

# AL MANAR

FINANCING & LEASING



2019



**Al Manar Financing and Leasing Company**  
K.S.C. (Closed)  
and its Subsidiaries  
State of Kuwait

**Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019  
With Review Report

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AL MANAR FINANCING AND LEASING COMPANY K.S.C. (CLOSED)

State of Kuwait

**Report on Review of Interim Condensed Consolidated  
Financial Information to the Board of Directors**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2019 (Unaudited)

	NOTE	30 September 2019	31 December 2018 (Audited)	30 September 2018
		KD	KD	KD
<b>ASSETS</b>				
Cash and cash equivalents	5	841,005	1,592,152	2,260,186
Investment in Murabaha receivables	6	4,347,321	4,347,321	4,347,321
Finance receivables	7	28,471,122	29,354,290	30,429,507
Investments in financial securities	3	4,443,321	4,470,722	5,061,092
Investment properties		4,213,517	2,339,285	2,339,285
Other debit balances	8	1,119,224	274,231	216,847
Other assets	9	230,263	33,557	39,463
<b>Total assets</b>		<b>43,665,773</b>	<b>42,411,558</b>	<b>44,693,701</b>

**LIABILITIES AND EQUITY**

<b>LIABILITIES</b>				
Islamic Murabaha and Wakala payables	10	7,743,878	6,667,664	6,735,483
Accounts payable and other credit balances	11	1,343,246	2,135,990	1,361,083
Provision for staff indemnity		1,181,852	1,282,145	1,252,994
<b>Total liabilities</b>		<b>10,268,976</b>	<b>10,085,799</b>	<b>9,349,560</b>

<b>EQUITY</b>				
Share capital		30,874,759	30,874,759	30,874,759
Share premium		312,020	312,020	312,020
Statutory reserve		2,000,722	2,000,722	2,000,722
Voluntary reserve		1,242,080	1,242,080	1,242,080
Fair value reserve		(43,177)	(43,177)	-
(Accumulated losses) / retained earnings		(997,257)	(2,068,295)	906,910
<b>Total equity attributable to the shareholders of the Parent Company</b>		<b>33,389,147</b>	<b>32,318,109</b>	<b>35,336,491</b>
Non-controlling interests		7,650	7,650	7,650
<b>Total equity</b>		<b>33,396,797</b>	<b>32,325,759</b>	<b>35,344,141</b>
<b>Total liabilities and equity</b>		<b>43,665,773</b>	<b>42,411,558</b>	<b>44,693,701</b>

Kareem AL Taji  
Chairman

Bader Al Ghanem  
Vice Chairman



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the nine months ended 30 September 2019 (Unaudited)

	NOTE	Three months ended 30 September		Nine months ended 30 September	
		2019	2018	2019	2018
		KD	KD	KD	KD
<b>REVENUES</b>					
Finance revenues		831,786	791,540	2,398,920	2,437,591
(Loss)/Income from investment properties	12	(103,444)	52,110	(17,402)	137,215
Net gains from investments	13	-	16,147	96,288	14,566
Other income		70,896	95,645	288,375	284,480
		<b>799,238</b>	<b>955,442</b>	<b>2,766,181</b>	<b>2,873,852</b>

<b>EXPENSES</b>					
Finance cost		87,434	97,877	291,516	291,325
Staff costs		273,134	255,201	926,084	928,296
(Reversal) /Provide for provision for credit losses		(417,570)	224,256	(387,400)	328,954
Other expenses	14	375,769	122,196	834,641	380,730
		<b>318,767</b>	<b>699,530</b>	<b>1,664,841</b>	<b>1,929,305</b>

<b>Profit before deductions</b>		<b>480,471</b>	<b>255,912</b>	<b>1,101,340</b>	<b>944,547</b>
Kuwait Foundation Advancement of Science		-	(2,303)	-	(8,501)
National Labour Support Tax		(5,597)	-	(21,254)	-
Zakat		(1,901)	(2,768)	(9,048)	(10,841)
<b>Net profit for the period</b>		<b>472,973</b>	<b>250,841</b>	<b>1,071,038</b>	<b>925,205</b>
Other comprehensive income		-	-	-	-
Total comprehensive income		472,973	250,841	1,071,038	925,205
<b>Earnings per share (fils)</b>	15	<b>1.53</b>	<b>0.81</b>	<b>3.47</b>	<b>3.00</b>

The accompanying notes set out on pages form an integral part of these consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (Unaudited)

	Equity attributable to the shareholders of the Parent Company								Total equity
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings/ (Accumulated losses )	Total	Non-controlling interest	
	KD	KD	KD	KD	KD	KD	KD	KD	KD
<b>Balance at 1 January 2018</b>	30,874,759	312,020	2,000,722	1,414,274	-	1,371,544	35,973,319	7,650	<b>35,980,969</b>
Effect of the adoption IFRS 9	-	-	-	-	-	(18,295)	(18,295)	-	<b>(18,295)</b>
<b>Balance at 1 January 2018</b>	30,874,759	312,020	2,000,722	1,414,274	-	1,353,249	35,955,024	7,650	<b>35,962,674</b>
Dividends	-	-	-	(172,194)	-	(1,371,544)	(1,543,738)	-	<b>(1,543,738)</b>
Net profit for the period	-	-	-	-	-	925,205	925,205	-	<b>925,205</b>
<b>Balance at 30 September 2018</b>	30,874,759	312,020	2,000,722	1,242,080	-	906,910	35,336,491	7,650	<b>35,344,141</b>
<b>Balance at 1 January 2019</b>	30,874,759	312,020	2,000,722	1,242,080	(43,177)	(2,068,295)	32,318,109	7,650	<b>32,325,759</b>
Net profit for the period	-	-	-	-	-	1,071,038	1,071,038	-	<b>1,071,038</b>
<b>Balance at 30 September 2019</b>	30,874,759	312,020	2,000,722	1,242,080	(43,177)	(997,257)	33,389,147	7,650	<b>33,396,797</b>

The accompanying notes set out on pages form an integral part of these consolidated financial statements.



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the nine months ended 30 September 2019 (Unaudited)

	NOTE	Nine months ended 30 September	
		2019 KD	2018 KD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period		1,071,038	925,205
Adjustments for:			
Depreciation, amortization and impairment		284,796	23,787
Gains from investments		(96,288)	(14,566)
Other provisions		300,000	-
(Reversal)/Provide for provision for credit losses		(387,400)	328,954
Income from Murabaha receivable		(66,107)	(53,424)
Finance costs		291,516	291,325
Provision for staff indemnity		159,023	164,261
<b>Operating profit before changes in working capital</b>		<b>1,556,578</b>	<b>1,665,542</b>
Finance receivables		849,607	1,685,293
Investments in financial securities		27,401	269,110
Other receivables and prepayments		(1,144,993)	333,497
Accounts payable and other credit balances		(949,649)	(855,804)
Payments of staff indemnity		(259,316)	-
<b>Net cash generated from operating activities</b>		<b>79,628</b>	<b>3,097,638</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment in Murabaha receivables		66,107	53,424
Murabaha receivables		-	(65,000)
Purchase of investment property		(1,639,823)	(862,750)
Dividends received		96,288	6,429
Proceeds from/(purchase of) property and equipment		8,230	(7,407)
<b>Net cash used in investing activities</b>		<b>(1,469,198)</b>	<b>(875,304)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net movement of Islamic Murabaha and Wakala payables		1,076,214	243,278
Dividends paid		(146,275)	(2,034,428)
Finance costs paid		(291,516)	(291,325)
Net cash generated from/(used) in financing activities		638,423	(2,082,475)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(751,147)</b>	<b>139,859</b>
<b>Transition adjustment on adoption of IFRS 9</b>		<b>-</b>	<b>(616)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>1,592,152</b>	<b>2,120,943</b>
<b>Cash and cash equivalents at end of the period</b>	5	<b>841,005</b>	<b>2,260,186</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

for the nine months ended 30 September 2019 (Unaudited)

### 1. FORMATION AND PRINCIPAL ACTIVITIES

Al Manar Financing and Leasing Company K.S.C. (Closed) (“the Parent Company”) was incorporated in the State of Kuwait in 2003 by the authorized letter of incorporation no. 4857 file 1 dated 6 December 2003.

On 11 February 2019, the Parent company’s shares were listed on Bursa Kuwait.

The main activities of the Parent Company and its subsidiaries (together referred to as “the Group”) are all financing and investing activities according to the Islamic Shari’a principles.

The Parent Company is subject to instructions and monitoring by the Central Bank of Kuwait and Capital Markets Authority.

The registered office of the Parent Company is P.O. Box 22828, Safat 13089, Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries (the Group) as follow:

Company name	Ownership percentage (%)		Activity	Country of corporation
	30 September 2019	30 September 2018		
Manarat Tasaheel Real Estate Company W.L.L	99	99	Projects Management	Kuwait
Al-Manar Express for Marketing Consulting Company W.L.L	50	50	Consulting activities	Kuwait
Al- Manar Watania for Administrative Consulting Company W.L.L	50	50	Consulting activities	Kuwait

Subsidiaries’ management accounts have been used for the consolidation purposes as at 30 September 2019.

The total assets of the subsidiaries are KD 5,031,645 (KD 2,414,964 as at 31 December 2018, KD 2,406,881 as at 30 September 2018), net losses of KD 350,202 during the nine months ended 30 September 2019 (net losses KD 55,379 during the nine months ended 30 September 2018).

On 28 April 2019, the General Assembly approved the consolidated financial statements for the year ended 31 December 2018 and approved not to distribute of dividends for the year ended 31 December 2018.

The interim condensed consolidated financial information was approved for issue by the Board of Directors on 10 November 2019.



## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of presentation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the changes described below arising from adoption of IFRS 16 'Leases' effective from 1 January 2019.

The annual consolidated financial statements for the year ended 31 December 2018 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss ('ECL') to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). (collectively referred to as IFRS, as adopted for use by the State of Kuwait).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRSs, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

### 2.2 Significant accounting policies

The accounting policies used in the preparation of this condensed interim financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2018, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

#### 2.2.1 New and amended standards adopted by the Group

The Group has adopted the new and amended standards and interpretations that became effective in the current period. The adoption of these standards and interpretations has no material impact on the financial statements of the Group, except as mentioned below:

##### IFRS 16 "Leases"

###### General impact

IFRS 16 'Leases' replaces the existing guidance on leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019.

IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Group's financial position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees.

The Group has opted for the modified retrospective application permitted by IFRS 16 upon adoption of the new standard. During the first time application of IFRS 16, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the

amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018.

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

### **Impact on accounting policy:**

Until the 2018 financial year, leases were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income statement on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group unless the term is 12 months or less or the lease for low value asset. Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to income statement over the lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

### **Practical expedient**

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by KD 303,180 (recorded in other assets).
- Lease liabilities – increase by KD 303,180 (recorded in accounts payables and other credit balances).

### 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 for assets and liabilities.
- **Level three:** Inputs for the asset or liabilities that are not based on observable market data.

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

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Relationship of unobservable inputs to fair value
	30 September 2019	31 Dec. 2018 (Audited)	30 September 2018			
	KD	KD	KD			
<b>Financial assets at fair value through profit or loss:</b>						
Local unquoted shares	2,777,382	2,804,783	2,960,005	Level 2	Market comparatives	N/A
Foreign unquoted shares	256,029	256,029	648,000	Level 2	Market comparatives	N/A
Local funds	2,551	2,551	2,551	Level 2	Net unit value	N/A
	3,035,962	3,063,363	3,610,556			

<b>Financial assets at fair value through OCI:</b>						
Foreign unquoted shares	1,407,359	1,407,359	1,450,536	Level 2	Market comparatives	N/A
	4,443,321	4,470,722	5,061,092			

Fair values of the Group's other financial assets and financial liabilities are approximately equal to their carrying value.



#### 4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

##### Changes in judgements and estimation uncertainty

The critical judgements and estimates used in the preparation of these condensed interim financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 except for the changes highlighted below:

##### Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). At initial adoption of IFRS 16 "Leases", the Management has applied judgments and estimates to determine the incremental borrowing rate.

#### 5. CASH AND CASH EQUIVALENTS

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Cash at banks	840,496	1,583,641	2,258,986
Cash on hand	509	8,511	1,200
	<b>841,005</b>	<b>1,592,152</b>	<b>2,260,186</b>

#### 6. INVESTMENT IN MURABAHA RECEIVABLE

Investment in Murabaha receivables are the deposited amounts at a local financial institution according to Murabaha contracts. The average yield on those contracts is 2.025% per annum (1.76% per annum – 2018).

#### 7. FINANCE RECEIVABLE

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Finance receivables	37,262,654	42,832,122	40,849,997
Less: deferred revenues	(5,319,589)	(5,805,525)	(5,552,553)
Less: provision for credit losses	(3,471,943)	(7,672,307)	(4,867,937)
<b>Finance receivables – net</b>	<b>28,471,122</b>	<b>29,354,290</b>	<b>30,429,507</b>

**7.1 The movement in the provisions for expected credit losses effected during the current period is as follows:**

	30 September 2019
	KD
Balance at 1 January 2019	7,672,307
Written off	(3,970,200)
Credit losses reversed during the period	(230,164)
<b>Balance at 30 September 2019</b>	<b>3,471,943</b>

**7.2 The Group holds KD 14,863,811 as at 30 September 2019 (KD 9,694,547 - 31 December 2018; KD 9,822,167 - 30 September 2018) as collateral over its finance receivables.**

**7.3 During the current period, the Board of Directors' approval to write off finance receivables amounted to KD 4,548,587 against KD 548,387 from deferred revenue and KD 3,970,200 from provision to credit losses.**

**7.4 During the current period the Group recovered an amount of KD 157,236 as at 30 September 2019 (KD 41,706 - 30 September 2018) from the written off finance receivables and reversed the same in the interim condensed consolidated statement of income in provision for credit**

**8. OTHER DEBIT BALANCES**

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Staff receivables	667,013	48,575	40,490
Other debit balances	452,211	225,656	176,357
	1,119,224	274,231	216,847

**9. OTHER ASSETS**

Other assets includes an amount of KD 194,301 as at 30 September 2019 (KD 303,180 as at 1 January 2019) representing Right of use arises from adopting IFRS 16. The related amortization of KD 108,879 was recorded in the statement of income for the current period.



## 10. ISLAMIC MURABAHA AND WAKALA PAYABLES

Islamic Murabaha and Wakala payables are obtained from local banks and are dominated in KD. The average cost on Murabaha payables and Islamic Wakala is 6.20% (6.2% - 31 December 2018; 6.11% - 30 September 2018).

Islamic Murabaha and Wakala payables are guaranteed against the following:

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Investment in Murabaha receivables	4,347,321	4,347,321	4,347,321
Assigning receivables – net	5,255,797	10,403,181	12,013,674
Investment properties	4,216,537	2,339,285	1,476,535
Financial assets at fair value through OCI	-	-	1,160,429

## 11. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Trade payables	647,020	1,270,450	622,360
Dividends payable	204,733	351,008	391,295
Lease liability (note 2.2.1)	197,850	-	-
Accrued salaries and other staff accruals	160,923	396,467	235,443
KFAS	21,270	21,270	29,771
NLST	21,254	-	-
Zakat	46,178	37,127	39,801
Others	44,018	59,668	42,413
	<b>1,343,246</b>	<b>2,135,990</b>	<b>1,361,083</b>

Lease liability maturity analysis are as follows:

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
Non-current lease liabilities due after 12 months	86,828	-	-
Current lease liability due within 12 months	111,022	-	-
	<b>197,850</b>	<b>-</b>	<b>-</b>



## 12. INCOME FROM INVESTMENT PROPERTIES

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	KD	KD	KD	KD
Rental income - net	63,170	52,110	169,150	137,215
Less: Impairment of investment property	(160,000)	-	(172,750)	-
Less: Depreciation	(6,614)	-	(13,802)	-
	<b>(103,444)</b>	<b>52,110</b>	<b>(17,402)</b>	<b>137,215</b>

## 13. NET GAINS FROM INVESTMENTS

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	KD	KD	KD	KD
Dividends income	-	-	96,288	6,429
Gain from sale of investment	-	16,147	-	8,137
	<b>-</b>	<b>16,147</b>	<b>96,288</b>	<b>14,566</b>

## 14. OTHER EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	KD	KD	KD	KD
Consultancy & legal fees	36,635	29,246	137,297	104,049
Depreciation and Amortization	37,693	7,963	107,048	23,787
Other provisions	200,000	-	300,000	-
Other expenses	101,441	84,987	290,296	252,894
	<b>375,769</b>	<b>122,196</b>	<b>834,641</b>	<b>380,730</b>

## 15. EARNINGS PER SHARE

Earnings per share are calculated based on the net profit for the period divided by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	KD	KD	KD	KD
Net profit for the period	472,973	250,841	1,071,038	925,205
Weighted average number of the Parent Company's outstanding shares	308,747,591	308,747,591	308,747,591	308,747,591
<b>Earnings per share (Fils)</b>	<b>1.53</b>	<b>0.81</b>	<b>3.47</b>	<b>3.00</b>

## 16. RELATED PARTIES' TRANSACTIONS AND BALANCES

Related parties consist of major shareholders, directors and executive officers of the Group, their families and companies of which they are the principal owners. All related parties transactions approximate arms length terms and are approved by the Group's management.

The related parties balances and transactions included in the interim condensed consolidated financial information are as follows:

	30 September 2019	31 December 2018 (Audited)	30 September 2018
	KD	KD	KD
<b>Balances:</b>			
a) Finance receivable	-	100,112	130,761
b) Due from related party	58,471	144,928	94,903
c) Staff advances	244,551	-	-
d) Key management's benefits payable	578,060	801,563	877,943
<b>Transactions:</b>			
a) Compensation of key management personnel Salaries and other short term benefits	420,441	679,150	503,821
b) Board of Directors committees' remunerations	-	55,000	-

The Group has entered into an agreement with a related party to collect the outstanding instalments from some of the finance receivables on behalf of the Group.

The cash collected through from that party on behalf of the Parent Company during the year amounted to KD 3,511,094 (KD 2,120,726 – 30 September 2018). The fees paid to that party amounted to KD 18,000 (KD 12,741 – 30 September 2018).

## 17. SEGMENTAL INFORMATION

Operating segments are to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The operating segments are divided into two major business segments. Business segments are distinguishable components of the Group that provide products or services subject to risks and returns different from those of other business segments.

	30 September 2019			
	Finance	Investment	Unallocated items	Total
	KD	KD	KD	KD
Segment revenues	2,615,903	78,886	71,392	<b>2,766,181</b>
Segment expenses	(291,516)	-	(1,403,627)	<b>(1,695,143)</b>
Segment results	2,324,387	78,886	(1,332,235)	<b>1,071,038</b>
Segment assets	33,659,448	8,659,858	1,349,487	<b>43,665,773</b>
Segment liabilities	8,409,340	-	1,859,730	<b>10,268,976</b>

	30 September 2018			
	Finance	Investment	Unallocated items	Total
	KD	KD	KD	KD
Segment revenues	2,108,637	14,566	421,695	<b>2,873,852</b>
Segment expenses	(291,325)	-	(1,328,368)	<b>(1,948,647)</b>
Segment results	1,817,312	14,566	(906,673)	<b>925,205</b>
Segment assets	37,037,014	7,400,377	256,310	<b>44,693,701</b>
Segment liabilities	7,714,479	-	1,635,081	<b>9,349,560</b>



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