Arcapita Group Holdings Limited

INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 30 JANUARY 2013 TO 30 JUNE 2014

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ARCAPITA GROUP HOLDINGS LIMITED

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Arcapita Group Holdings Limited (the 'Company') and its subsidiaries (together 'the Group') which comprise the consolidated statement of financial position as at 30 June 2014 and the consolidated statements of comprehensive income, cash flows and changes in equity for the period from 30 January 2013 to 30 June 2014 and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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' judgment, 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, 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.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF ARCAPITA GROUP HOLDINGS LIMITED (continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2014, and its consolidated financial performance and cash flows for the period from 30 January 2013 to 30 June 2014 in accordance with International Financial Reporting Standards.

Ernst + Young

21 August 2014
Manama, Kingdom of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

	Note	*30 June 2014 USD '000*
ASSETS		
Cash and cash equivalents	6	**56,620**
Receivables and other assets		**901**
		57,521
EQUITY AND LIABILITIES		
LIABILITIES		
Accrued expenses and other liabilities	8	**5,094**
Fee received in advance	7	**2,832**
Payable to a related party	8	**2,281**
TOTAL LIABILITIES		**10,207**
EQUITY		
Share capital	9	**2**
Share premium	10	**17,379**
Shares pending allotment	11	**21,896**
Retained earnings		**8,126**
Exchange equalization reserve		**(89)**
TOTAL EQUITY		**47,314**
TOTAL EQUITY AND LIABILITIES		**57,521**

Abdulaziz Aljomaih
Chairman of the Board of Directors

Atif A. Abdulmalik
Chief Executive Officer and Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 30 January 2013 to 30 June 2014

	For the period from 30 January 2013 to 30 June 2014 USD '000
OPERATING INCOME	
Fee Income	**29,197**
Other income	**89**
Total operating income	**29,286**
OPERATING EXPENSES	
General and administration expenses	**(6,697)**
Staff compensation and benefits	**(12,463)**
Total operating expenses	**(19,160)**
NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**10,126**

Abdulaziz Aljomaih
Chairman of the Board of Directors

Atif A. Abdulmalik
Chief Executive Officer and Director

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 30 January 2013 to 30 June 2014

	Note	*For the period from 30 January 2013 to 30 June 2014* *USD '000*
OPERATING ACTIVITIES		
Net profit for the period		**10,126**
Changes in operating assets and liabilities:		
Receivables and other assets		**(901)**
Fee received in advance		**2,832**
Accrued expenses and other liabilities		**5,094**
Payable to a related party		**2,192**
Net cash flows from operating activities		**19,343**
FINANCING ACTIVITIES		
Proceeds from the issuance of share capital	11	**39,277**
Dividend paid		**(2,000)**
Net cash flows from financing activity		**37,277**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**56,620**
Cash and cash equivalents at 30 January 2013		**-**
CASH AND CASH EQUIVALENTS AT 30 JUNE 2014	6	**56,620**

Arcapita Group Holdings Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 30 January 2013 to 30 June 2014

	Share capital USD '000	*Share premium USD '000*	*Shares pending allotment USD '000*	*Retained earnings USD '000*	*Exchange equalization reserve USD '000*	*Total equity USD '000*
As at 30 January 2013	-	-	-	-	-	**-**
Issue of share capital	2	17,379	21,896	-	-	**39,277**
Net profit and total comprehensive income for the period	-	-	-	10,126	-	**10,126**
Exchange differences arising from transalation						
of foreign operations	-	-	-	-	(89)	**(89)**
Dividend paid	-	-	-	(2,000)	-	**(2,000)**
Balance as at 30 June 2014	**2**	**17,379**	**21,896**	**8,126**	**(89)**	**47,314**

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

1 ORGANISATION AND ACTIVITIES

Arcapita Group Holdings Limited ("the Company") was incorporated in the Cayman Islands on 30 December 2013 as an exempt Company. The registered office of the Company is at P.O. Box 1111, George Town, Grand Cayman, British West Indies. The company and its subsidiaries (together the 'Group') provide alternative Islamic financial products.

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 11) Aljomaih Company Limited E.C will own about 30 percent interest in the Company.

These consolidated financial statements have been prepared for the period from 30 January 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. However, certain pre-incorporation expenes were incurred by the founders of the Company which have been recognised in the general and administration expenses in these consolidated financial statements.

Subsidiary Companies

The following are the principal subsidiaries of the Company and are consolidated in these financial statements.

Subsidiary	Ownership	Year of Incorporation	Country of Incorporation
AIM Group Limited The primary activity of AIM Group Limited is to provide asset management and administrative services.	100%	2013	Cayman Islands
AIM Cayman SPE Limited The primary activity of Arcapita Cayman SPE Limited is to act as deposit agent to the investors of the Group.	100%	2014	Cayman Islands
Arcapita Investment Advisors UK Limited The primary activity of Arcapita Investment Advisors UK Ltd is to source investment opportunities in Europe and to monitor the performance of acquired companies on behalf of Arcapita Group Holding Limited.	100%	2013	United Kingdom
Arcapita Investment Management US Inc. The primary activity of Arcapita Investment Management US Inc. is to source investment opportunities in the United States of America and to monitor the performance of acquired companies on behalf of Arcapita Group Holding Limited.	100%	2013	United States of America
Arcapita Investment Management Singapore Pte Limited The primary activity of AIM Investment Management Singapore Pte Limited is to source investment opportunities in Asia and to monitor the performance of acquired companies on behalf of Arcapita Group Holding Limited.	100%	2013	Singapore

2 BASIS OF PREPARATION

The consolidated financial statements has been prepared under the historical cost convention. The consolidated financial statements have been presented in US Dollars (USD) being the functional currency of the Group and all values are rounded to the nearest USD thousand, except when otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee,
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Company acquired control of AIM Group Limited on 30 January 2014. As at the time of acquisition Aljomaih Company Limited E.C wholly controlled both the Company and AIM Group Limited and as a result the business combination is excluded from IFRS 3 : Business Combination and the use of the acquisition method of accounting for the consolidation. Therefore the Group has included the results of the combining entities for the full financial period irrespective of when the combination took place and the payment of US$2 million to the ultimate shareholder by AIM Group Limited has been presented as a dividend payment of the Group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
  Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in profit or loss, and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Significant judgments applied in the preparation of the consolidated financial statements are given below:

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

Impairment of financial assets
The management of the Group reviews its individually significant receivables at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

Receivables that have been assessed individually and found not to be impaired and all individually insignificant receivables are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether impairment should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident.

5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the consolidated financial statements are set out below:

a) Financial instruments

Recognition and de-recognition
Financial instruments comprise financial assets and financial liabilities.

A financial asset or liability is initially measured at fair value which is the value of the consideration given (in the case of an asset) or received (in the case of a liability).

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 Group 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 Group 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 Group 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 Group's continuing involvement in the asset.

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

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

Fair value of financial instruments

The Group 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 Group. 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 Group 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.

b) Classification of financial assets and financial liabilities

Financial assets consist of balances with banks and receivables and other assets. Financial liabilities consist of management fee received in advance, payable to a related party, accrued expenses and other liabilities. Management determines the classification of its financial instruments at initial recognition.

c) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset is impaired. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. Impairment loss is charged to the consolidated statement of income.

d) Offsetting of financial instruments

Financial assets and financial liabilities are only offset and the net amounts reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle these on a net basis, or intends to realize the asset and settle the liability simultaneously.

e) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

5 SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Revenue recognition

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

Fee income

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

g) Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange prevailing at 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 consolidated statement on income and for items classified as "fair value through equity" such differences are taken to the consolidated statement of comprehensive income.

h) 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 these standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2015, but amendments to IFRS 9 issued in November 2013, removed the mandatory effective date of 1 January 2015 for IFRS 9. A new mandatory date for IFRS 9 will be determined by the IASB when IFRS 9 is closer to completion.

6 CASH AND CASH EQUIVALENTS

		As at 30 June 2014 USD'000
Cash and balances with bank		**34,724**
Capital raise proceeds with deposit agent	6.1	**21,896**
		56,620

6.1 Capital raise proceeds with deposit agent

Proceeds from the ongoing capital raise (more fully described in note 11) are held by the deposit agent Arcapita Cayman SPE Limited through a segregated client account operated by a reputed international bank.

7 FEE RECEIVED IN ADVANCE

Fee's received in advance are presented in the statement of financial position as a liability and amortized over the period of service to which the advance relates.

8 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, the parent and its major shareholders, directors and key management personnel of the Group, the Group'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 Group's management.

Expenses paid to related parties are as follows:

	Note	***For the period from 30 January 2013 to 30 June 2014 USD'000***
Reimbursement of expenses	**8.1**	**8,623**
Key management personnel costs		**1,540**

Balances with related parties

Liabilities	
Payable to a related party	**2,281**

8.1 Reimbursement of expenses

The Group and AIM Investment Management B.S.C.(c) are under the common control of the ultimate parent and share an identical Board of Directors. As a result AIM Investment Management B.S.C.(c) is a related party to the Group. The Group reimburses the expenditures incurred by AIM Investment Management B.S.C.(c) in providing services to the Group. In the consolidated statement of income for the period from 10 January 2013 to 30 June 2014, the reimbursement is included with general and administration expenses and staff compensation and benefit expenses and the liability is presented in the consolidated statement of financial position as payable to a related party.

8.2 Accrued expenses and other liabilities

Included in accrued expenses and other liabilities are amounts recovered by the Group from a customer, under a fiduciary capacity, on behalf of certain employees and consultants of the Group. The Group collects such amounts on behalf of such employees and consultants as per agreed terms. At no point in time, any portion of amounts so collected, will revert to the Group.

9 SHARE CAPITAL

	As at *30 June 2014 USD*
Authorized capital	
50,000,000 ordinary shares of USD 0.001 per share	**50,000**
Issued and paid up capital	
1,738,095.2 ordinary shares of USD 0.001 per share	**1,738**

9 SHARE CAPITAL (continued)

The ongoing capital raise (more fully described in note 11) is being carried out with the intention of increasing paid up capital to USD 9,250 (USD 92,500,000 including share premium) in two tranches. Up to USD 6,167 (USD 61,666,667 including share premium) will be raised on conclusion of the first tranche and a further USD 3,083 (USD 30,833,333 including share premium) as a second tranche.

10 SHARE PREMIUM

Amounts collected in excess of the par value of the issued share capital during any issue of shares is treated as share premium.

11 SHARES PENDING ALLOTMENT

On 30 January 2014, the Board of Directors resolved to increase the paid up capital to 9,250,000 shares of USD 0.001 each (In aggregate paid up capital of USD 9,250). The issue is priced at USD10 per share and is expected to result in a combined share capital and premium of USD 92,500,000. As of the statement of financial position date, 30 June 2014, the Company had received signed share purchase agreements ("SPA") for USD 67,802,500 and investors have paid up USD 39,277,044. Out of the paid up amounts USD 21,896,092 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 raise of USD 92,500,000 and collected USD 58,459,705 out of the 1st tranche amount of USD 61,666,667.

12 RISK MANAGEMENT

12.1 Introduction

The Group was incorporated during this financial period 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.

12.2 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 Group 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 reputed international banks having good credit standings. The receivable balances primarily represents prepayments to vendors and receivable from staff.

12.3 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 Group has enough cash and bank balances available as of 30 June 2014 in order to discharge its financial liabilities when they fall due.

12.4 Market risk

Market risk is the risk that changes in market prices, such as profit rate and foreign exchange rates will affect the Group’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.

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.

12 RISK MANAGEMENT (continued)

12.4 Market risk (continued)

Profit rate risk (continued)
The Group 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. The Group's exposure to currency risk arises from its foreign operations which are insignificant as at the statement of financial position date.

12.5 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 Group minimizes the operational risk by maintaining a strong internal control environment and continuous oversight by the Board of Directors.

13 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 maximize shareholder value. The Group manages its capital structure and makes adjustments to it in line with the changes in operating conditions and the risk characteristics of its activities.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

As at the statement of financial position date the Group 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	**34,724**	**-**	**-**	**34,724**	**34,724**
Capital raise proceeds with deposit agent	**21,896**	**-**	**-**	**21,896**	**21,896**
Receivables	**-**	**-**	**790**	**790**	**790**
	56,620	**-**	**790**	**57,410**	**57,410**
Financial liabilities					
Fee received in advance	**-**	**-**	**2,832**	**2,832**	**2,832**
Other liabilities	**-**	**-**	**3,558**	**3,558**	**3,558**
Payable to a related party	**-**	**-**	**2,281**	**2,281**	**2,281**
	-	**-**	**8,671**	**8,671**	**8,671**

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.

14 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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.

Fee received in advance, other liabilities and payable to related party are current in nature and the fair value of these financial instruments represents their carrying value.

15 SEGMENTAL INFORMATION

The Group was incorporated on 30 January 2013 and its sole business up to 30 June 2014 has been asset management. Therefore the Group does not have any other reportable segments for this financial period.

16 SUBSEQUENT EVENT

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 (detailed in note 11).

17 ARCAPITA GROUP PRO-FORMA CONSOLIDATED SUMMARY FINANCIALSTATEMENTS

Arcapita Group consists of Arcapita Group Holdings Limited("AGHL"), AGHL's direct and indirect subsidiaries and AIM Investment Management B.S.C.(c) ("Arcapita Bahrain"). Due to certain regulatory considerations in the Kingdom of Bahrain, Arcapita Bahrain is separately owned by the ultimate parent from AGHL and its direct and indirect subsidiaries.

AGHL and Arcapita Bahrain currently are directly and indirectly owned by the same ultimate parent. The ongoing capital raise through contractual arrangements and the terms of the articles of association requires the shareholders of each entity to be identical, to hold their interests in Arcapita Group in the same ratio of AGHL shares to Arcapita Bahrain shares and to appoint identical members to Board of Directors in both entities, now and in the future. As a result even though they are legally separate entitles both AGHL and Arcapita Bahrain operate as one Group. In order to reflect this relationship we provide below a summarized pro-forma consolidated statement of income and financial position.

17.1 ARCAPITA GROUP PRO-FORMA STATEMENT OF INCOME

	AGHL Group USD'000	*Arcapita Bahrain USD'000*	*Consolidation adjustments USD'000*	*Arcapita Group USD'000*
INCOME				
Fee Income	29,197	8,995	(8,995)	**29,197**
Other income	89	23		**112**
Total income	**29,286**	**9,018**	**(8,995)**	**29,309**
EXPENSES				
General and administration expenses	(6,697)	(2,084)	2,061	**(6,720)**
Staff compensation and benefits	(12,463)	(6,934)	6,934	**(12,463)**
Total expenses	**(19,160)**	**(9,018)**	**8,995**	**(19,183)**
NET PROFIT FOR THE PERIOD	**10,126**	**-**	**-**	**10,126**

17 ARCAPITA GROUP PRO-FORMA CONSOLIDATED SUMMARY FINANCIALSTATEMENTS (continued)

17.2 ARCAPITA GROUP PRO-FORMA STATEMENT OF FINANCIAL POSITION

	AGHL Group USD'000	*Arcapita Bahrain USD'000*	*Consolidation adjustments USD'000*	*Arcapita Group USD'000*
ASSETS				
Cash and cash equivalents	56,620	1,081		**57,701**
Receivables and other assets	901	558	(26)	**1,433**
Receivable from AGHL Group	-	2,281	(2,281)	**-**
	57,521	**3,920**	**(2,307)**	**59,134**
LIABILITIES				
Fee received in advance	2,832	-		**2,832**
Accrued expenses and other liabilities	5,094	738		**5,832**
Payable to Arcapita Bahrain	2,281	-	(2,281)	**-**
	10,207	**738**	**(2,281)**	**8,664**
EQUITY				
Share capital and premium	17,381	2,645	(26)	**20,000**
Shares pending allotment	21,896	537		**22,433**
Retained earnings	8,126	-		**8,126**
Exchange equalization reserve	(89)	-		**(89)**
TOTAL EQUITY	**47,314**	**3,182**	**(26)**	**50,470**
TOTAL EQUITY AND LIABILITIES	**57,521**	**3,920**	**(2,307)**	**59,134**