

Statement of Cash Flows

for the year ended 31 December 2005

	Note	2005 Bahraini Dinars	2004 Bahraini Dinars
Operating activities			
Net profit for the year		2,320,243	919,537
Adjustments for:			
Depreciation		38,765	39,382
Directors remuneration paid		(44,000)	(44,000)
Dividend income	19	(344,947)	(257,526)
Interest income	19	(51,892)	(77,706)
Interest Expense	19	5,238	–
Realised gains on sale of available- for-sale investments	19	(2,182,631)	(431,071)
Profit on sale of property and equipment		(3,516)	(487)
Changes in operating assets and liabilities:			
Receivables		(381,991)	(207,393)
Outstanding claims recoverable from re-insurers		(280,454)	128,596
Insurance funds		948,999	303,180
Payables and other liabilities		313,214	375,387
Provision for employees' leaving indemnity, net		3,047	19,117
Impairment loss on available-for-sale investments	19	493,155	82,539
Net cash provided by operating activities		833,230	849,555
Investing activities			
Dividend income received		344,947	257,526
Interest income received		51,892	115,451
Interest expense paid		(5,238)	–
Purchase of available-for-sale investments	4	(11,266,379)	(2,451,857)
Proceeds from sale of available-for-sale investments	4	7,557,524	2,862,069
Purchase of property and equipment		(20,275)	(24,935)
Proceeds from sale of property and equipment		3,520	1,550
Net cash (used in)/provided by investing activities		(3,334,009)	759,804
Financing activities			
Dividends paid		(347,552)	(259,341)
Net cash used in financing activities		(347,552)	(259,341)
Net (decrease)/increase in cash and cash equivalents			
		(2,848,331)	1,350,018
Cash and cash equivalents, beginning of the year		4,194,789	2,844,771
Cash and cash equivalents, at end of the year	2	1,346,458	4,194,789

The accounting policies on pages 16 to 18 and the notes on pages 19 to 31 form an integral part of these financial statements.