

الكويت في : 2018/ 12/ 26  
الإشارة : 2018 / 12 / 26 / 650 / EFD


المحترمين

الساده / شركة بورصة الكويت  
السلام عليكم ورحمة الله وبركاته ،،،

الموضوع / البيانات المالية السنوية المنتهية  
في 2018/10/31

بالإشارة الى الموضوع اعلاه ، نود افادتكم بأن مجلس إدارة شركة الانماء العقارية قد انعقد  
يوم الأربعاء الموافق 2018/12/26 واعتمد البيانات المالية السنوية للسنة المالية المنتهية في  
2018/10/31 .

وتفضلوا بقبول فائق الاحترام ،،،،



الرئيس التنفيذي  
عبد العزيز مطلق العصيمي



الانماء  
ERESCO

مرفق نموذج اعلان

**Annual Financial Statement Results Form**  
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية السنوية  
الشركات الكويتية (د.ك.)

Financial Year Ended on	2018-10-31	السنة المالية المنتهية في
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Company Name	اسم الشركة
Al-Enma'a Real Estate Company K.S.C.P	شركة الانماء العقارية ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2018-12-26	

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	31/10/2017	31/10/2018	
%(87)	(8,107,035)	(1,090,974)	صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
%(87)	(17.99) fils	(2.42) fils	ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)
%(4)	21,787,913	21,017,270	الموجودات المتداولة Current Assets
%(11)	83,482,035	74,117,942	إجمالي الموجودات Total Assets
%4	20,203,961	20,920,712	المطلوبات المتداولة Current Liabilities
%(14)	35,098,576	30,347,814	إجمالي المطلوبات Total Liabilities
%(10)	48,383,459	43,770,128	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
%20	16,093,093	19,286,261	إجمالي الإيرادات التشغيلية Total Operating Revenue
%(144)	(4,016,281)	1,775,851	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
%27	%(22)	%(28)	أرباح (خسائر) مرحلة / رأس المال المدفوع Retained Profit (Loss) / Paid-Up Share Capital

التغيير (%) Change (%)	الربع الرابع المقارن Fourth Quarter Comparative Period	الربع الرابع الحالي Fourth Quarter Current Period	البيان Statement
	31/10/2017	31/10/2018	
%(76)	(8,592,380)	(2,050,506)	صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
%(76)	(19.07) fils	(4.55) fils	ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)
%80	2,125,544	3,826,160	إجمالي الإيرادات التشغيلية Total Operating Revenue
%(105)	(4,915,669)	246,808	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

Increase/Decrease in Net Profit/(Loss) is due to	سبب انخفاض صافي الخسارة
	زيادة ربح العمليات التشغيلية
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
	3,124,535 د.ك.
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
	2,773,989 د.ك.

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
-	-	توزيعات نقدية	Cash Dividend
-	-	توزيعات أسهم منحة مجانية	Stock Dividend
-	-	توزيعات أخرى	Other Dividend
-	-	عدم توزيع أرباح	No Dividends
-	-	زيادة رأس المال	Capital Increase
-	-	تخفيض رأس المال	Capital Decrease
	علاوة الإصدار Issue Premium	-	

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		الرئيس التنفيذي	عبد العزيز مطلق العصيمي

- Auditor Report Attached

- مرفق تقرير مراقب الحسابات



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## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P.**

### **Report on the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of Al-Enma'a Real Estate Company K.S.C.P. (the "Parent Company") and subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 October 2018, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 October 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



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## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)**

### **Report on the Consolidated Financial Statements (continued)**

#### *Key Audit Matters (continued)*

##### *Valuation of investment properties*

The investment properties represent a significant part of the total assets (62%) of the Group, with a carrying value of KD 48,071,038 at the reporting date.

The fair value of Group's investment properties have been determined by external real estate appraisers. The determination of fair value of the investment properties is highly dependent on estimates and assumptions, such as rental value, maintenance status, market knowledge and historical transactions. The disclosures relating to the assumptions are relevant, given the estimation uncertainty involved in these valuations. Given the size and complexity of the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we have considered this as a key audit matter.

We have challenged the assumptions and estimates made by management of the Group and the appropriateness of the properties' related data supporting the external appraisers' valuations. We performed additional procedures for areas of higher risk and estimation. This included, where relevant, comparison of judgements made to current and emerging market practices and challenging the valuations on a sample basis. Further, we have considered the objectivity and expertise of the external real estate appraisers. We also assessed the appropriateness of the disclosures relating to the investment properties of the Group in Note 7 to the consolidated financial statements.

##### *Debt instruments subject to provision of expected credit losses*

As at 31 October 2018, debt instruments subject to provision of expected credit losses amounting to KD 17,004,495 represent 23% of total assets. The management used significant accounting judgments and estimates to estimate the provision for expected credit losses of debt instrument. Management evaluates the estimated provision based on specific reviews of customer accounts. This process involves significant accounting judgments and estimates as disclosed in Note 2.6 to the consolidated financial statements. We consider, therefore, this matter as a key audit matter.

The management estimated the provision for expected credit losses by taking into consideration the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

We evaluated management's assumptions, judgment and estimations for the purpose of recoverability of the debt instruments balances.



## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)**

### **Report on the Consolidated Financial Statements (continued)**

#### *Key Audit Matters (continued)*

##### *Debt instruments subject to provision of expected credit losses*

We considered subsequent settlement when performing analysis of receivables' aging brackets. In addition, we assessed the adequacy of the Group's disclosure regarding provision for expected credit losses.

We also considered the adequacy of the Group's disclosure relating to the provision of expected credit losses in Note 11 and Note 12 to the consolidated financial statements.

##### *Projects revenue recognition and estimated costs to complete*

The Parent Company is involved in projects for which it applies the percentage of completion method. The amount of revenue and profit (or loss) recognised in a year is dependent on the actual cost accounted for, the assessment of the percentage of completion, and the forecasted results of each project. Furthermore, the amount of revenue and profit (or loss) is affected by the valuation of work in progress, variation orders and claims. The complexity of this process means that the ongoing assessment may have significant impact of the results of the Group in any given fiscal year. This process contains significant management estimates and assumptions, to which reference is made on Note 2.6 to the consolidated financial statements. Therefore, we considered this matter as a key audit matter.

In our audit, we have performed specific substantive audit procedures on a sample basis to determine that: (a) the expected revenue has been appropriately reconciled to the signed contracts and variation orders, (b) the correct cost categories have been included in work in progress, and (c) the variation orders and claims, have been properly taken into account when determining the valuation of work in progress and the resulting estimated cumulative results on the contracts. We also discussed with the relevant Group's personnel about the appropriateness of the estimates made for significant projects and whether or not these estimates showed evidence of management bias. This includes substantiating those estimates with underlying documents such as contracts, variation orders, correspondence on claims and disputes, legal opinions and agreements with sub-contractors. Furthermore, we also challenged the achievability of the forecasted results including the effect contingencies.

Information related to contracts and related revenues and contingencies are disclosed in Notes 3 and Note 25 to the consolidated financial statements.



## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)**

### **Report on the Consolidated Financial Statements (continued)**

#### *Key Audit Matters (continued)*

##### *Valuation of financial assets at fair value through other comprehensive income*

These financial assets do not have a quoted price in an active market and the measurements of whose fair values used estimates and judgements. If the financial assets at fair value through other comprehensive income witnessed objective evidence, which indicates a change in value which allows to record the changes in fair value in the caption of the shareholders' equity ("Cumulative change in fair value"). The assessment whether objective evidence of change in fair value exists for individual financial assets can be subjective in nature and involve various assumptions considering the qualitative and quantitative factors.

The assessment whether objective evidence of change in fair value exists for individual financial assets, this is considered a key audit matter.

We also evaluated the Group's assessment on a sample basis whether objective evidence of change in fair value exists for individual financial assets and the qualitative and quantitative factors used such as the net asset value of the investee reflecting the fair value of the underlying assets, the adjusted market value of those financial assets by applying the related economic market conditions specific to those financial assets' sectors , and the latest offering price received by the Group to sell those financial assets.

Finally, we assessed the completeness and accuracy of the disclosures relating to financial assets at fair value through other comprehensive income in Note 9 to the consolidated financial statements.

#### *Other information included in the Group's 2018 Annual Report*

Management is responsible for the other information. Other information consists of the information included in the Group's 2018 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)**

### **Report on the Consolidated Financial Statements (continued)**

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

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

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

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

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)

### Report on the Consolidated Financial Statements (continued)

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
AL-ENMA'A REAL ESTATE COMPANY K.S.C.P. (continued)**

**Report on the Consolidated Financial Statements (continued)**

**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 Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 October 2018 that might have had a material effect on the business of the Parent Company or on its financial position.

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**BADER A. AL-ABDULJADER  
LICENCE NO. 207-A  
EY  
AL AIBAN AL OSAIMI & PARTNERS**