AIM Investment Management B.S.C. (c)

REPORT OF THE BOARD OF DIRECTORS, INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 10 OCTOBER 2013 TO 30 JUNE 2014

AIM Investment Management B.S.C. (c)
REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in submitting their report and the audited financial statements of AIM Investment Management B.S.C. (c) (the "Company") for the period from 10 October 2013 to 30 June 2014.

Principal activities and review of business developments

The Company operates under an Investment Firm license - Category I (Islamic Principles) issued by the Central Bank of Bahrain ("CBB"), to operate under Islamic Shari'ah principles, and is supervised and regulated by the CBB. The Company's principal activities are in dealing in financial instruments as an agent, and arranging, managing, safeguarding and advising on financial instruments.

Financial Highlights (for the period from 10 October 2013 to 30 June 2014)

OPERATING INCOME	***USD'000***
Fee income	**8,995**
Other	**23**
Total operating income	**9,018**
OPERATING EXPENSES	
General and administration expenses	**(2,084)**
Staff compensation and benefits	**(6,934)**
Total operating expenses	**(9,018)**

Auditors

Ernst & Young have expressed their willingness to continue in office and a resolution proposing their appointment as auditors of AIM Investment Management B.S.C. (c), for the year ending 30 June 2015, will be submitted to the Annual General Meeting.

Signed on behalf of the Board

Chairman of the Board of Directors

21 August 2014

Building a better working world

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIM INVESTMENT MANAGEMENT B.S.C. (c)

Report on the consolidated financial statements

We have audited the accompanying statement of financial position of AIM Investment Management B.S.C.(c) (the "Company"), for the period from 10 October 2013 to 30 June 2014, and the related statements of income, cash flows, changes in owners' equity and sources and uses of charity fund for the period then ended. These financial statements and the Company's undertaking to operate in accordance with Islamic Shari'a Rules and Principles are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 30 June 2014, the results of its operations, its cash flows, changes in owners' equity and sources and uses of charity fund for the year then ended in accordance with the Financial Accounting Standards issued by AAOIFI.

Report on other regulatory requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain ("CBB") Rule Book (Volume 4), we report that:

a) the Company has maintained proper accounting records and the financial statements are in agreement therewith; and

b) the financial information contained in the Report of the Board of Directors is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AIM INVESTMENT MANAGEMENT B.S.C. (c) (continued)

Report on other regulatory requirements (continued)

With the exception of the matter referred to in note 13 of the financial statements, we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the CBB Rule Book (Volume 4 and applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the period from 10 October 2013 to 30 June 2014 that might have had a material adverse effect on the business of the Company or on its financial position. Satisfactory explanations and information have been provided to us by management in response to all our requests. The Company has also complied with the Islamic Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Company.

Ernst + Young

21 August 2014
Manama, Kingdom of Bahrain

AIM Investment Management B.S.C. (c)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	*2014* *USD'000*
ASSETS		
Cash and cash equivalents	6	**1,081**
Receivable from a related party	10	**2,281**
Receivables and other assets	7	**558**
TOTAL ASSETS		**3,920**
LIABILITY AND EQUITY		
LIABILITY		
Accrued expenses and other liabilities		**738**
TOTAL LIABILITY		**738**
EQUITY		
Share capital	8	**2,645**
Shares pending allotment	9	**537**
TOTAL EQUITY		**3,182**
TOTAL LIABILITY AND EQUITY		**3,920**

Abdulaziz Aljomaih
Chairman of the Board of Directors

Atif A. Abdulmalik
Chief Executive Officer and Director

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF INCOME

For the period from 10 October 2013 to 30 June 2014

	Note	*For the period from 10 October 2013 to 30 June 2014 USD'000*
OPERATING INCOME		
Fee income	10.1	8,995
Other		23
Total operating income		9,018
OPERATING EXPENSES		
General and administration expenses		(2,084)
Staff compensation and benefits		(6,934)
Total operating expenses		(9,018)
NET INCOME		-

Abdulaziz Aljomaih
Chairman of the Board of Directors

Atif A. Abdulmalik
Chief Executive Officer and Director

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the period from 10 October 2013 to 30 June 2014

	Note	*For the period from 10 October 2013 to 30 June 2014* *USD'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period		-
Changes in operating assets and liabilities		
Receivable from a related party		**(2,281)**
Receivables and other assets		**(558)**
Accrued expenses and other liabilities		**738**
Net cash used in operating activities		**(2,101)**
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from the issuance of share capital	9	**3,182**
Net cash from financing activity		**3,182**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,081**
Cash and cash equivalents at the beginning of the period		-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	**1,081**

STATEMENT OF CHANGES IN EQUITY

For the period from 10 October 2013 to 30 June 2014

	Share capital USD'000	Shares pending allotment USD'000	Retained earnings USD'000	Total equity USD'000
Net income for the period	-	-	-	-
Amount received towards issuance of share capital	**2,645**	**537**	**-**	**3,182**
	2,645	**537**	**-**	**3,182**

The attached notes 1 to 16 form part of these financial statements.

1 ORGANISATION AND ACTIVITIES

AIM Investment Management B.S.C. (c) ("the Company") is a closed joint stock company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under the commercial registration number 87184 obtained on 10 October 2013, which is the date the Company commenced commercial operations. The address of the Company's registered office is P O Box 1357, Arcapita Building, 5th floor, Bahrain Bay, Manama, Kingdom of Bahrain.

As of the statement of financial position date the parent is AlJomaih Company Limited E.C. (an exempt company) registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operating under the commercial registration number 24145. On completion of the capital raise (more fully described in note 9) Aljomaih Company Limited E.C. will own about 30 percent interest in the company.

The Company operates under an Investment Firm license - Category I (Islamic Principles) issued by the Central Bank of Bahrain ("CBB"), to operate under Islamic Shari'ah principles, and is supervised and regulated by the CBB. The Company's principal activities are in dealing in financial instruments as an agent, and arranging, managing, safeguarding and advising on financial instruments.

These financial statements have been prepared for the period 10 October 2013 to 30 June 2014 and were authorized for issue by the Board of Directors on 21 August 2014. This being the first period of operations, no comparative information has been presented.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements are prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), the Shari'ah Rules and Principles as determined by the Shari'ah Supervisory Board of the Company, the Bahrain Commercial Companies Law, Financial Institutions Law, the CBB Rulebooks, directives, regulations and associated resolutions and the terms of the Company's memorandum and articles of association. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standard exists, the Company uses the relevant International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB").

2.2 Accounting convention

The financial statements have been prepared on a historical cost basis and presented in United States Dollars, which is the functional currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are:

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts due from bank on demand or with an original maturity of three months or less and balances held with deposit agents.

b. Receivables and other assets

Receivables and other assets are carried at their anticipated values. An estimate is made for impaired receivables based on a review of all outstanding amounts at the year end.

c. Financial instruments

Recognition and de-recognition

Financial instruments comprise financial assets and financial liabilities.

All financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Financial instruments (continued)

Recognition and de-recognition (continued)
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized where:

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

When the Company has transferred its rights 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 recognized to the extent of the Company's continuing involvement in the asset.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Fair value of financial instruments
The Company measures certain financial instruments at fair value at each date of statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Determination of fair value and fair value hierarchy
The Company uses the following hierarchy for determining and disclosing fair value of financial assets and liabilities:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or 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 which have significant effect on the recorded fair value that are not based on observable market data.

d. Accrued expenses and other liabilities
Accrued expenses and other liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Derecognition of financial assets and financial liabilities

(i) Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

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

(ii) Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

f. Amortized cost measurement
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as such when the Company has the positive intention and ability to hold them to maturity. After initial measurement, these investments are measured at amortised cost using the effective profit rate (EPR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EPR. The EPR amortisation is included in the consolidated statement of income. The losses arising from impairment are recognised in the consolidated statement of income under 'provisions'.

g. Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a legally enforceable or religious right to set off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

h. Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Fee income
The fee income represents income the Company earns for asset management and administrative services rendered in accordance to the contractual terms agreed between the parties.

i. Shari'ah supervisory board
The Company's business activities are subject to the supervision of a Shari'ah supervisory board consisting of at least three members appointed by the general assembly.

j. Earnings prohibited by Shari'ah
The Company is committed to avoid recognizing any income generated from non-Islamic sources. Accordingly all non-Islamic income is credited to a charity account where the Group uses these funds for various social welfare activities.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Foreign currencies

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into United States Dollars at exchange rates prevailing at the statement of financial position date. Any gains or losses are recognized in the statement of income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Exchange gains and losses on non-monetary items classified as "fair value through statement of income" are taken to the statement on income and for items classified as "fair value through equity" such differences are taken to the statement of comprehensive income.

l. Employees' end of service benefits

Bahraini employees are covered by the Social Insurance Organization scheme which comprises a defined contribution scheme to which the Company contributes a monthly sum based on a fixed percentage of the salary. The contribution is recognized as an expense in the statement of income.

The Company provides end of service benefits to its non-Bahraini employees. Entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits which comprise a defined benefit scheme are accrued over the period of employment based on the notional amount payable if all employees had left at the statement of financial position date.

m. Impairment of financial assets

An assessment is made at each financial position date to determine whether there is objective evidence that a specific financial asset or a Group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, based on the assessment by the Company of the estimated cash equivalent value, is recognized in the statement of income. Specific provisions are created to reduce all impaired financial contracts to their realizable cash equivalent value. Financial assets are written off only in circumstances where effectively all possible means of recovery have been exhausted.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment value was recognized, the previously recognized impairment loss is reversed.

n. Events after the statement of financial position date

The financial statements are adjusted to reflect events that occurred between the statement of financial position date and the date the financial statements are authorized for issue, provided they give evidence of conditions that existed as of the statement of financial position date. Events that are indicative of conditions that arose after the statement of financial position date are disclosed, but do not result in an adjustment to the financial statements.

o. Zakah

Individual shareholders are responsible for payment of Zakah.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Going concern
The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

5 INITIAL ACCOUNTING PERIOD

The Board of Directors has designated the financial year end as 30 June and the initial accounting period from 10 October 2013 to 30 June 2014.

6 CASH AND CASH EQUIVALENTS

	Note	*As at 30 June 2014 USD'000*
Cash and balances with bank		**544**
Capital raise proceeds with deposit agent	6.1	**537**
		1,081

6.1 Capital raise proceeds with deposit agent
Proceeds from the ongoing capital raise (more fully described in note 9) are held by the deposit agent Arcapita Cayman SPE Limited through a segregated client account operated by a reputed international bank.

7 RECEIVABLES AND OTHER ASSETS

Receivables and other assets comprise of prepaid expenses, reimbursables and plant and equipment.

8 SHARE CAPITAL

	As at 30 June 2014 BHD	As at 30 June 2014 USD
Authorized capital		
10,000 000 ordinary shares of BHD 1 per share	**10,000,000**	**26,455,026**
Issued and paid up capital		
1,000,000 ordinary shares of BHD 1 per share	**1,000,000**	**2,645,503**

On 30 January 2014, the Board of Directors resolved to re-designate the share capital from Bahraini Dinars to United States Dollars by way of an amendment to the Memorandum and Articles of Association. As a result of the proposed amendment the par value of shares will be amended to 1 USD per share. The amendment will take place subsequent to the statement of financial position date and requires the approval of the shareholders in an Extraordinary General Meeting.

The ongoing capital raise (more fully described in note 9) is being carried out with the intention of increasing paid up capital to USD 7,500,000 in two tranches (Up to USD 5,000,000 on conclusion of the first tranche and a further USD 2,500,000 as a second tranche). Such increase requires the approval of the shareholders in an Extraordinary General Meeting.

9 SHARES PENDING ALLOTMENT

On 30 January 2014, the Board of Directors resolved to increase the paid up capital to 7,500,000 shares of USD 1 each (In aggregate paid up capital of USD 7,500,000). As of the statement of financial position date, the Company had received signed share purchase agreements ("SPA") for USD 5,497,500 and investors have paid up USD 3,182,480. Out of the paid up amounts USD 536,978 remains unallocated and held with the deposit agent.

Subsequent to the statement of financial position date the Company received additional SPA's and achieved the target capital of USD 7,500,000 and collected USD 4,739,976 out of the 1st tranche amount of USD 5,000,000.

10 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, the parent and its major shareholders, directors and key management personnel of the Company, the Company's Shari'ah Supervisory Board and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties arise from the ordinary course of business. Pricing policies and terms of these transactions are approved by the Company's management. Outstanding balances at year end are unsecured.

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Income received from related parties is as follows:

	Note	*For the period from 10 October to 30 June 2014 USD'000*
Fee income	10.1	**8,995**
Key management personnel costs		**2,114**
Balances with related parties		
Assets		
Receivable from a related party		**2,281**

10.1 Fee income

AIM Group Limited is a wholly owned subsidiary of Arcapita Group Holdings Limited. As of the statement of financial position date Arcapita Group Holdings Limited is beneficially controlled by the same ultimate parent and has an identical board of directors as the Company. In accordance with the terms of a service agreement with AIM Group Limited for the provision of advisory and administrative services, the Company earns a fee equivalent to the Company's net expenses after adjusting for foreign exchange movements and other income. At 30 June, USD 2,114 thousand remains uncollected.

11 SEGMENTAL INFORMATION

The Company commenced commercial operations on 10 October 2013 and its sole business up to 30 June 2014 has been to provide advisory and administrative services. Therefore the Company does not have any other reportable segments for this financial period.

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at the statement of financial position date the Company carried it's financial assets and liabilities at cost or amortized cost. The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorized.

	Level 1 USD'000	*Level 2 USD'000*	*Level 3 USD'000*	*Total fair values USD'000*	*Total carrying amount USD'000*
Financial assets					
Balance due from banks	**544**	-	-	**544**	**544**
Capital raise proceeds with deposit agent	**537**	-	-	**537**	**537**
Receivables	-	-	**2,355**	**2,355**	**2,355**
	1,081	-	**2,355**	**3,436**	**3,436**
Financial liabilities					
Other liabilities	-	-	**206**	**206**	**206**
	-	-	**206**	**206**	**206**

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

As at 30 June 2014, the fair values of the Company's financial instruments approximated their carrying values.

Balances with banks represent cash and cash equivalents and are due on demand. The carrying value of these balances represents their fair value.

The recoverability of receivable were determined by the management as part of impairment testing by calculating the net present values of the expected cash flows. The carrying amounts therefore approximate the fair value of these receivables.

Other liabilities are current in nature and the fair value of these financial instruments represents their carrying value.

13 CAPITAL MANAGEMENT

The objective of capital management is to ensure the Company's ability to operate as a going concern by maintaining an appropriate capital base in line with regulatory requirements.

As of the statement of financial position date, the Company does not meet the minimum capital adequacy requirement as prescribed in the CBB Rulebook Volume 4: Investment Business'. As part of the initial set up, the Company was seeded with BD 1 million (USD 2.6 million) of capital. As disclosed in note 9, the Company completed its capital raise subsequent to the statement of financial position date and has thereby resolved its non compliance.

14 RISK MANAGEMENT

14.1 Introduction
The Company was incorporated on 10 October 2013 and is in the process of establishing a risk management department and a robust risk management framework. While such a framework is being established management has identified and is monitoring the risks identified below. Significant matters if any are brought to the attention of the Board of directors.

14.2 Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balance and receivables. This risk is considered minimal as the bank balances are maintained in current accounts with reputable international banks having good credit standings. The receivable balances primarily represent prepayments to vendors and other receivable.

14.3 Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may arise from an inability to realize a financial asset quickly at an amount close to its fair value. The Company has enough cash and bank balances available as of 30 June 2014 in order to discharge its financial liabilities when they fall due. All of the assets and liabilities as presented in the statement of financial position of the Company are of current nature.

14.4 Market risk
Market risk is the risk that changes in market prices, such as profit rate and foreign exchange rates will affect the Company's income. Market risk comprises three types of risk: profit rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the risk adjusted return on capital.

14 RISK MANAGEMENT (continued)

14.4 Market risk (continued)

Profit rate risk
Profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates.

The Company does not have any such financial instrument which are profit linked and are likely to change due to changes in market profit rates.

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

14.5 Operational risk
Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or lead to financial loss. The Company minimizes the operational risk by maintaining a strong internal control environment and oversight by the Board of Directors.

15 SUBSEQUENT EVENTS

Subsequent to the statement of financial position date no material events have taken place which materially impact these financial statements other than the additional progress achieved on the capital raise (explained in note 9).

16 CHANGE OF NAME

On 30 January 2014, the Board of Directors resolved to change the name of the Company to Arcapita Investment Management B.S.C.(c). The name change is pending regulatory approvals and other legal formalities.