

Capital Management House B.S.C.(c)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2010

	2010 USD'000	2009 USD'000
ASSETS		
Cash and bank balances	894	2,364
Due from financial institutions	37,006	10,501
Investments	115,034	131,875
Non-current assets held for sale	1,614	-
Fixed assets	1,337	1,867
Other assets	961	991
TOTAL ASSETS	156,846	147,598
EQUITY AND LIABILITIES		
Liabilities		
Due to financial institutions	39,258	23,059
Customers current account	34	465
Other liabilities	944	596
Total liabilities	40,236	24,120
Equity		
Share capital	100,568	100,000
Share premium	17,912	17,579
Reserves	(1,870)	5,899
Total equity attributable to shareholder of parent	116,610	123,478
TOTAL LIABILITIES AND EQUITY	156,846	147,598
RESTRICTED INVESTMENT ACCOUNT	107,220	105,178
COMMITMENTS AND CONTINGENT LIABILITIES	13,324	5,868

CONSOLIDATED STATEMENT OF INCOME For the year ended 31 December 2010

	Three months ended		Year ended	
	31 December 2010 USD'000	31 December 2009 USD'000	31 December 2010 USD'000	31 December 2009 USD'000
INCOME				
Income from Islamic financing	206	140	736	1,453
Income from Investments	338	404	1,963	1,868
(Loss) / Gain on sale of investments	75	690	(1,154)	4,176
Placement, arranging and underwriting fees	2	121	7	3,876
Foreign exchange gain / (loss)	6	(7)	63	(43)
Fair value (loss) / gain on Investments carried at fair value through profit or loss	-	96	-	96
Fair value (loss) / gain on Investment property	(381)	(643)	(381)	381
Total income	246	801	1,234	11,807
EXPENSES				
Profit payable on Islamic financing	112	107	412	475
Staff costs	1,080	995	3,210	3,206
General and administrative costs	552	802	2,331	3,164
Total expenses	1,744	1,904	5,953	6,845
NET (LOSS) / PROFIT FOR THE YEAR BEFORE PROVISIONS	(1,498)	(1,103)	(4,719)	4,962
Impairment Provision	(4,395)	(477)	(4,453)	(3,281)
Collective Provision	540	(600)	(800)	(600)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	(5,353)	(2,180)	(9,972)	1,081

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2010

	Share capital USD '000	Treasury and unallocated shares under MIP USD '000	Share premium USD '000	Statutory reserve USD '000	General reserves USD '000	Cumulative changes in fair values reserve USD '000	Retained earnings USD '000	Proposed dividend USD '000	Share Grant reserve USD '000	Total reserve USD '000	Total USD '000
Balance at 1 January 2010	100,000	-	17,579	2,180	563	1,467	629	-	1,060	5,899	123,478
Shares issued to MIP subsidiary	5,000	(5,000)	-	-	-	-	-	-	-	-	-
Shares issued to eligible employees under MIP	-	568	333	-	-	-	-	-	(901)	(901)	-
Net loss for the year	-	-	-	-	-	-	(9,972)	-	-	(9,972)	(9,972)
Fair value gain on available for sale investments	-	-	-	-	-	2,892	-	-	-	2,892	2,892
Fair value loss on investment property	-	-	-	-	-	(381)	381	-	-	-	-
Share grant charge for year (net)	-	-	-	-	-	-	-	-	212	212	212
Balance at 31 December 2010	105,000	(4,432)	17,912	2,180	563	3,978	(8,962)	-	371	(1,870)	116,610

	Share capital USD '000	Treasury and unallocated shares under MIP USD '000	Share premium USD '000	Statutory reserve USD '000	General reserves USD '000	Cumulative changes in fair values reserve USD '000	Retained earnings USD '000	Proposed dividend USD '000	Share Grant reserve USD '000	Total reserve USD '000	Total USD '000
Balance at 1 January 2009	91,381	-	17,579	2,072	563	8,495	133	8,619	-	19,882	128,842
Stock dividends paid during year	8,619	-	-	-	-	-	-	(8,619)	-	(8,619)	-
Net income for the year	-	-	-	108	-	-	1,081	-	-	1,081	1,081
Transfer to statutory reserve	-	-	-	-	-	-	(108)	-	-	-	-
Fair value loss on available-for-sale investments	-	-	-	-	-	(7,505)	-	-	-	(7,505)	(7,505)
Fair value gain on investments carried at fair value through statement of income	-	-	-	-	-	96	(96)	-	-	-	-
Fair value gain on investment property	-	-	-	-	-	381	(381)	-	-	-	-
Share Grant reserve	-	-	-	-	-	-	-	-	1,060	1,060	1,060
Balance at 31 December 2009	100,000	-	17,579	2,180	563	1,467	629	-	1,060	5,899	123,478

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2010

	2010 USD'000	2009 USD'000
OPERATING ACTIVITIES		
Net (Loss) / Income for the period	(9,972)	1,081
Adjustments for:		
Depreciation	553	566
Amortisation of HTM gain	(39)	-
Fair value gain on investments carried at fair value through profit and loss	-	(96)
Fair value Loss / (gain) on investment property	381	(381)
Impairment losses on available - for - sale investments	4,453	1,781
Impairment losses on murabaha receivables	-	1,500
Collective impairment provision	800	600
Share grant reserve	209	1,061
Loss / (gain) on sale of investments	1,154	(4,176)
Operating (Loss) / profit before changes in operating assets and liabilities	(2,461)	1,936
Working capital adjustments:		
Due from financial institutions with original maturities of more than 90 days	-	(2,000)
Other assets	30	5,289
Due to financial institutions	16,199	13,362
Customers current account	(431)	425
Other liabilities	348	(1,725)
Net cash flow from operating activities	13,685	17,287
INVESTING ACTIVITIES		
Purchase of investments	(17,605)	(97,785)
Investment in non-current assets held for sale	(1,614)	-
Proceeds from sale of investments	30,592	42,201
Purchase of fixed assets	(23)	(574)
Net cash flow from investing activities	11,350	(56,158)
FINANCING ACTIVITIES		
Proceeds of MIP shares issued	901	-
Proceeds from share grant reserve	(901)	-
Net cash flow from financing activities	-	-
(INCREASE) DECREASE IN CASH AND CASH EQUIVALENTS	25,035	(38,871)
Cash and cash equivalents at 1 January	12,365	51,236
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	37,400	12,365
Cash and cash equivalents comprise of:		
Cash and bank balances	894	2,364
Due from financial institutions with original maturities of less than 90 days	36,506	10,001
	37,400	12,365