discounted cash flow analysis or other valuation methods. The fair value of interest bearing financial instruments is estimated based on discounted cash flows using interest rates for items with similar terms and risks characteristics.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair values of financial instruments (continued)

For mutual fund investments, fair value is determined based on net asset values reported by the fund managers and investment managers. Investments with no reliable measure of their fair values and for which no fair value information could be obtained are carried at their initial cost less impairment in value.

Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset when the group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Impairment and uncollectability of financial assets

The group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of income.

Financial assets available for sale

For financial assets available for sale, the group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets available for sale (continued)

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of income is removed from other comprehensive income and recognised in the statement of income. Impairment losses on equity investments are not reversed through the statement of income; increases in their fair value after impairment are recognised directly in other comprehensive income.

Investment in associates

The group's investment in its associates is accounted for under the equity method of accounting. An associate is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of income reflects the group's share of the results of operations of the associate. Where there has been a change recognised directly in the other comprehensive income of the associate, the group recognizes its share of any changes and discloses this, when applicable, in the statement of changes in other comprehensive income. Distributions received from an associate reduce the carrying value of the investment. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the group, using consistent accounting policies.

After application of the equity method, the group determines whether it is necessary to recognize an additional impairment loss on the group's investment in its associate. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of result of associate' in the consolidated statement of income.

Upon loss of significant influence over the associate, the group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in consolidated statement of income.

Investment property

Investment property is initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of investment property. Subsequent to initial recognition, the investment property is stated at fair value that is determined based on valuation performed by independent valuators periodically using valuation methods consistent with the nature and usage of the investment property. Gains or losses arising from change in the fair value of investment property are recognised in the consolidated statement of income in the period in which they arise.

Investment property is derecognised when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of assets is recognised in the consolidated statement of income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and / or accumulated impairment losses, if any. An item of property and equipment initially recognised is derecognised upon disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

Freehold land is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of other property and equipment as follows:

Building	20 years
Other fixed assets	3-5 years

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits arising from items of property and equipment.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment (continued)

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a cash-generating unit's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and then its recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount by recognising impairment loss in the consolidated statement of income.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit). In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by available fair value indicators.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits

Provision is made for amounts payable to employees under the Kuwaiti Labour Law, employee contracts and applicable labour laws in the countries where the subsidiaries operate. The expected costs of these benefits are accrued over the period of employment. The group also contributes to the government defined contribution plan for its Kuwaiti employees in accordance with the legal requirements in Kuwait.

Treasury shares

Treasury shares consist of the company's own issued shares that have been reacquired by the group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares reacquired is charged to a contra account in equity. When the treasury shares are reissued, gains are credited to a separate account in equity, ("treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings then to the voluntary reserve and statutory reserve. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in the order of reserves, retained earnings and the treasury shares reserve account. These shares are not entitled to any cash dividend that the parent company may propose. The issue of bonus shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met before revenue is recognised:

- Management fees, relating to fiduciary client portfolios, fund management and custody services, are recognised over the period of time when these services are rendered.
- Interest income is recognised using the effective yield method taking into account the principal outstanding and the rate applicable.
- Dividend income is recognised when the right to receive payment is established.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

National Labor Support Tax (NLST)

The parent company calculates the NLST in accordance with Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of taxable profit for the year. As per law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST have been deducted from the profit for the year.

Kuwait Foundation for the Advancement of Sciences (KFAS)

The parent company calculates the contribution to KFAS at 1% of taxable profit in accordance with the modified calculation based on the Foundation's Board of Directors resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

Zakat

Contribution to Zakat is calculated at 1% of the profit of the group in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

Foreign currencies

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to gain/loss on foreign currency translation in respective entities statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

As at the reporting date, the assets and liabilities of foreign subsidiaries, and the carrying value of foreign associates, are translated into the parent company's presentation currency (the Kuwaiti Dinars) at the rate of exchange ruling at the reporting date, and their statements of income are translated at the average exchange rates for the year. Exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to the particular foreign operation is recognised in the consolidated statement of income.

Fiduciary assets

Assets held in trust or fiduciary capacity are not treated as assets of the group and, accordingly, are not included in the consolidated statement of financial position.

Segment information

A segment is a distinguishable component of the group that engages in business activities from which it earns revenue and incurs costs. The operating segments are used by the management of the parent company to allocate resources and assess performance. Operating segments exhibiting similar economic characteristics, product and services, class of customers where appropriate are aggregated and reported as reportable segments.

Contingencies

Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefit is probable.

Contingent liabilities are not recognised in the consolidated statement of financial position, but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The group has used judgment and estimates principally in, but not limited to, the following:

Classification of investments

Judgments are made in the classification of financial instruments based on management's intention at acquisition as described in the respective accounting policies.

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. There are no significant financial assets where estimation was used.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses of receivables

An estimate of the collectible amount of receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

3 - CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include the following balances in the consolidated statement of financial position:

	2010 KD '000	*2009 KD '000*
Cash and bank balances	**650**	344
Money at call and short notice	**2,349**	4,623
Bank overdrafts	**(1,159)**	(14)
	1,840	4,953

The money at call and short notice represents deposits placed with reputed local and international financial institutions. These deposits yields interest at an average rate of 0.81% per annum (31 December 2009: 0.94 % per annum) and mature within one month from the date of deposit.

4 - FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

	2010 KD '000	*2009 KD '000*
Held for trading:		
Local securities – quoted	**20,533**	22,480
Designated:		
Local quoted securities	**-**	381
Local unquoted securities	**2**	2
Local unquoted mutual funds	**1,346**	1,218
Foreign unquoted mutual funds	**535**	659
Foreign quoted securities	**115**	114
	1,998	2,374
	22,531	24,854

The mutual fund investments are carried at net asset value provided by the fund manager. Due to the nature of these investments, the net asset value provided by the fund manager represents the best estimate of fair value available for these investments.

During the year the group earned dividend of KD 1,130 thousand (2009: KD 846 thousand) on financial assets at fair value through statement of income.

5 - ACCOUNTS RECEIVABLE AND OTHER ASSETS

	2010 KD '000	*2009 KD '000*
Receivable from sale of an asset to an associate (Note 16)	**10,454**	14,927
Accounts receivable*	**3,626**	5,091
Accrued income	**488**	438
Other assets	**168**	353
	14,736	20,809

* Accounts receivable include receivables from financing of future trades by customers amounting to KD 770 thousand (31 December 2009: KD 2,007 thousand)

Receivable from sale of an asset to an associate represents balance amount receivable on sale of a non-current asset held for sale in 2007. This amount carries interest at Central Bank of Kuwait discount rate plus a margin of 1% per annum. During the current year, the parent company has converted a portion of the receivable amounting to KD 4,995 thousand as investment in associate by participating in the capital increase of the associate. Out of the balance receivable of KD 10,454 thousand at 31 December 2010, the parent company's management has decided to again participate in the capital increase of the associate expected during 2011 amounting to KD 9,990 thousand. The remaining amount is repayable on demand in cash.

As at 31 December 2010, trade accounts receivable at nominal value of KD 1,012 thousand (31 December 2009: KD Nil) was impaired and provided for to the extent of KD 140 thousand (2009: KD Nil). Movement in the allowance for impairment of receivables is as follows:

5 - ACCOUNTS RECEIVABLE AND OTHER ASSETS (continued)

	Individually impaired KD 000's	*Collectively impaired KD 000's*	*Total KD 000's*
At 1 January 2010	-	-	-
Impairment during the year	**140**	**134**	**274**
At 31 December 2010	**140**	**134**	**274**

As at 31 December, the ageing of unimpaired trade accounts receivable is as follows:

		Past due but not impaired			
	Neither past due nor impaired KD '000	*< 30 days KD '000*	*30 to 90 days KD '000*	*> 90 days KD '000*	*Total KD 000's*
2010	**774**	**-**	**-**	**1,980**	**2,754**
2009	3,111	-	-	1,980	5,091

Unimpaired trade accounts receivable are expected, on the basis of past experience, to be fully recoverable. Trade accounts receivable amounting to KD 770 thousand (2009: KD 2,007 thousand) are secured and the fair value of the collateral at 31 December 2010 is KD 2,325 thousand (2009: KD 3,703 thousand).

6 - FINANCIAL ASSETS AVAILABLE FOR SALE

	2010 KD '000	*2009 KD '000*
Quoted investments	**17,584**	15,316
Unquoted investments	**17,612**	17,256
	35,196	32,572

Unquoted investments include investments in private equity funds amounting to KD 7,436 thousand (31 December 2009: KD 6,804 thousand) which are carried at net asset values as reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Unquoted investments amounting to KD 10,120 thousand (31 December 2009: KD 10,389 thousand) are stated at cost due to the unpredictable nature of future cash flows and the unavailability of financial information to arrive at a reliable measure of fair value.

Based on the latest available financial information, management of the parent company is of the view that no additional impairment provision is required as at 31 December 2010 in respect of these investments other than impairment loss of KD 430 thousand (31 December 2009: 6,488 thousand) charged during the year.

During the year, the group earned dividend income of KD 1,790 thousand (2009: KD 1,305 thousand) on financial assets available for sale.

7 - INVESTMENT IN ASSOCIATES

Details of associates are set out below:

Name	Country of incorporation	Interest in equity %		Principal activity
		2010	2009	
Rico GmbH	Germany	23.73	23.73	Manufacturing
Weinig Int'l A.G.	Germany	14.37*	14.37*	Manufacturing
Coast Investment Fund	Kuwait	33.20	33.20	Investing activities
Coast Pearl Fund	Kuwait	59.23	58.91	Investing activities
Aqar Real Estate Investment Company – KSC (Closed)	Kuwait	19.94	19.94	Real estate activities
Kuwaiti German Holding Company – KSC (Closed)	Kuwait	49.60	49.60	Investing activities
Union Securities Brokerage Company – KSC (Closed)	Kuwait	20.00	20.00	Brokerage Company

* Indirect interest of 22.32% held through Kuwaiti German Holding Company K.S.C.C.

Movement in the carrying amount of investment in associates is as follows:

	2010 *KD '000*	*2009* *KD '000*
Carrying amount at 1 January	**60,721**	66,078
Additions	**4,995**	7
Cumulative change in fair value recognised directly in other comprehensive income	**178**	170
Disposal / redemptions during the year	**(93)**	(250)
Share of results for the year	**4,534**	(5,664)
Dividend received	**-**	(64)
Foreign exchange translation adjustment	**(2,981)**	444
Carrying amount at 31 December	**67,354**	60,721

Investment in associates with a carrying value of KD 26,401 thousand (2009: KD 23,180 thousand) have a fair value of KD 24,526 thousand (2009: KD 21,860 thousand) determined based on market bid price. Based on assessment made by the parent company's management, since the recoverable amount (higher of fair value less costs to sell

7 - INVESTMENT IN ASSOCIATES (continued)

and fair value in use) of investment in associates is greater than carrying value, on an individual basis, there is no impairment provision required at 31 December 2010.

The group's investment in Coast Pearl Fund has been classified as investments in associate as the group does not exercise control over the investee fund and is acting as a fund manager only.

The following table illustrates the summarised financial information of the group's investment in associates:

	2010 KD '000	2009 KD '000
Share of assets	**83,243**	78,344
Share of liabilities	**(23,523)**	(25,257)
Share of net assets	**59,720**	53,087
Share of results for the year	**4,534**	(5,664)

The carrying amount of the investment in associates includes goodwill of KD 7,634 thousand (2009: KD 7,634 thousand).

8 - PROPERTY AND EQUIPMENT

Property and equipment include freehold land acquired at the cost of KD 1,053 thousand (2009: KD 1,053 thousand).

9 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2010 KD '000	2009 KD '000
Employee end of service benefits	**877**	741
Accrued expenses	**932**	603
Dividend payable	**236**	286
Other liabilities	**1,623**	1,592
	3,668	3,222

10 - BORROWINGS

	2010 KD '000	2009 KD '000
Unsecured bank loans	**80,455**	90,997
Secured bank loans	**2,483**	2,537
	82,938	93,534

A local bank has given a letter of guarantee against a loan payable to a foreign bank on behalf of the group against the borrowing of KD 2,483 (2009: KD 2,537 thousand).

	Effective interest rate %	*Security*	***2010 KD '000***	*2009 KD '000*
Loans in (KD '000)	5 – 6.5	Unsecured	**79,050**	87,335
Loans in U.S. Dollars	5.25	Secured (letter of guarantee)	**2,483**	2,537
Loans in U.S. Dollars	2.75 – 5.75	Unsecured	**1,405**	3,662
			82,938	93,534

11 - SHARE CAPITAL

Share capital

The authorised, issued and fully paid share capital comprises 625,293,152 shares (2009: 625,293,152 shares) of 100 fils each.

Statutory reserve

In accordance with the Law of Commercial Companies, no transfer has been made to statutory reserve since previously incurred losses have not yet been fully recovered.

Voluntary reserve

In accordance with the company's Articles of Association, 10% of the profit for the year attributable to shareholders of the parent company before NLST and Zakat is transferred to voluntary reserve. Such annual transfers may be discontinued by a resolution of the parent company's annual general meeting upon a recommendation by the Board of Directors. Voluntary reserve is available for distribution. No transfer has been made by the company during the year since previously incurred losses have not yet been fully recovered.

Treasury shares

	2010	*2009*
Number of shares	**62,463,268**	62,463,268
Percentage of issued shares	**9.99%**	9.99%
Market value (KD '000)	**7,496**	7,121

12 - INTEREST INCOME AND FINANCE COSTS

	2010 KD '000	2009 KD '000
Interest income		
Money at call and short notice	**33**	377
Financing of future trades by customers	**101**	839
Accounts receivable and other assets	**620**	776
	754	1,992
Finance costs		
Borrowings	**4,614**	6,295
Other bank charges & fees	**268**	393
	4,882	6,688

13 - BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the year less treasury shares.

	2010	2009
Profit (loss) for the year attributable to shareholders of the parent company (KD '000)	**5,802**	(13,700)
Weighted average number of outstanding shares	**625,293,152**	625,293,152
Less: Weighted average number of treasury shares	**62,463,268**	62,463,268
Weighted average number of shares for basic and diluted earnings (loss) per share	**562,829,884**	562,829,884
Basis and diluted earnings (loss) per share (fils) attributable to the shareholders of the parent company	**10**	(24)

14 - FIDUCIARY ASSETS

Fiduciary assets comprise investments and funds managed by the group on behalf of the clients. As at the reporting date, total fiduciary assets managed by the group amounted to KD 324,520 thousand (2009: KD 256,606 thousand). Total income earned by the group from the fiduciary activities amounted to KD 940 thousand (2009: KD 1,068 thousand).

15 - CAPITAL COMMITMENTS

At the reporting date the group had capital commitments of KD 13,163 thousand (2009: KD 19,374 thousand) towards purchase of investments.

16 - RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out on terms approved by the parent company's management.

The related party balances and transactions included in the consolidated financial statements are as follows:

	Associates KD '000	***2010 KD '000***	*2009 KD '000*
Consolidated statement of financial position			
Receivable from sale of an asset to an associate (Note 5)	**10,454**	**10,454**	14,927
Accrued income	**150**	**150**	127
Consolidated statement of income			
Management fees	**578**	**578**	679
Interest income	**477**	**477**	621

Key management compensation

The remuneration of key management personnel of the group during the year was as follows:

	2010 KD '000	*2009 KD '000*
Salaries and short-term benefits	**303**	303
Employees' end of service benefits	**31**	31
	334	334

17 - SEGMENTAL ANALYSIS

The group is engaged primarily in only one business segment i.e. investing activities. For management purpose the group is organized into three geographical segments.

The following table shows the distribution of the group's segment revenues, segment assets, segment liabilities and other segment information by geographical segment:

31 December 2010

	Kuwait and the Middle East	***United States of America***	***Europe***	***Total***
	KD '000	*KD '000*	*KD '000*	*KD '000*
Segment revenue	**11,790**	**150**	**947**	**12,887**
Segment results	**4,735**	**118**	**947**	**5,800**
Segment impairment loss	**(264)**	**(166)**	**-**	**(430)**
Segment assets	**123,659**	**3,015**	**17,427**	**144,101**
Segment liabilities	**(87,737)**	**(2)**	**(26)**	**(87,765)**

31 December 2009

	Kuwait and the Middle East	*United States of America*	*Europe*	*Total*
	KD '000	*KD '000*	*KD '000*	*KD '000*
Segment revenue	1,861	181	(810)	1,232
Segment results	(12,068)	(106)	(1,526)	(13,700)
Segment impairment loss	(5,527)	(282)	(679)	(6,488)
As at 31 December 2009 Segment assets	124,894	3,280	17,056	145,230
Segment liabilities	(96,739)	(2)	(29)	(96,770)

18 - MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below summarises the maturity profile of the group's assets and liabilities. The maturities of assets and liabilities have been determined based on contractual maturity except for financial assets at fair value through statement of income, financial assets available for sale, investment in associates, investment property, and property and equipment which are based on management's estimate of liquidation / settlement of those financial assets.

The maturity profile of assets and liabilities at 31 December are as follows:

	Up to 1 month KD'000	*1-3 months KD'000*	*3-12 months KD'000*	***Total Less than 1 year KD'000***	*More than 1 year KD'000*	***Total KD'000***
At 31 December 2010						
ASSETS						
Cash and bank balances	650	-	-	**650**	-	**650**
Money at call and short notice	2,349	-	-	**2,349**	-	**2,349**
Financial asset at fair value through statement of income	-	-	22,364	**22,364**	167	**22,531**
Accounts receivable and other assets	407	2,676	10,782	**13,865**	871	**14,736**
Financial assets available for sale	1,500	-	17,584	**19,084**	16,112	**35,196**
Investments in associates	-	-	-	**-**	67,354	**67,354**
Investment property	-	-	-	**-**	140	**140**
Property and equipment	-	-	-	**-**	1,145	**1,145**
	4,906	**2,676**	**50,730**	**58,312**	**85,789**	**144,101**
LIABILITIES						
Bank overdrafts	1,159	-	-	**1,159**	-	**1,159**
Accounts payable and other liabilities	105	343	3,220	**3,668**	-	**3,668**
Borrowings	1,300	8,395	42,783	**52,478**	30,460	**82,938**
	2,564	**8,738**	**46,003**	**57,305**	**30,460**	**87,765**

	Up to 1 month KD'000	*1-3 months KD'000*	*3-12 months KD'000*	*Total Less than 1 year KD'000*	*More than 1 year KD'000*	*Total KD'000*
At 31 December 2009						
ASSETS						
Cash and bank balances	344	-	-	344	-	344
Money at call and short notice	4,623	-	-	4,623	-	4,623
Financial assets at fair value though statement of income	-	-	23,636	23,636	1,218	24,854
Accounts receivable and other assets	593	1,633	18,583	20,809	-	20,809
Financial assets available for sale	-	-	32,572	32,572	-	32,572
Investments in associates	-	-	-	-	60,721	60,721
Investment property	-	-	-	-	144	144
Property and equipment	-	-	-	-	1,163	1,163
	5,560	1,633	74,791	81,984	63,246	145,230
LIABILITIES						
Bank overdrafts	14	-	-	14	-	14
Accounts payable and other liabilities	228	99	2,895	3,222	-	3,222
Borrowings	40,772	10,000	4,337	55,109	38,425	93,534
	41,014	10,099	7,232	58,345	38,425	96,770

19 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values of all financial instruments, except for certain financial assets available for sale that are carried at cost (Note 6) are not materially different from their carrying values. The methodologies and assumptions used to determine fair values of financial instruments is described in fair value section of Note 2.3: Significant Accounting Policies.

Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities:
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis by class of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2010	***Level: 1*** ***KD 000's***	***Level: 2*** ***KD 000's***	***Total*** ***KD 000's***
Financial assets at fair value through statement of income:			
Quoted investments	20,648	-	**20,648**
Unquoted investments	-	537	**537**
Unquoted mutual funds	-	1,346	**1,346**
	20,648	**1,883**	**22,531**
Financial assets available for sale:			
Quoted investments	17,584	-	17,584
Unquoted investments	-	7,492	7,492
	17,584	**7,492**	**25,076**

31 December 2009

	Level 1 KD 000's	Level 2 KD 000's	Total KD 000's
Financial assets at fair value through statement of income			
Quoted investments	22,975	-	22,975
Unquoted investments	-	661	661
Unquoted mutual funds	-	1,218	1,218
	22,975	1,879	24,854
Financial assets available for sale:			
Quoted investments	15,316	-	15,316
Unquoted investments	-	6,867	6,867
	15,316	6,867	22,183

During the year ended 31 December 2010, there were no transfers between Level 1 and Level 2 fair value measurements.

20 - RISK MANAGEMENT

Risk is inherent in the group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the group's continuing profitability and each individual within the group is accountable for the risk exposures relating to his or her responsibilities.

The group's risk management is carried out by investment and management committee and focuses on actively securing the group's short to medium term cash flows by minimizing the potential adverse effects on the group's financial performance through internal risk reports. The parent company's board of directors are ultimately responsible for the overall risk management and for approving risk strategies and principles.

The group is exposed to credit risk, liquidity risk, market risk, prepayment risk and operational risk. Market risk is subdivided into interest rate risk, foreign currency risk and equity price risk. The independent risk control process does not include business risks such as changes in the environment, technology and industry. They are monitored through the group's strategic planning process. There is no change in the risk management objectives and policies as compared to previous year.

20 - RISK MANAGEMENT (continued)

20.1 CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group's credit policy and exposure to credit risk is monitored on an ongoing basis. The group seeks to avoid undue concentrations of risks with individuals or groups of customers in specific locations or business through diversification of lending activities.

With respect to credit risk arising from the other financial assets of the group, which comprise bank balances and other assets, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Where financial instruments are recorded at fair value, it represents the current maximum credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

Maximum exposure to credit risk

The maximum credit exposure to a single counter party is KD 10,454 thousand (2009: KD 14,927 thousand) net off collateral or other credit enhancements.

The group's exposure to credit risk is limited to the carrying amounts of the following financial assets at the reporting date:

	2010 ***KD '000***	*2009* *KD '000*
Bank balances	**650**	344
Money at call and short notice	**2,349**	4,623
Accounts receivables and other assets	**14,699**	20,755
	17,698	25,722

Risk concentration of maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the group's performance to developments affecting a particular industry or geographic location.

The group's gross maximum exposure to credit risk, before taking into account any collateral held or credit enhancements, can be analysed by the geographical regions and industry sectors as follows:

31 December 2010

	Kuwait and other Middle East countries KD '000	***USA KD '000***	***Europe KD '000***	***Total KD '000***
Bank balances	641	9		**650**
Money at call and short notice	2,349	-	-	**2,349**
Accounts receivable and other assets	14,676	-	23	**14,699**
	17,666	**9**	**23**	**17,698**

31 December 2009

	Kuwait and other Middle East countries KD '000	*USA KD '000*	*Europe KD '000*	*Total KD '000*
Bank balances	306	38		344
Money at call and short notice	4,623	-	-	4,623
Accounts receivable and other assets	20,707	-	48	20,755
	25,636	38	48	25,722

31 December 2010

	Trading and manufacturing KD '000	***Banks and financial institutions KD '000***	***Others KD '000***	***Total KD '000***
Bank balances	-	650	-	**650**
Money at call and short notice	-	2,349	-	**2,349**
Accounts receivable and other assets	14,607	-	92	**14,699**
	14,607	**2,999**	**92**	**17,698**

31 December 2009

	Trading and manufacturing KD '000	*Banks and financial institutions KD '000*	*Others KD '000*	*Total KD '000*
Bank balances	-	344	-	344
Money at call and short notice	-	4,623	-	4,623
Accounts receivable and other assets	20,634	-	121	20,755
	20,634	4,967	121	25,722

20 - RISK MANAGEMENT (continued)

20.1 CREDIT RISK (continued)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral accepted include quoted shares.

The receivables from financing of future trades by customers are primarily secured by the underlying assets. Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for credit losses. The group can sell the collateral in case of default by the customer. The fair value of collateral is disclosed under Note 5.

20.2 LIQUIDITY RISK

Liquidity risk is the risk that the group will be unable to meet its liabilities when they fall due. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, the parent company's management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents, and readily marketable securities.

The table below summarises the analysis of group's financial liabilities based on contractual undiscounted repayment obligations. The liquidity profile of financial liabilities reflects the projected cash flows which includes future interest payments over the life of these financial liabilities.

31 December 2010	***Within 3 months KD '000***	***3 to 12 months KD '000***	***Over 1 year KD '000***	***2010 Total KD '000***
Bank overdrafts	1,159	-		**1,159**
Accounts payable and other liabilities	448	3,220	-	**3,668**
Borrowings	10,716	46,997	33,572	**91,285**
	12,323	**50,217**	**33,572**	**96,112**
Capital commitments	**75**	**972**	**12,116**	**13,163**

	Within 3 months KD '000	3 to 12 months KD '000	Over 1 year KD '000	2009 Total KD '000
31 December 2009				
Bank overdrafts	14	-	-	14
Accounts payable and other liabilities	167	2,836	219	3,222
Borrowings	51,185	4,576	51,910	107,671
	51,366	7,412	52,129	110,907
Capital commitments	-	144	19,230	19,374

20.3 MARKET RISK

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as foreign exchange rate, interest rate and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all financial assets traded in the market.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

20.3.1 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The group mainly operates in the Kuwait and other Middle Eastern countries, the United States of America and Europe and is exposed to foreign currency risk arising from various foreign currency exposures, primarily with respect to US Dollar and Euro.

To mitigate the group's exposure to foreign currency risk, management works on maintaining a balanced exposure of assets and liabilities by currency to minimize fluctuations and enter into forward foreign exchange contracts, if needed, in accordance with the group's risks management policies. Generally, the group's risk management procedures distinguish short-term foreign currency cash flows (due within twelve months) from longer-term cash flows. Where the amounts to be paid and received in specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward foreign exchange contracts may be entered into for significant long-term foreign currency exposures that are not expected to be offset by other currency transactions.

20 - RISK MANAGEMENT (continued)

20.3 MARKET RISK (continued)

As at the reporting date the group had the following significant net asset exposures denominated in foreign currencies:

	2010	2009
	KD'000	*KD'000*
US Dollar	**(263)**	(2,267)
Euro	**17,289**	16,792

The group's exposure to other foreign currencies is not material to the consolidated financial statements.

The effect on profit before NLST and Zakat and other comprehensive income, as a result of change in currency rate, with all other variables held constant is shown below:

	Increase in currency rate by 5 %			
	Effect on profit (loss) before NLST and Zakat		*Effect on other comprehensive income*	
	2010	*2009*	***2010***	*2009*
	KD '000	*KD '000*	***KD '000***	*KD '000*
US Dollar	**(170)**	(287)	**157**	174
Euro	**6**	8	**829**	831

If the Kuwaiti Dinar weakens against the foreign currencies with all other variables being constant then this would have the opposite impact on the profit (loss) for the year and equity.

20.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the underlying financial instruments. The group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or reprice in a given period. The management has established levels of interest rate risk by setting limits on the interest rate gaps for stipulated periods.

The group is exposed to interest rate risk on its interest bearing assets and liabilities which include cash and cash equivalents, financing of future trades by customers and borrowings.

The following table demonstrates the sensitivity of the consolidated statement of income to reasonably possible changes in interest rates, with all other variables held constant.

	Increase of 1%	
	Effect on profit (loss) before NLST and Zakat	
	2010	*2009*
	KD'000	*KD '000*
Kuwaiti Dinar	**(791)**	(873)
US Dollar	**(14)**	(37)

20.3.3 Equity Price risk

Equity price risk arises from changes in the fair values of equity investments. Equity price risk is managed by the direct investment department of the parent company. The unquoted equity price risk exposure arises from the group's investment portfolio. The group manages this through diversification of investments in terms of geographical distribution and industry concentration.

The effect on equity as a result of a change in the fair value of the equity instruments held as financial assets at fair value through statement of income and financial assets available for sale at 31 December 2010 due to a reasonable possible change in the equity indices, with all other variables held as constant is as follows:

		2010		*2009*	
Market indices	***Changes in equity price %***	***Effect on profit (loss) KD '000***	***Effect on other comprehensive income KD '000***	*Effect on profit (loss) KD '000*	*Effect on other comprehensive income KD '000*
Kuwait Index	-5%	**(1,716)**	**(1,562)**	(1,812)	(1,139)
Other GCC Indices	-5%	**(20)**	**-**	(20)	-

Sensitivity to equity price movements will be on a symmetric basis as financial instruments giving rise to non-symmetric movements are not significant.

20.4 PREPAYMENT RISK

Prepayment risk is the risk that the group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected. The group is not significantly exposed to prepayment risk.

20 - RISK MANAGEMENT (continued)

20.5 OPERATION RISK

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

21 CAPITAL MANAGEMENT

The primary objective of the group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders value.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may review the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The group monitors capital using a gearing ratio, which is net debt divided by total capital attributable to shareholders of the parent company plus net debt. The group includes within net debt, borrowings less cash and cash equivalents. Capital includes equity attributable to the shareholders of the parent company less cumulative changes in fair values.

The capital structure of the group consists of the following:

	2010 KD '000	*2009 KD '000*
Borrowings	**82,938**	93,534
Less: Cash and cash equivalents	**(1,840)**	(4,953)
Net debt	**81,098**	88,581
Equity attributable to the shareholders of the parent company	**56,293**	48,415
Add: Cumulative changes in fair value	**(3,284)**	1,762
Total capital attributable to the shareholders of the parent company	**53,009**	50,177
Capital and net debt	**134,107**	138,758
Gearing ratio	**60%**	64%