

**Al Mudon International Real Estate Company
K.S.C. (Closed) and its Subsidiaries**

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2010



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL MUDON INTERNATIONAL REAL ESTATE COMPANY K.S.C. (CLOSED)

Report on the Consolidated Financial Statements

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

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, and for such internal controls 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' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the group's 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
AL MUDON INTERNATIONAL REAL ESTATE COMPANY K.S.C. (CLOSED) (continued)**

Report on the Consolidated Financial Statements (continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Matters

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 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, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the parent company's articles of association 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.



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

13 March 2011
Kuwait

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2010

	<i>Notes</i>	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Gain on part disposal of investment in a subsidiary		-	135,670
Share of results of associates	6	539,710	269,740
Realised loss on sale of financial assets available for sale		(17,651)	-
Loss on partial sale of an associate		-	(7,979)
Dividend income		155,936	-
Foreign exchange gain (loss)		2,311	(4,113)
INCOME		<u>680,306</u>	<u>393,318</u>
General and administrative expenses		360,328	221,109
Impairment losses		-	30,000
EXPENSES		<u>360,328</u>	<u>251,109</u>
PROFIT FOR THE YEAR BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), ZAKAT AND NATIONAL LABOUR SUPPORT TAX ("NLST")		319,978	142,209
Contribution to KFAS		(2,919)	(1,280)
Zakat		(3,295)	(1,422)
NLST		(8,237)	(3,555)
PROFIT FOR THE YEAR	3	<u><u>305,527</u></u>	<u><u>135,952</u></u>
Attributable to:			
Equity holders of the parent company		310,224	136,850
Non-controlling interests		(4,697)	(898)
		<u><u>305,527</u></u>	<u><u>135,952</u></u>
Basic and diluted earnings per share attributable to equity holders of the parent company	4	<u><u>3.10 fils</u></u>	<u><u>1.37 fils</u></u>

The attached notes 1 to 17 form part of these consolidated financial statements.

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Profit for the year	305,527	135,952
Other comprehensive income:		
Financial assets available for sale:		
- Net fair value loss	(200,638)	(217,145)
- Impairment loss transferred to consolidated statement of income	-	30,000
- Realised loss on sale, transferred to consolidated statement of income	17,651	-
Foreign currency translation adjustments - associates	(237,809)	114,365
Foreign currency translation adjustments - subsidiaries	(264,364)	316,355
Other comprehensive (loss) income	(685,160)	243,575
Total comprehensive (loss) income for the year	(379,633)	379,527
Attributable to:		
Equity holders of the parent company	(350,219)	380,425
Non-controlling interests	(29,414)	(898)
	(379,633)	379,527

The attached notes 1 to 17 form part of these consolidated financial statements.

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	<i>Notes</i>	<i>2010 KD</i>	<i>2009 KD</i>
ASSETS			
Non-current assets			
Investment property	5	9,349,815	9,557,258
Investment in an associate	6	6,152,075	5,049,977
Financial assets available for sale	7	4,895,223	5,145,947
Total non-current assets		20,397,113	19,753,182
Current assets			
Other assets	8	1,662,946	2,114,820
Bank balances and cash		22,859	26,051
		1,685,805	2,140,871
TOTAL ASSETS		22,082,918	21,894,053
EQUITY AND LIABILITIES			
Equity			
Share capital	9	10,000,000	10,000,000
Statutory reserve	10	1,234,658	1,202,220
Voluntary reserve	11	1,278,395	1,245,957
Cumulative changes in fair values		(405,820)	(222,833)
Foreign currency translation reserve		71,429	548,885
Retained earnings		4,280,091	4,034,743
Equity attributable to equity holders of the parent company		16,458,753	16,808,972
Non-controlling interests		1,335,479	1,364,893
Total equity		17,794,232	18,173,865
Non-current liabilities			
Employees' end of service benefits		6,344	1,255
Current liabilities			
Other liabilities	12	4,282,342	3,718,933
Total liabilities		4,288,686	3,720,188
TOTAL EQUITY AND LIABILITIES		22,082,918	21,894,053

Adnan Yaqoub Bou Rhama
Chairman

Omar Ali Alzumai
Vice chairman

The attached notes 1 to 17 form part of these consolidated financial statements.

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES		
Profit for the year before KFAS, Zakat and NLST	319,978	142,209
Adjustments for:		
Share of results of associates	(539,710)	(269,740)
Dividend income	(155,936)	-
Loss on sale of financial assets available for sale	17,651	-
Provision (reversal of provision) for employees' end of service benefits	5,089	(26,173)
Loss on partial sale of an associate	-	7,979
Impairment loss	-	30,000
Gain on part disposal of investment in a subsidiary	-	(135,670)
	<u>(352,928)</u>	<u>(251,395)</u>
Changes in operating assets and liabilities:		
Other assets	(399,812)	(76,807)
Other liabilities	397,411	(855,742)
Net cash used in operating activities	<u>(355,329)</u>	<u>(1,183,944)</u>
INVESTING ACTIVITIES		
Investment in an associate	-	(25,426)
Proceeds from partial sale of investment in an associate	-	23,016
Addition to investment property	-	(6,609)
Purchase of financial assets available for sale	-	(41,713)
Dividend received from an associate	-	64,606
Dividend income	155,936	-
Proceeds from sale of financial assets available for sale	50,086	851
Proceeds from part disposal of investment in a subsidiary	-	1,581,964
Net cash from investing activities	<u>206,022</u>	<u>1,596,689</u>
FINANCING ACTIVITIES		
Net movement in amount due to the ultimate parent company	151,547	(401,441)
Net cash from (used in) financing activities	<u>151,547</u>	<u>(401,441)</u>
INCREASE IN BANK BALANCES AND CASH	2,240	11,304
Net foreign exchange difference	(5,432)	(4,516)
Bank balances and cash at 1 January	26,051	19,263
BANK BALANCES AND CASH AT 31 DECEMBER	<u><u>22,859</u></u>	<u><u>26,051</u></u>

The attached notes 1 to 17 form part of these consolidated financial statements.

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2010

	<i>Attributable to equity holders of the parent company</i>								
	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Retained earnings KD	Sub total KD	Non-controlling interests KD	Total KD
Balance at 1 January 2010	10,000,000	1,202,220	1,245,957	(222,833)	548,885	4,034,743	16,808,972	1,364,893	18,173,865
Profit for the year	-	-	-	-	-	310,224	310,224	(4,697)	305,527
Other comprehensive loss for the year	-	-	-	(182,987)	(477,456)	-	(660,443)	(24,717)	(685,160)
Total comprehensive (loss) income for the year	-	-	-	(182,987)	(477,456)	310,224	(350,219)	(29,414)	(379,633)
Transfer to reserves	-	32,438	32,438	-	-	(64,876)	-	-	-
Balance at 31 December 2010	10,000,000	1,234,658	1,278,395	(405,820)	71,429	4,280,091	16,458,753	1,335,479	17,794,232
Balance at 1 January 2009	10,000,000	1,187,999	1,231,736	(35,688)	118,165	3,926,335	16,428,547	-	16,428,547
Profit for the year	-	-	-	-	-	136,850	136,850	(898)	135,952
Other comprehensive (loss) income for the year	-	-	-	(187,145)	430,720	-	243,575	-	243,575
Total comprehensive (loss) income for the year	-	-	-	(187,145)	430,720	136,850	380,425	(898)	379,527
Arising on part disposal of a subsidiary	-	-	-	-	-	-	-	1,365,791	1,365,791
Transfer to reserves	-	14,221	14,221	-	-	(28,442)	-	-	-
Balance at 31 December 2009	10,000,000	1,202,220	1,245,957	(222,833)	548,885	4,034,743	16,808,972	1,364,893	18,173,865

The attached notes 1 to 17 form part of these consolidated financial statements.

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2010

1 CORPORATE INFORMATION

The consolidated financial statements of Al Mudon International Real Estate Company K.S.C. (Closed), (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2010 were authorised for issue by the Board of Directors on 13 March 2011. The Annual General Assembly of the shareholders have the right to amend these consolidated financial statements.

The parent company is a closed shareholding company incorporated and registered in the State of Kuwait in 1996. The parent company's office is at 6th Floor, Kuwait Chamber Of Commerce & Industry Building, Al Shuhada Street, Murgab, State of Kuwait. The parent company is listed on Kuwait Stock Exchange.

The principal activities of the parent company comprise investments in real estates and securities. All activities are conducted in accordance with Islamic shareea'a, as approved by the group's Shareea'a Supervisory Board.

The parent company is a subsidiary of Watheeqa Holding Group K.S.C. (Closed) (the "ultimate parent company").

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements are prepared under the historical cost convention as modified for the revaluation of financial assets available for sale. The consolidated financial statements are presented in Kuwaiti Dinars, which is also the functional currency of the parent company.

Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and applicable requirements of Ministerial Order No. 18 of 1990.

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 adoption of the following new and amended IASB Standards and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations relevant to the group during the year:

- IFRS 3: Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) (effective 1 January 2010), including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 28, IAS 31 and IAS 39.
- IAS 7: Statement of cash flows (effective 1 January 2010)
- IAS 36: Impairment of assets (effective 1 January 2010)

The major changes in the new and amended Standards and Interpretation are as follows:

IFRS 3 – Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces significant changes in the accounting of business combinations occurring after its effective date. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and accounting of business combinations achieved in stages. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies that when control is lost, any remaining interest in the entity is re-measured to fair value, and any resulting gain or loss is recognised in consolidated statement of income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Following are the major changes in accounting policies of the group due to adoption of the above revised accounting Standards:

Cost of acquisition – 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 interests in the acquiree. Acquisition related costs incurred are expensed and included in administrative expenses. Prior to this revised standard such expenses were included in cost of acquisition. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of income.

Transactions with non-controlling interests – Transactions with non-controlling interests without change in control recorded only in other comprehensive income and will no longer result in goodwill or any gain or loss. Prior to this revised standard goodwill was calculated and recognised on acquisition of non-controlling interests, and any gain or loss on sale of investment in subsidiary without loss of control was recognised in the consolidated income statement.

IAS 7: Statement of cash flows

The amendment clarifies that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. It did not have any impact on the financial position or performance of the group.

IAS 36: Impairment of assets

The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. The amendment has no impact on the group as the annual impairment test is performed before aggregation.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the group's consolidated financial statements are listed below. This listing is of Standards and Interpretations issued, which the group reasonably expects to be applicable at a future date. The group intends to adopt those Standards when they become effective.

IAS 24 Related party (Revised)

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 group does not expect any impact on its financial position or performance.

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.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the group after initial application.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation will have no effect on the consolidated financial statements of the group.

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. The amendments listed below, are considered to have a reasonable possible impact on the group:

- 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 impact from the adoption of the amendments on its financial position or performance.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries as at 31 December each year unless otherwise stated. The financial statements of subsidiaries and associates are prepared using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated on consolidation.

Subsidiaries

Subsidiaries are all entities over which the parent company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. 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. Non-controlling interests in the acquiree is measured at the proportionate share of the acquiree's identifiable net assets. Other acquisition related costs incurred are expensed and included in administrative expenses. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and included in cost of acquisition. Any resulting gain or loss is recognised in consolidated statement of income. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of income. Refer below for the list of major subsidiaries, their principal activities and the group's percentage holding.

Non-controlling interests

Interest in the equity of subsidiaries not attributable to the group is reported as non-controlling interests in the consolidated statement of financial position. Profit or losses of subsidiaries not attributable to the group is reported in the consolidated statement of income as profit or losses attributable to non-controlling interests. Losses are allocated to the non-controlling interests even if they exceed the non-controlling interest's share of equity in the subsidiary. Transactions with non-controlling interests are treated as transactions with equity owners of the group. Gains or losses on disposals to non-controlling interests are recorded in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal subsidiaries of the group are as follows:

<i>Name of company</i>	<i>Principal activities</i>	<i>Country of incorporation</i>	<i>Effective equity interest as at 31 December 2010</i>	<i>Effective equity interest as at 31 December 2009</i>
Leaders Business Group (Holding) S.A.L. ("LBG")	Real estate development	Lebanon	85.7%	85.7%
<i>Held through LBG</i>				
Palais Noura SAL (Previously Modern Company for Project Development S.A.L.)	Real estate development	Lebanon	85.7%	85.7%

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.

Murabaha income is recognised on a time proportion basis so as to yield a constant periodic rate of return based on the balance outstanding.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Investment property

Investment property is property acquired, constructed or in the course of construction and development and is held to earn rentals or for capital appreciation or both.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the consolidated statement of income in the year in which they arise.

The fair value of investment property is determined by independent real estate valuation experts, except if such values cannot be reliably determined. In the exceptional cases when a fair value cannot be reliably determined, such properties are recorded at cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate

Investment in an associate is accounted for under the equity method of accounting. An associate is an entity in which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights 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 an associate is included in the carrying amount of the investment and is not amortised or separately 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 in other comprehensive income of the associate, the group recognises its share of any changes and discloses this, when applicable, in other comprehensive income. Profits and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The reporting dates of the associate and the group are identical. The associate's accounting policies conform to those used by the group for like transactions and events in similar circumstances.

After application of the equity method, the group determines whether it is necessary to recognise an additional impairment loss on the group's investment in its associates. 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 recognises the amount in the consolidated statement of income.

Upon loss of significant influence over the associate, the group measures and recognises 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 are recognised in the consolidated statement of income.

Business combinations 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 interests in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and financial 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 at the acquisition date through the consolidated income statement.

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 profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations from 1 January 2010 (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Business combinations prior to 1 January 2010

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 interests were 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.

When the group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Recognition/de-recognition of financial assets and financial liabilities

The group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments. A regular way purchase of financial assets is recognised using the trade date accounting. Financial liabilities are not recognised unless one of the parties has performed or the contract is a derivative contract.

Financial assets and financial liabilities are measured initially at fair value (transaction price) plus, in case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

A financial asset (in whole or in part) is derecognised either when:

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

Where the group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition/de-recognition of financial assets and financial liabilities (continued)

Financial assets available for sale

Financial assets available for sale are those non-derivative financial assets that are designated as available for sale and are not classified as financial assets at fair value through profit or loss, or loans and receivables.

Financial assets available for sale are measured initially at fair value (transaction price) plus, directly attributable transaction costs. After initial recognition, financial assets available for sale are measured at fair value with gains and losses being recognised in the statement of comprehensive income until the financial assets is derecognised or until the financial assets is determined to be impaired at which time the cumulative gain and loss previously reported in consolidated statement of 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.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Offsetting

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.

Fair values

For financial assets quoted in an active market, fair value is determined by reference to quoted market prices. Current bid prices are used for assets and offer prices are used for liabilities.

For financial assets where there is no quoted market price, a reasonable estimate of the fair value is determined by using valuation techniques such as recent arm's length transactions, reference to the current fair value of another instrument that is substantially the same, an earnings multiple, or is based on the expected cash flows of the investment discounted at current rates applicable for items with similar terms and risk characteristics. Fair value estimates take into account liquidity constraints and assessment for any impairment.

The fair value of profit bearing items is estimated based on discounted cash flow using profit rates for items with similar terms and risk characteristic.

Impairment of assets

An assessment is made at each reporting date to determine, in case of financial asset, whether there is objective evidence that a specific financial asset may be impaired and, in case of other assets, whether there is an indication that a specific asset may be impaired. A financial asset or a group of financial assets are impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. If such evidence or indication exists, any impairment loss is recognised in the consolidated statement of income.

The group assesses whether objective evidence of impairment exists on an individual basis for each individual significant receivables and collectively for others. The main criteria that the group uses to determine that there is objective evidence of an impairment consideration include whether any payment of principal or profit are overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral, etc. Impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Impairment is determined as follows:

- For assets carried at amortised cost, impairment is based on estimated cash flows discounted at the original effective profit rate;
- For assets carried at fair value, impairment is the difference between cost and fair value; or
- For assets carried at cost, impairment is the difference between actual cost and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)

Reversal of impairment losses, except for goodwill, recognised in prior years is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised. Except for financial assets available for sale, reversals of impairment losses are recognised in consolidated statement of income. Impairment losses on financial assets available for sale are not reversed through consolidated statement of income; increases in their fair value after impairment are recognised directly in consolidated statement of comprehensive income.

Employees' end of service benefits

Provision is made for amounts payable to employees under the Kuwaiti Labour Law and employee contracts. This liability, which is unfunded, represents the amount payable to each employee as a result of involuntary termination on the reporting date.

For its national employees, the group provides end of service benefits under the Kuwait Labour Law after deducting group's contributions to Public Institution for Social Security calculated as a percentage of the employees' salaries

Foreign currency translation

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 in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Kuwaiti Dinars at rates of exchange prevailing on that date. Any resultant gains or losses are recognised in consolidated statement of income.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Kuwaiti Dinars at the foreign exchange rates prevailing at the dates that the values were determined. In case of non-monetary assets whose change in fair values are recognised directly in consolidated statement of comprehensive income, foreign exchange differences are also recognised in consolidated statement of comprehensive income and for non-monetary assets whose change in fair value are recognised in the consolidated statement of income are also recognised in the consolidated statement of income.

Assets (including goodwill) and liabilities, both monetary and non-monetary, of foreign operations are translated at the exchange rates prevailing at the reporting date. Operating results of such operations are translated at average exchange rates for the year. The resulting exchange differences are accumulated in other comprehensive income (foreign currency translation reserve) until the disposal of the foreign operation. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of income.

Contingencies

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

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

Segment information

A segment is a distinguishable component of the group that engages in business activities from which it earns revenues and incurs costs. The operating segments are used by the management of the group to allocate resources and assess performance is consistent with the internal reports provided to the chief operation decision maker. Operating segments exhibiting similar economic characteristics, product and services, class of customers where appropriate are aggregated and reported as reportable segments.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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At 31 December 2010

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

The most significant use of judgements and estimates are as follows:

Classification of financial instruments

Judgments are made in the classification of financial instruments based on management's intention at acquisition.

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.

Impairment of financial assets available for sale

The group treats investments available for sale as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgement and involves evaluating factors including industry and market conditions, future cash flows and discount factors.

Impairment provision 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.

Fair values of assets and liabilities acquired

The determination of the fair value of the assets, liabilities and contingent liabilities as a result of business combination requires significant judgement.

3 PROFIT FOR THE YEAR

Profit for the year is stated after charging staff costs of KD 132,939 (2009: KD 159,139).

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Profit for the year attributable to the equity holders of the parent company	310,224	136,850
	Share	Share
Weighted average number of ordinary shares outstanding for basic earnings per share	100,000,000	100,000,000
Basic and diluted earnings per share	3.10 fils	1.37 fils

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

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5 INVESTMENT PROPERTY

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Opening balance	9,557,258	9,229,778
Development costs	-	6,609
Foreign currency translation adjustment	(207,443)	320,871
	<u>9,349,815</u>	<u>9,557,258</u>

Investment property represents the value of plots of land in Lebanon and related development costs. As at 31 December 2010 investment property is carried at cost because its fair value could not be reliably measured due to the unique nature of the property and lack of transaction activity in that market.

6 INVESTMENT IN AN ASSOCIATE

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Opening balances	5,049,977	4,816,550
Additions	851,686	25,426
Disposals	-	(30,995)
Share of results of an associate	539,710	269,740
Dividends received	-	(64,606)
Foreign exchange translation adjustment	(289,298)	114,365
Upstream transaction with parent company	-	(80,503)
	<u>6,152,075</u>	<u>5,049,977</u>

Investment in an associate includes goodwill amounting to KD 2,122,639 as of 31 December 2010 (2009: KD 2,122,639).

During 2009, an amount of KD 851,686 was paid to subscribe in the increase of the share capital of the associate, Development and Engineering Consultants Company (S.A.E.) and was included under other assets. During the year, the parent company was allotted the subscribed share capital resulting in an increase in the equity interest of the associate from 37.33% to 38.81%.

Development and Engineering Consultants Company (S.A.E.) is an entity incorporated and registered in Egypt and is quoted on the Egypt Stock Exchange. It has a market value of KD 4,185,880 (2009: KD 2,951,169).

The following table illustrates summarised financial information of the associate:

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Share of associates' financial position:		
Total assets	6,432,196	6,004,889
Total liabilities	2,402,760	3,077,552
Net assets	<u>4,029,436</u>	<u>2,927,337</u>
Share of associates' revenue and profit:		
Revenue	<u>1,769,603</u>	<u>883,645</u>
Profit for the year	<u>539,710</u>	<u>269,740</u>

Al Mudon International Real Estate Company K.S.C. (Closed) and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 FINANCIAL ASSETS AVAILABLE FOR SALE

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Quoted equity investment	-	55,974
Unquoted equity investment	<u>4,895,223</u>	<u>5,089,973</u>
	<u><u>4,895,223</u></u>	<u><u>5,145,947</u></u>

An impairment charge of KD Nil (31 December 2009: KD 30,000) has been recognised in respect of quoted investment available for sale for which there has been a significant or prolonged decline in fair value below cost.

Unquoted equity investment is recorded at fair value using valuation techniques as current market transactions or observable market data are not available.

Investments available for sale are managed by ultimate parent company (Note 13).

8 OTHER ASSETS

	<i>2010</i> <i>KD</i>	<i>2009</i> <i>KD</i>
Amount due from related parties (Note 13)	458,680	909,342
Other receivables	<u>1,204,266</u>	<u>1,205,478</u>
	<u><u>1,662,946</u></u>	<u><u>2,114,820</u></u>

At 31 December 2010, other receivables amounting to KD 4,201,361 (2009: KD 4,201,361) had provision for impairment losses of KD 3,000,000 (2009: KD 3,000,000).

As at 31 December 2010 and 2009, none of the receivable balances were neither past due nor impaired.

9 SHARE CAPITAL

	<i>Authorised, issued and fully paid</i>	
	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Shares of 100 fils each	<u>10,000,000</u>	<u>10,000,000</u>

10 STATUTORY RESERVE

In accordance with the Commercial Companies Law and the parent company's Articles of Association, 10% of the profit for the year attributable to the equity holders of the parent company before contribution to KFAS, Zakat and NLST has been transferred to statutory reserve. The group may resolve to discontinue such annual transfers when the reserve totals 50% of paid up share capital.

Distribution of the reserve is limited to the amount required to enable the payment of a dividend of 5% of paid-up share capital to be made in years when accumulated profits are not sufficient for the payment of a dividend of that amount.

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At 31 December 2010

11 VOLUNTARY RESERVE

In accordance with the parent company's Articles of Association, the group has resolved to transfer 10% of the profit for the year attributable to the equity holders of the parent company before contribution to KFAS, Zakat and NLST to the voluntary reserve until the shareholders decide to discontinue the transfer. There are no restrictions on distributions from voluntary reserve.

12 OTHER LIABILITIES

	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Amount due to the ultimate parent company (Note 13)	3,564,022	3,412,475
Amount due to related parties (Note 13)	202,673	112,268
KFAS payable	57,591	54,672
Zakat payable	40,099	36,804
NLST payable	100,247	92,010
Others	317,710	10,704
	<u>4,282,342</u>	<u>3,718,933</u>

13 RELATED PARTY TRANSACTIONS

These represent transactions with certain parties (major shareholders, associate, directors and executive officers of the group, close members of their families and entities over which they exercise control or over which they are able to exercise significant influence) entered into by the group in the ordinary course of business. The terms of these transactions are approved by the group's management.

Transactions with related parties are as follows:

	<i>Ultimate parent company</i>	<i>Associate</i>	<i>Other related parties</i>	<i>Total 2010</i>	<i>Total 2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Consolidated statement of income					
Gain on part disposal of investment in a subsidiary	-	-	-	-	135,670
General and administrative expenses	95,790	-	124,845	220,635	223,614
Consolidated statement of financial position					
Other assets	-	20,682	437,998	458,680	909,342
Other liabilities	3,564,022	-	202,673	3,766,695	3,524,743

Amounts due from (to) related parties / the ultimate parent company are receivable/payable on demand and do not carry any profit.

	<i>Ultimate parent company</i>	<i>Associate</i>	<i>Other related parties</i>	<i>Total 2010</i>	<i>Total 2009</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Other transaction					
Purchase of investment in associate	-	-	-	-	5,946

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13 RELATED PARTY TRANSACTIONS (continued)

Financial assets available for sale are managed by the ultimate parent company (Note 7).

Key management personnel compensation

	<i>2010</i>	<i>2009</i>
	<i>KD</i>	<i>KD</i>
Salaries and short-term employee benefits	168,067	57,599
Termination benefits	5,089	880
	<u>173,156</u>	<u>58,479</u>

14 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 is exposed to credit risk, liquidity risk, foreign currency risk and profit rate risk. It is also subject to prepayment risk and operational 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.

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. Financial assets subject to credit risk consist principally of other assets and bank balances. With respect to credit risk arising from financial assets, the group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying values of those assets in the consolidated statement of financial position.

The maximum credit exposure to a single client or counterparty as of 31 December 2010 was KD 1,201,361 (2009: KD 1,201,361).

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the group periodically assesses the financial viability of its receivables and invests in bank deposits or other investments that are readily realisable. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The group limits its liquidity risk by ensuring funds from related parties are available.

	<i>Within 3 months KD</i>	<i>Others KD</i>	<i>Total KD</i>
2010			
Other liabilities	<u>515,647</u>	<u>3,766,695</u>	<u>4,282,342</u>
2009			
Other liabilities	<u>194,190</u>	<u>3,524,743</u>	<u>3,718,933</u>

The ultimate parent company has confirmed in writing to provide adequate funds to enable the group to meet its liabilities as they fall due.

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14 RISK MANAGEMENT (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The management monitors the positions on a daily basis to ensure positions are maintained within established limits. Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the group does not hedge foreign currency exposures.

The effect on profit (due to change in the fair value of monetary assets) and on other comprehensive income, as a result of change in currency rate by 10% of Kuwait Dinars against US Dollars and Saudi Riyals, with all other variables held constant amounts to KD 160 (2009: KD 615) and KD 48,952 (2009: KD 51,459) respectively.

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates of Islamic financial instruments will affect future profitability of the group. The group is not significantly exposed to profit rate risk as a result of mismatches of profit rate repricing of assets and liabilities since it does not own significant floating rate Islamic financial assets and Islamic financial liabilities that could have a material impact on the group's profit.

Equity price risk

Equity price risk arises from changes in the fair values of financial assets available for sale. Equity price risk is managed by the investment department of the ultimate 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 change in equity prices by 10%, with all other variables held constant amounts to KD 48,952 (2009: KD 51,460).

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

The group classifies its financial assets as "financial assets available for sale", "other assets" and "bank balances and cash" and its financial liabilities as "other liabilities".

The fair values of financial instruments are not materially different from their carrying values.

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: techniques which use inputs that have a significant effect on the recorded fair value are not based on observable market data.

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At 31 December 2010

15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The group held the following financial instruments measured at fair value.

31 December 2010	<i>Level: 1 KD</i>	<i>Level: 3 KD</i>	<i>Total KD</i>
Financial assets available for sale			
Equity securities	-	4,895,223	4,895,223
	<u> </u>	<u> </u>	<u> </u>
	<i>Level: 1 KD</i>	<i>Level: 3 KD</i>	<i>Total KD</i>
31 December 2009			
Financial assets available for sale			
Equity securities	55,974	5,089,973	5,145,947
	<u> </u>	<u> </u>	<u> </u>

During the year, there were no transfers between the hierarchies. Decrease in Level 3 financial instruments is on account of unrealised losses recognised in the other comprehensive income amounting to KD 200,638 and realised losses recognised in the statement of income amounting to KD 5,888. The calculation of fair value of level 3 financial instruments is not materially sensitive to changes in assumptions.

16 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 shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changes in business conditions. Capital comprises share capital, statutory reserve, voluntary reserve, cumulative changes in fair values, foreign currency translation reserve and retained earnings and is measured at KD 16,458,753 as at 31 December 2010 (2009: KD 16,808,972).

17 SEGMENTAL INFORMATION

The group operates in primarily two business regions a) Kuwait and b) International. The group does not have material inter-segment transactions. The segment information is presented on the same basis as that used for internal reporting purposes by the chief operating decision – maker.

Management monitors operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segmental return on investments.

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17 SEGMENTAL INFORMATION (continued)

The following table presents total revenue, profit before tax for the year and total assets information regarding the group's segment.

<i>Year ended 31 December 2010</i>	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
Segment revenue	-	140,596	140,596
Share of results of associates	-	539,710	539,710
Total segment revenue	-	680,306	680,306
Segment (loss) profit before contribution to KFAS, Zakat and NLST	(325,172)	645,150	319,978
	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
As at 31 December 2010			
Segment assets	1,685,354	14,245,489	15,930,843
Investment in an associate	-	6,152,075	6,152,075
Total segment assets	1,685,354	20,397,564	22,082,918
Segment liabilities	4,079,500	11,249	4,090,749
Unallocated liabilities			197,937
Total liabilities			4,288,686

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17 SEGMENTAL INFORMATION (continued)

<i>Year ended 31 December 2009</i>	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
Segment revenue	-	123,578	123,578
Share of results of associates	-	269,740	269,740
Total segment revenue	-	393,318	393,318
Segment (loss) profit before contribution to KFAS, Zakat and NLST	(237,857)	380,066	142,209
	<i>Kuwait KD</i>	<i>International KD</i>	<i>Total KD</i>
As at 31 December 2009			
Segment assets	2,139,268	14,704,808	16,844,076
Investment in an associate	-	5,049,977	5,049,977
Total segment assets	2,139,268	19,754,785	21,894,053
Segment liabilities	3,528,155	8,547	3,536,702
Unallocated liabilities			183,486
Total liabilities			3,720,188