Interim Condensed Consolidated Financial Information and Review Report

International Financial Advisors – KPSC and Subsidiaries

Kuwait

30 June 2015 (Unaudited)

Contents

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Report on review of interim condensed consolidated financial information

To the board of directors of
International Financial Advisors – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of International Financial Advisors – KPSC ("the parent company") and its subsidiaries ("the group") as at 30 June 2015 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.

Emphasis of Matter
Without qualifying our conclusion, we draw attention to note 5 to the interim condensed consolidated financial information.

Report on review of other legal and regulatory requirements
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records and to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 25 of 2012, as amended, or Memorandum of Incorporation and Articles of Association of the parent company or of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business and its related regulations, or of the provision of Law No.7 of 2010, concerning the Capital Markets Authority and its related executive regulations have occurred during the six month period ended 30 June 2015 that might have had a material effect on the business or financial position of the parent company.

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Kuwait
17 September 2015

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 30 June 2015 (Unaudited) KD	Three months ended 30 June 2014 (Unaudited) KD	Six months ended 30 June 2015 (Unaudited) KD	Six months ended 30 June 2014 (Unaudited) KD
Revenue					
Interest income		**74,785**	98,321	**202,485**	159,177
Management fees and similar income		**21,400**	53,988	**42,582**	107,132
Dividend income		**46,400**	60,566	**46,400**	218,713
Net income from hoteliers and related services	7	**5,747,667**	4,982,111	**10,115,410**	10,461,463
Net loss from investments at fair value through profit or loss		**(87,204)**	(290,397)	**(105,276)**	(93,074)
Share of results from associates and joint ventures	14	**220,764**	(145,412)	**235,691**	(664,914)
Gain on sale of available for sale investments	12	**6,754,606**	-	**6,754,606**	30,144
Change in fair value of investment properties		**32,105**	-	**32,105**	-
Other loss		**(383,881)**	(166,551)	**(324,416)**	(302,964)
		12,426,642	4,592,626	**16,999,587**	9,915,677
Expenses and other charges					
Staff costs		**(1,819,144)**	(1,634,350)	**(2,758,913)**	(3,376,646)
Operating expenses and other charges		**(3,718,149)**	(4,487,083)	**(7,288,186)**	(7,406,952)
Impairment of available for sale investments	12	**(21,454)**	(33,083)	**(128,353)**	(70,416)
Depreciation		**(1,263,024)**	(1,188,992)	**(2,664,498)**	(2,359,872)
Interest and similar expenses		**(2,885,928)**	(2,541,448)	**(6,160,748)**	(5,122,106)
		(9,707,699)	(9,884,956)	**(19,000,698)**	(18,335,992)
Profit/(loss) before contribution to Kuwait Foundation for the Advancement to Sciences, National Labour Support Tax, Zakat and taxation on overseas subsidiaries		**2,718,943**	(5,292,330)	**(2,001,111)**	(8,420,315)
Reversal of provision for contribution to KFAS		**-**	27,311	**-**	27,311
(Provision)/ reversal of provision for NLST		**(11,456)**	74,642	**(11,456)**	74,642
(Provision)/ reversal of provision for Zakat		**(4,582)**	29,857	**(4,582)**	29,857
Taxation on overseas subsidiaries		**(24,478)**	8,799	**(204,578)**	(91,210)
Profit/(loss) for the period		**2,678,427**	(5,151,721)	**(2,221,727)**	(8,379,715)
Profit/(loss) for the period attributable to :					
Owners of the parent company		**3,756,520**	(3,681,976)	**612,002**	(5,574,861)
Non-controlling interests		**(1,078,093)**	(1,469,745)	**(2,833,729)**	(2,804,854)
Profit/(loss) for the period		**2,678,427**	(5,151,721)	**(2,221,727)**	(8,379,715)
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company	8	**5.58 Fils**	(5.47) Fils	**0.91 Fils**	(8.29) Fils

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of comprehensive income

	Three months ended		Six months ended	
	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD
Profit/(loss) for the period	**2,678,427**	(5,151,721)	**(2,221,727)**	(8,379,715)
Other comprehensive loss:				
Items that will be reclassified subsequently to the statement of profit or loss				
Available for sale investments:				
-Net change in fair value arising during the period	**(74,337)**	(1,473,216)	**(83,038)**	(2,024,654)
-Transferred to interim condensed consolidated statement of profit or loss on sale	**(6,807,631)**	-	**(6,807,631)**	(38,953)
-Transferred to interim condensed consolidated statement of profit or loss on impairment	**21,454**	33,083	**128,353**	70,416
Share of other comprehensive income/(loss) of associates	**85,423**	(611,069)	**(674,505)**	(1,480,393)
Exchange differences arising on translation of foreign operations	**(52,168)**	(400,492)	**114,897**	91,536
Total other comprehensive loss	**(6,827,259)**	(2,451,694)	**(7,321,924)**	(3,382,048)
Total comprehensive loss for the period	**(4,148,832)**	(7,603,415)	**(9,543,651)**	(11,761,763)
Total comprehensive loss for the period attributable to:				
Owners of the parent company	**(3,045,931)**	(5,962,083)	**(6,735,105)**	(8,893,513)
Non-controlling interests	**(1,102,901)**	(1,641,332)	**(2,808,546)**	(2,868,250)
	(4,148,832)	(7,603,415)	**(9,543,651)**	(11,761,763)

Interim condensed consolidated statement of financial position

	Notes	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Assets				
Cash and cash equivalents	9	**7,259,954**	6,460,734	5,488,169
Investments at fair value through profit or loss		**916,304**	1,114,621	1,180,744
Receivables and other debit balances	10	**21,192,780**	19,304,942	17,930,385
Due from related parties		**2,306,685**	3,134,001	11,510,198
Trading properties		**3,618,581**	4,023,921	4,011,401
Asset classified as held for sale	11	**-**	5,487,720	-
Available for sale investments	12	**27,726,530**	35,060,848	32,111,909
Investment properties		**10,237,258**	10,828,524	62,635,077
Investment in associates and joint ventures	13	**39,326,653**	29,183,734	49,336,101
Goodwill		**40,860,197**	40,761,426	48,662,513
Properties under development	14	**167,624,482**	158,251,603	148,951,757
Capital work in progress	15	**46,882,287**	45,662,545	387,117
Property, plant and equipment		**121,283,427**	119,404,731	122,995,415
Total assets		**489,235,138**	478,679,350	505,200,786
Liabilities and equity				
Liabilities				
Due to bank	9	**3,786,918**	980,744	990,488
Payables and other credit balances	16	**67,769,654**	63,205,914	74,640,017
Due to related parties	17	**28,109,956**	26,052,377	21,909,939
Borrowings	18	**175,463,287**	174,399,170	166,220,243
Advances received from customers	19	**139,581,082**	132,256,127	126,951,294
Total liabilities		**414,710,897**	396,894,332	390,711,981
Equity				
Share capital		**72,000,000**	72,000,000	72,000,000
Share premium		**11,973,061**	11,973,061	11,973,061
Treasury shares	20	**(32,757,404)**	(32,757,404)	(32,757,404)
Treasury shares reserve		**104,935**	104,935	104,935
Statutory and voluntary reserves		**61,426,066**	61,426,066	61,426,066
Fair value reserve		**8,043,155**	15,479,976	9,144,504
Foreign currency translation reserve		**(4,871,796)**	(4,961,510)	(5,906,963)
Accumulated losses		**(65,056,587)**	(65,513,413)	(36,173,821)
Total equity attributable to the owners of the parent company		**50,861,430**	57,751,711	79,810,378
Non-controlling interests		**23,662,811**	24,033,307	34,678,427
Total equity		**74,524,241**	81,785,018	114,488,805
Total liabilities and equity		**489,235,138**	478,679,350	505,200,786

Saleh Saleh Al-Selmi
Chairman

Talal Jassim Al-Bahar
Vice Chairman

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to the owners of the parent company										
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory and voluntary reserves KD	Fair value reserves KD	Foreign currency translation reserve KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance at 1 January 2015	72,000,000	11,973,061	(32,757,404)	104,935	61,426,066	15,479,976	(4,961,510)	(65,513,413)	57,751,711	24,033,307	81,785,018
Acquisition of non-controlling interest in a subsidiaries	-	-	-	-	-	-	-	(155,119)	(155,119)	155,119	-
Additional investment made by non-controlling interests	-	-	-	-	-	-	-	-	-	1,472,627	1,472,627
Loss arising on partial disposal of subsidiary shares	-	-	-	-	-	-	-	(57)	(57)	-	(57)
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	810,304	810,304
Transactions with owners	-	-	-	-	-	-	-	(155,176)	(155,176)	2,438,050	2,282,874
Profit/(loss) for the period	-	-	-	-	-	-	-	612,002	612,002	(2,833,729)	(2,221,727)
Other comprehensive (loss)/income											
Available for sale investments:											
- Net change in fair value arising during the period	-	-	-	-	-	(83,038)	-	-	(83,038)	-	(83,038)
-Transferred to interim condensed consolidated statement of profit or loss on sale						(6,807,631)	-	-	(6,807,631)	-	(6,807,631)
- Transferred to interim condensed consolidated statement of profit or loss on impairment	-	-	-	-	-	128,353	-	-	128,353	-	128,353
Share of other comprehensive loss of associates	-	-	-	-	-	(674,505)	-	-	(674,505)	-	(674,505)
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	89,714	-	89,714	25,183	114,897
Total other comprehensive (loss)/income	-	-	-	-	-	(7,436,821)	89,714	-	(7,347,107)	25,183	(7,321,924)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(7,436,821)	89,714	612,002	(6,735,105)	(2,808,546)	(9,543,651)
Balance at 30 June 2015	**72,000,000**	**11,973,061**	**(32,757,404)**	**104,935**	**61,426,066**	**8,043,155**	**(4,871,796)**	**(65,056,587)**	**50,861,430**	**23,662,811**	**74,524,241**

Interim condensed consolidated statement of changes in equity (Unaudited)(continued)

	Equity attributable to the owners of the parent company										
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory and voluntary reserves KD	Fair value reserves KD	Foreign currency translation reserve KD	Accumulated losses KD	Sub – total KD	Non-controlling interests KD	Total KD
Balance at 1 January 2014	72,000,000	11,973,061	(32,869,551)	-	61,426,066	12,618,088	(6,061,895)	(30,132,882)	88,952,887	37,908,975	126,861,862
Purchase of treasury shares	-	-	(46,849)	-	-	-	-	-	(46,849)	-	(46,849)
Sale of treasury shares	-	-	158,996	-	-	-	-	-	158,996	-	158,996
Profit on sale of treasury shares	-	-	-	104,935	-	-	-	-	104,935	-	104,935
Acquisition of non-controlling interest in a subsidiary and joint venture	-	-	-	-	-	-	-	(466,078)	(466,078)	(367,069)	(833,147)
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	4,771	4,771
Transactions with owners	-	-	112,147	104,935	-	-	-	(466,078)	(248,996)	(362,298)	(611,294)
Loss for the period	-	-	-	-	-	-	-	(5,574,861)	(5,574,861)	(2,804,854)	(8,379,715)
Other comprehensive (loss)/income											
Available for sale investments:											
- Net change in fair value arising during the period	-	-	-	-	-	(2,024,654)	-	-	(2,024,654)	-	(2,024,654)
- Transferred to interim condensed consolidated statement of profit or loss on sale	-	-	-	-	-	(38,953)	-	-	(38,953)	-	(38,953)
- Transferred to interim condensed consolidated statement of profit or loss on impairment					-	70,416	-	-	70,416	-	70,416
Share of other comprehensive loss of associates	-	-	-	-	-	(1,480,393)	-	-	(1,480,393)	-	(1,480,393)
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	154,932	-	154,932	(63,396)	91,536
Total other comprehensive (loss)/income	-	-	-	-	-	(3,473,584)	154,932	-	(3,318,652)	(63,396)	(3,382,048)
Total comprehensive (loss) /income for the period	-	-	-	-	-	(3,473,584)	154,932	(5,574,861)	(8,893,513)	(2,868,250)	(11,761,763)
Balance at 30 June 2014	72,000,000	11,973,061	(32,757,404)	104,935	61,426,066	9,144,504	(5,906,963)	(36,173,821)	79,810,378	34,678,427	114,488,805

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Six months ended 30 June 2015 (Unaudited) KD	Six months ended 30 June 2014 (Unaudited) KD
OPERATING ACTIVITIES		
Loss for the period	(2,221,727)	(8,379,715)
Adjustments:		
Gain on sale of available for sale investments	(6,754,606)	(30,144)
Impairment of available for sale investments	128,353	70,416
Dividend income	(46,400)	(218,713)
Change in fair value of investment properties	(32,105)	-
Interest income	(202,485)	(159,177)
Interest and similar expenses	6,160,748	5,122,106
Depreciation	2,664,498	2,359,872
Provisions	-	1,213,518
Share of results of associates and joint ventures	(235,691)	664,914
Foreign exchange loss/(gain) on non-operating liabilities	3,031,813	(129,661)
	2,492,398	513,416
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	187,333	2,382,110
Receivables and other debit balances	(1,885,067)	569,611
Loans receivable	-	(120,718)
Due from related parties	827,316	1,368,416
Trading properties	405,340	201,457
Payables and other credit balances	1,865,079	(2,170,355)
Due to related parties	6,187,867	(1,459,583)
Advances received from customers	2,779,377	2,954,879
Cash from operating activities	12,859,643	4,239,233
Dividend income received	46,400	218,713
Interest and similar income received	202,485	159,177
Interest and similar expenses paid	(6,384,908)	(5,122,106)
Net cash from/(used in) operating activities	6,723,620	(504,983)
INVESTING ACTIVITIES		
Proceeds from sale of asset held for sale	1,357,432	-
Net change in investment in associates and joint ventures	(179,079)	1,660,158
Additions to properties under development	(1,879,077)	(1,131,083)
Additions to capital work in progress	(102,562)	(52,052)
Additions to property, plant and equipment	(1,182,156)	(810,346)
Proceeds from sale of available for sale investments	-	70,927
Net change in investment properties	-	621,296
Purchase of available for sale investments	(87,951)	(1,631,949)
Net cash used in investing activities	(2,073,393)	(1,273,049)

Interim condensed consolidated statement of cash flows (continued)

	Note	Six months ended 30 June 2015 (Unaudited) KD	Six months ended 30 June 2014 (Unaudited) KD
FINANCING ACTIVITIES			
Proceeds from banks loans		9,628,975	17,428,501
Repayment of bank loans		(9,096,671)	(15,715,725)
Loan transferred to due to bank		(2,500,000)	-
Change in non-controlling interests		976,407	(891,775)
Investment made by non-controlling interest		1,472,627	-
Purchase of treasury shares		-	(46,849)
Proceeds from sale of treasury shares		-	263,931
Net cash from financing activities		481,338	1,038,083
Increase /(decrease) in cash and cash equivalents		5,131,565	(739,949)
Foreign currency adjustment		(7,138,519)	(466,909)
Cash and cash equivalents at beginning of the period	9	5,479,990	5,704,539
Cash and cash equivalents at end of the period	9	3,473,036	4,497,681
Non-cash transactions			
Sale of available for sale investments		9,687,913	-
Reclassification of investments at fair value through statement of profit or loss upon consolidation		10,984	-
Additions to investment in associates		(9,686,644)	-
Purchase of available for sale investments		(2,236,297)	-
Receivables and other debit balances		(2,521)	-
Cash and bank balances		(124,146)	-
Payables and other credit balances		2,455,350	-
Goodwill arising on acquisition of a subsidiary		(104,639)	-
Sale of asset classified as held for sale settled through related parties accounts		4,130,288	-
Due to related parties		(4,130,288)	-

The notes set out on pages 9 to 25 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the parent company

International Financial Advisors – KPSC ("the parent company") is a Kuwaiti Public Shareholding Company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is regulated by the Central Bank of Kuwait and Capital Market Authority of Kuwait as an investment company.

The parent company is principally engaged in providing financial advisory services, trading in local and international securities, borrowing, lending, issuing guarantees, managing investment funds and portfolios management and trading in future contracts.

The address of the parent company's registered office is PO Box 4694, Safat 13047, State of Kuwait.

This interim condensed consolidated financial information for the six month period ended 30 June 2015 was authorised for issue by the parent company's board of directors on 17 September 2015.

2 Basis of preparation

This interim condensed consolidated financial information of the group for the six-month period ended 30 June 2015 has been prepared in accordance with IAS 34, Interim Financial Reporting, except as noted below.

The annual consolidated financial statements for the year ended 31 December 2014 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK"). These regulations require adoption of all International Financial Reporting Standards ("IFRS") except for the IAS 39 requirement for collective impairment provision, which has been replaced by the CBK's requirement for a minimum general provision as described below.

The impairment provision for loans and advances complies in all material respects with the specific provision requirements of the CBK and IFRS. In this respect, the CBK requires general provisions of 1% for cash facilities and 0.5% for non-cash facilities, for which no specific provision has been made.

This interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six months ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015. For more details refer to the annual audited consolidated financial statements and its related disclosures for the year ended 31 December 2014.

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2014.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the parent company.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the most recent annual financial statements of the group for the year ended 31 December 2014 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

3.1 New and amended standards adopted by the group

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2015. Information on these new standards is presented below:

Standard or Interpretation	*Effective for annual periods beginning*
Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to IFRSs 2011-2013 Cycle	1 July 2014

Annual Improvements to IFRSs 2010–2012 Cycle:

(i) Amendments to IFRS 3-Contingent consideration that does not meet the definition of an equity instrument is subsequently measured at each reporting date fair value, with changes recognised in interim condensed consolidated statement of profit or loss.

(ii) Amendments to IFRS 13- The addition to the Basis for Conclusions confirms the existing measurement treatment of short-term receivables and payables.

(iii) Amendments to IFRS 8- Disclosures are required regarding judgements made by management in aggregating operating segments (i.e. description, economic indicators).

A reconciliation of reportable segments' assets to total entity assets is required if this is regularly provided to the chief operating decision maker.

(iv) Amendments to IAS 16 and IAS 38- When items are revalued, the gross carrying amount is adjusted on a consistent basis to the revaluation of the net carrying amount.

(v) Amendments to IAS 24- Entities that provide key management personnel services to a reporting entity, or the reporting entity's parent, are considered to be related parties of the reporting entity.

The annual improvements did not have any material impact to the group's interim condensed consolidated financial information.

Annual Improvements 2011-2013 Cycle

(i) Amendments to IFRS 1-the amendment to the Basis for Conclusions clarifies that an entity preparing its IFRS financial statements in accordance with IFRS 1 is able to use both:

- IFRSs that are currently effective
- IFRSs that have been issued but are not yet effective, that permits early adoption

The same version of each IFRS must be applied to all periods presented.

(ii) Amendments to IFRS 3- IFRS 3 is not applied to the formation of a joint arrangement in the financial statements of the joint arrangement itself.

(iii) Amendments to IFRS 13- the scope of the portfolio exemption (IFRS 13.52) includes all items that have offsetting positions in market and/or counterparty credit risk that are recognised and measured in accordance with IAS 39/IFRS 9, irrespective of whether they meet the definition of a financial asset/liability.

iv) Amendments to IAS 40 - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as an investment property or owner-occupied property.

The annual improvements did not have any material impact to the group's interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

4 Basis of consolidation

The financial year end of IFA Hotels and Resorts Company – KPSC (subsidiary company) is 31 December, but for the purpose of consolidating of that subsidiary in to the group's interim condensed consolidated financial information, the financial information for the period ended 31 March 2015 have been used after appropriate adjustments have been made for the effects of significant transactions on period ended 30 June 2015.

5 Fundamental accounting concept

The accumulated losses of the group are KD65,056,587 and the paid up capital of the parent company is KD72,000,000 while reserves balances amounted to KD73,399,127. The directors of the parent company propose to write-off the accumulated losses against the balances of the reserves.

6 Business combination

During the period, the group acquired 90.98% equity shares in First Takaful Insurance Company - KPSC ("Takaful") for a total consideration of KD9,698,897. The group previously held 11% in Takaful was carried as investments at fair value through profit or loss. The reclassification of previously held investments at fair value through profit or loss resulted in a loss of KD94,105.

The consideration of KD9,698,897 was settled by transferring group investment in unquoted securities carried at equivalent value against 90.98% equity interest in Takaful (note 12).

The identifiable assets and liabilities of First Takaful Insurance Company - KPSC at the date of acquisition were as follows:

	KD
Cash and bank balances	136,448
Available for sale investments	2,457,901
Investment in associates (includes goodwill amounting to KD 7,291,365 on acquisition of additional shares in the associate- note 12)	10,646,533
Other assets	2,771
Total assets	13,243,653
Amount due to policyholders	2,640,719
Other liabilities	57,942
Total liabilities	2,698,661
Net assets	10,544,992
Share of net assets acquired – 90.98%	9,594,258
Less: purchase consideration	(9,698,897)
Goodwill	104,639

The fair value of identifiable assets and liabilities acquired has been determined by the management of the parent company. The estimates referred to above, and resultant goodwill is subject to revision within twelve months of the acquisition date.

Notes to the interim condensed consolidated financial information (continued)

7 Net income from hoteliers and related services

	Three months ended		Six months ended	
	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD
Income:				
Sale of properties	497,276	232,274	1,312,704	668,710
Hotel operations	7,899,250	7,513,037	15,323,023	14,424,303
Beach club operations	526,522	468,693	1,122,859	1,294,351
Management fees	189,135	173,142	935,346	897,496
Residential service income	907,852	790,789	1,844,844	1,295,592
Rental	82,876	49,606	622,346	75,644
	10,102,911	9,227,541	21,161,122	18,656,096
Direct costs	(4,355,244)	(4,245,430)	(11,045,712)	(8,194,633)
	5,747,667	4,982,111	10,115,410	10,461,463

8 Basic and diluted earnings/(loss) per share attributable to the owners of the parent company

Basic and diluted earnings/(loss) per share attributable to the owners of the parent company is calculated by dividing the profit/(loss) for the period attributable to the owners of the parent company by the weighted average number of shares in issue during the period excluding treasury shares.

	Three months ended		Six months ended	
	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)	30 June 2015 (Unaudited)	30 June 2014 (Unaudited)
Profit/(loss) for the period attributable to the owners of the parent company (KD)	3,756,520	(3,681,976)	612,002	(5,574,861)
weighted average number of shares in issue during the period (excluding treasury shares)	672,889,436	672,889,436	672,889,436	672,597,412
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company	5.58 Fils	(5.47) Fils	0.91 Fils	(8.29) Fils

9 Cash and cash equivalents

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise of the following accounts:

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Cash and bank balances	7,022,309	5,902,975	4,925,559
Fixed deposits	237,645	557,759	562,610
	7,259,954	6,460,734	5,488,169
Less: Due to bank	(3,786,918)	(980,744)	(990,488)
Cash and cash equivalent for statement of cash flow	3,473,036	5,479,990	4,497,681

Notes to the interim condensed consolidated financial information (continued)

9 Cash and cash equivalents (continued)

The group's fixed deposits yield interest at an average rate of 0.075% (31 December 2014 and 30 June 2014: 0.075%) per annum.

Due to bank represents KD1 Million overdraft facility from a local bank of which the group had drawn an amount of KD1,286,918 as at end of the period (31 December 2014: KD980,744 and 30 June 2014: KD990,488) and it carries interest at 4% (31 December 2014 and 30 June 2014: 4%) per annum and is secured by way of certain managed portfolio. During the period the group transferred an amount of KD2,500,000 from borrowing to bank overdraft upon maturity of bank instalment in agreement with the concerned bank (note 18).

10 Receivables and other debit balances

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Financial assets			
Trade receivables	6,525,218	6,675,282	5,512,459
Advances and prepayments	193,352	313,146	1,102,741
Kuwait Clearing Company receivables	97,696	112,191	147,094
Staff receivables	65,712	50,422	51,258
Non financial assets			
Prepaid expenses	2,131,931	2,279,807	2,490,147
Advances to contractors	2,871,722	1,969,586	151,352
Other miscellaneous receivables	9,307,149	7,904,508	8,475,334
	21,192,780	19,304,942	17,930,385

11 Asset classified as held for sale

During the period, the group sold its 49% holding in Kuwait Invest Real Estate Company which was classified as asset classified as held for sale for total consideration of KD5,487,720 resulting in no gain or loss from this sale.

12 Available for sale investments

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Local quoted securities	294,440	434,371	543,110
Foreign quoted securities	243,970	215,446	1,836,552
Local unquoted securities	12,135,659	9,677,806	11,620,951
Foreign unquoted securities	14,494,837	24,155,188	17,667,472
Managed funds	557,624	578,037	443,824
	27,726,530	35,060,848	32,111,909

Notes to the interim condensed consolidated financial information (continued)

12 Available for sale investments (continued)

Foreign and local unquoted investments of KD7,828,864 (31 December 2014: KD7,834,672 and 30 June 2014: KD12,004,441) are carried at cost less impairment, if any since their fair values cannot be reliably determined. Management is not aware of any circumstances that would indicate impairment in value of these investments.

During the period, the group acquired 90.98% of equity interest in First Takaful Insurance Company-KPSC ("Takaful") and paid for this investment by transferring its shares in Neova Sigorta Insurance Company amounting to KD9,687,913 resulting in a gain of KD6,754,606 (note 6 and 13).

Managed funds include investments in units of private equity funds amounting to KD557,624 (31 December 2014: KD578,037 and 30 June 2014: KD443,824). Fair value of these investments are determined using net asset values reported by the investment managers and the management believes that these represent the best estimate of fair value available for these investments.

During the period, the group recognised an impairment loss of KD128,353 (30 June 2014: KD70,416) in respect of certain available for sale investments. Management has performed an analysis of the underlying investments which indicate that there is no further impairment.

Available for sale investments amounting to KD7,672,312 (31 December 2014: KD8,379,535 and 30 June 2014: KD6,205,332) are pledged as security against group's borrowings (note 18).

13 Investment in associates and joint ventures

Name of associates	Country of incorporation	Percentage of ownership			Principal Activities
		30 June 2015 (Unaudited)	31 Dec 2014 (Unaudited)	30 June 2014 (Unaudited)	
		%	%	%	
Arzan Financial Group For Financing and Investment - KPSC (Quoted)	Kuwait	19.36	19.36	19.36	Financing
Zamzam Religious Tourism Co. - KSCC	Kuwait	20	20	20	Hajj & Umrah
Legend & IFA Developments (Pty) Ltd	South Africa	50	50	50	Property development
Neova Sigorta Insurance Company("Neova")	Turkey	35	-	-	Insurance
Abwab Capital Limited	UAE	42.43	-	-	Investments
Weqaya Takaful Insurance and Reinsurance Company-SSC (Quoted)	Saudi Arabia	20	-	-	Insurance

Notes to the interim condensed consolidated financial information (continued)

13 Investment in associates and joint ventures (continued)

Movement in the carrying amount of investment in associates and joint ventures is as follows:

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Carrying amount at the beginning of the period/year	**29,183,734**	51,661,172	51,661,172
Additions	**10,825,611**	-	-
Share of results	**235,691**	(1,113,532)	(664,914)
Impairment of investment in associates and joint ventures	**-**	(18,506,000)	-
Foreign exchange translation adjustments	**(243,878)**	(351,040)	(179,764)
Share of other comprehensive loss of associates	**(674,505)**	(2,506,866)	(1,480,393)
Carrying amount at the end of period/year	**39,326,653**	29,183,734	49,336,101
Fair value	**6,840,356**	7,462,206	9,638,683

The parent company previously held 25% equity interest in Neova which was classified as available for sale investment as the parent company did not exercise significant influence. The shares in Neova were transferred to Takaful as part of parent company's contribution to its share capital increase, resulting in parent company's acquiring 90.98% equity shares of Takaful. Takaful previously held 10% equity interest in Neova before the capital increase and now holds 35% . Takaful's additional acquisition of 25% equity interest from the parent company for a total consideration of KD9,687,913 resulted in recognition of goodwill amounting to KD7,291,365.

Also during the period the group acquired 42.43% interest in Abwab Capital Limited for a total consideration of KD179,079. The acquisition of Abwab resulted in a goodwill amounting to KD37,706.

The identifiable assets and liabilities of Neova Sigorta Insurance Company and Abwab Capital Limited at the date of acquisition were as follows:

	Neova KD	Abwab KD
Total assets	50,265,537	411,850
Total liabilities	(40,679,346)	(78,660)
Net assets	9,586,191	333,190
Percentage of net assets acquired	25%	42.43%
Share of net assets acquired	2,396,548	141,373
Less: purchase consideration	(9,687,913)	(179,079)
Goodwill	7,291,365	37,706

The total consideration paid by the group to acquire the additional shares in Neova was based on fair valuation performed by an independent valuer using Discounted Cash Flow methodology; therefore, management believes there is no impairment of the goodwill as at reporting date.

Group's investment in Waqaya Takaful Insurance and Reinsurance Company-SSC is carried at KD1 since the group's subsidiary provided full impairment loss against this investment in 2014.

Notes to the interim condensed consolidated financial information (continued)

14 Properties under development

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Properties in Dubai – UAE	147,929,368	140,137,143	130,742,880
Properties in South Africa	6,831,543	5,344,841	5,463,458
Properties in Lebanon	12,863,571	12,769,619	12,745,419
	167,624,482	158,251,603	148,951,757

15 Capital work in progress

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Crescent Palm Jumeirah	46,211,186	45,133,824	-
Construction pilling and enabling works	671,101	528,721	387,117
	46,882,287	45,662,545	387,117

16 Payables and other credit balances

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Accrued expenses (a – below)	4,286,671	7,092,149	7,067,117
Accounts payable (b - below)	23,572,396	24,181,126	28,406,279
Dividends payable	513,745	515,320	515,920
Obligations against purchase of land	-	1,201,284	1,172,987
Kuwait Foundation for the Advancement of Science	2,448,681	2,448,681	2,448,592
National Labour Support Tax	7,630,213	7,618,757	7,618,757
Zakat provision	643,930	639,348	637,454
Provision for employees' end of service benefits and leave	2,576,254	2,311,229	2,037,671
Deferred income	1,395,721	2,128,126	1,857,838
Accrued retention payable	676,405	-	-
Accrued construction costs	1,162,609	733,722	1,030,214
Redeemable preference shares	3,007,312	2,889,252	2,821,193
Refundable deposits on cancellation and resale of units	2,117,333	1,521,039	1,736,598
Land transfer fee payable	2,708,943	1,054,704	1,075,209
Provision for loans receivable	1,556,000	1,556,000	1,556,000
Advance received against sale of shares	-	-	8,486,247
Other payables	13,473,441	7,315,177	6,171,941
	67,769,654	63,205,914	74,640,017

a. Accrued expenses includes the accruals against legal cases filed against the UAE subsidiary (Note 22)

b. Accounts payable includes KD 13,221,919 (equivalent AED160,460,181) payable to main contractor, Dubai Contracting Company (DCC) which was due to be paid on 30 June 2015. Subsequently amount of KD12,245,027 (equivalent of AED148,604,698) has been paid to DCC.

Notes to the interim condensed consolidated financial information (continued)

17 Due to related parties

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
IFA Zimbali H & R (Pty) Ltd	**1,549,371**	1,173,767	918,356
Al Tilal Investment Co. – WLL	**1,273,958**	1,303,409	1,223,726
Kuwait Real Estate Company – KPSC	**12,263,828**	8,443,876	7,444,979
Al Rana General Trading Co. – WLL	**2,491,270**	1,600,518	1,443,684
Kuwait Holding Co. – KSCC	**2,053,210**	2,053,275	2,055,678
United Investment Portugal Company	**375,801**	375,801	-
IFA Consulting Services Co. – WLL	**86,423**	105,958	159,947
International Resorts Company – KPSC	**150,473**	143,487	130,768
Al Dahiya Investment Co. – WLL	**5,560,567**	5,439,142	5,297,971
The Palm Golden Mile (JV)	**-**	-	1,879,043
EFG Hermes-KSCC	**-**	3,956,080	-
Kuwait Invest Real Estate-KSCC	**435,040**	603,019	-
IFA Properties Brokerage - LLC	**569,274**	-	81,303
Other related parties	**1,300,741**	854,045	1,274,484
	28,109,956	26,052,377	21,909,939

Amount due to related parties are non-interest bearing, unsecured and repayable on demand.

Notes to the interim condensed consolidated financial information (continued)

18 Borrowings

The loan balances and bank facilities of the group are represented at the date of the interim condensed consolidated statement of financial position by the following:

	Currency	Period due From	Period due To	Effective interest rates	Purpose	Assets pledged	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
1	USD	28-12-2005	28-12-2019	2.87%	Financing the group's investments	Shares of parent company and IFA H& R shares	**36,321,000**	35,266,800	33,873,000
2	EUR	15-06-2007	28-12-2019	2.68%	Financing the group's investments	Shares of IFA H& R and an AFS investments	**6,738,454**	7,054,242	7,724,738
3	KD	26-06-2013	30-06-2019	4.75%	Repayment of indebtedness	Local portfolio with 120% coverage	**20,500,000**	23,000,000	23,000,000
4	KD	05-01-2013	31-12-2019	3.75%	Local equity financing	Financial portfolio with 200% coverage	**8,555,000**	8,555,000	8,555,000
5	AED	01-05-2007	30-06-2018	7% - 12%	Projects financing	Properties located in Palm Jumeirah, U.A.E and collections deposited in account opened in a foreign bank	**83,828,917**	80,042,196	69,738,593
6	Rand	23/05/2007	21/05/2017	2% - 8.5%	Financing the group's investments	Mortgage of certain property, plant and equipment and certain trading properties in South Africa subsidiaries	**12,188,675**	12,193,868	13,796,260
7	USD	01/01/2010	31/12/2016	9%	Acquisition of properties	Land included in properties under development	**2,837,182**	2,977,299	3,398,687
8	EUR	15/09/2011	15/03/2024	6.5%	Acquisition of properties	Investment properties owned by the subsidiary	**4,253,037**	5,021,760	5,808,793
9	GBP	01/08/2008	31/07/2018	4.5%	Financing the group's investments	Assets of Yotel Airports Limited	**241,022**	288,005	325,172
							175,463,287	174,399,170	166,220,243

The group was due to pay an amount of KD 2.5 M to a local bank upon maturity of an instalment on 30 June 2015. This amount was reclassified to bank overdraft with agreement with the bank. (note 9)

Notes to the interim condensed consolidated financial information (continued)

18 Borrowings (continued)

The borrowings are pledged against certain group's assets as follow:

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Investments at fair value through statement of profit or loss	169,690	86,315	168,266
Trading properties	3,618,581	4,023,921	4,011,401
Available for sale investments	7,672,312	8,379,535	6,205,332
Investment in associate	2,839,845	3,133,623	4,047,696
Investment properties	7,552,186	8,209,604	9,275,261
Properties under development	51,863,799	52,836,912	46,697,572
Property, plant and equipment	98,378,751	95,295,566	90,744,120
Investment in subsidiary	64,425,296	60,778,583	63,209,724
	236,520,460	232,744,059	224,359,372

19 Advances received from customers

These balances represent amounts collected in advance from customers of a subsidiary company of the group on the sale of residential flats currently under construction by the group. Advances from those customers are transferred to income upon completion of the construction of the sold unit and handing it over to the customer.

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Balance at the beginning of the period/year	132,256,127	123,996,415	123,996,415
Advances received during the period/year	3,249,992	5,774,711	2,681,745
Revenue recognised during the period/year	(470,616)	(40,422)	(173,315)
Foreign currency adjustment	4,545,579	2,525,423	446,449
Balance at end of the period/year	139,581,082	132,256,127	126,951,294

20 Treasury shares

	30 June 2015 (Unaudited)	31 Dec. 2014 (Audited)	30 June 2014 (Unaudited)
Number of shares	47,110,564	47,110,564	47,111,000
Percentage of issued shares	6.54%	6.54%	6.54%
Cost (KD)	32,757,404	32,757,404	32,757,404
Market value (KD)	1,554,649	1,884,423	2,403,000

Treasury share reserve is not available for distribution. Reserves of the parent company equivalent to the cost of treasury shares have been earmarked as non-distributable.

Notes to the interim condensed consolidated financial information (continued)

21 Capital commitments

Capital expenditure commitments

At 30 June 2015, the group was committed to invest in the additional anticipated funding required to build several real estate projects in Dubai – UAE , Beirut –Lebanon, and South Africa. The group's share in the estimated funding commitments on these projects is as follows:

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Estimated and contracted commitment outstanding on account of revenue projects	**26,526,612**	27,001,086	15,565,000

The group expects to finance the future expenditure commitments from the following sources:

a) Sale of investment properties.
b) Advances from customers.
c) Share capital increase.
d) Advances provided by the shareholders, related entities and joint ventures.
e) Borrowings, if required.

The financing rates expected from the above sources are dependent on the nature of the source of financing and management estimates of the best financing sources available at the time they become due.

22 Contingent liabilities

Certain customers have initiated legal proceeding against UAE subsidiary for the delay in completion of its projects and cancellation of units. Since these litigations are in the preliminary stage, the probable outcome cannot be estimated reliably. However, on prudence basis, the management has sufficiently provided for the expected loss that could result from this litigation in consultation with group's legal advisor.

Notes to the interim condensed consolidated financial information (continued)

23 Segmental analysis

The group activities are concentrated in four main segments: asset management, treasury and investments, real estate and others. The segments' results are reported to the higher management in the group. In addition, the segments revenue, assets are reported based on the geographic locations which the group operates in. The following is the segments information, which conforms with the internal reporting presented to management.

	Asset Management		Treasury and Investments		Real Estate		Others		Total	
	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD	30 June 2015 (Unaudited) KD	30 June 2014 (Unaudited) KD
Segment income	42,582	107,132	7,133,906	(349,954)	10,189,504	10,489,049	(366,405)	(330,550)	16,999,587	9,915,677
Segment (loss)/profit for the period	(2,621,916)	(2,252,740)	844,805	(5,542,475)	10,189,504	10,489,049	(10,634,120)	(11,073,549)	(2,221,727)	(8,379,715)
Depreciation									2,664,498	2,359,872
Impairment									128,353	70,416
Interest and similar expenses									6,160,748	5,122,106
Total segmental assets	121,283,437	122,995,415	116,089,637	136,779,436	228,362,598	215,985,352	-	-	465,735,672	475,760,203
Total segmental liabilities	-	-	(181,890,922)	(167,210,731)	(139,581,082)	(126,951,294)	-	-	(321,472,004)	(294,162,025)
Net segmental assets	121,283,437	122,995,415	(65,801,285)	(30,431,295)	88,781,516	89,034,058	-	-	144,263,668	181,598,178
Unallocated assets									23,499,466	29,440,583
Unallocated liabilities									(93,238,893)	(96,549,956)
Net Assets									74,524,241	114,488,805

Notes to the interim condensed consolidated financial information (continued)

24 Annual general assembly

The directors did not propose dividend for the year ended 31 December 2014. The Annual General Assembly for the year ended 31 December 2014 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2014 have not yet been approved. The interim condensed consolidated financial information for the six month period ended 30 June 2015 do not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2014.

25 Related parties transactions

Related parties represent major shareholders, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management. Transactions between the parent company and its subsidiaries which are related parties of the parent company have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and other related parties are disclosed below.

During the period, the group entities entered into the following transactions with related parties that are not members of the group:

	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties	2,306,685	3,134,001	11,510,198
Due to related parties	28,109,956	26,052,377	21,909,939
Due to policyholders (included in payables and other credit balances)	2,640,719	-	-
Transactions included in the interim condensed consolidated statement of profit or loss:			
Interest income	12,628	25,284	11,271
Interest and similar expenses	185,602	284,109	185,627
Gain on sale of subsidiaries	-	1,856,935	-
Gain on sale of available for sale investments	6,754,606	-	-
Advisory income	-	371,875	-
Key management compensation of the group			
Short-term employee benefits	534,654	1,059,714	567,149

26 Fiduciary accounts

The group manages portfolios on behalf of others, mutual funds and maintains cash balances and securities in fiduciary accounts, which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 30 June 2015 amounted to KD47,774,739 (31 December 2014: KD52,082,306 and 30 June 2014: KD59,129,296). The group earned management fee of KD42,582 (30 June 2014: KD53,527) from these activities.

Notes to the interim condensed consolidated financial information (continued)

27 Financial risk management

All aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2014.

28 Fair value measurement

Fair value represents 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.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

30 June 2015 (unaudited)	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Assets:				
Investments at fair value through profit or loss				
Investments held for trading:				
Local:				
Quoted securities	663,888	-	-	663,888
Unquoted securities	-	-	232,292	232,292
Foreign:				
Quoted securities	20,124	-	-	20,124
Available for sale investments				
Quoted securities	538,410	-	-	538,410
Managed funds	-	557,624	-	557,624
Unquoted securities	-	-	18,801,632	18,801,632
	1,222,422	557,624	19,033,924	20,813,970

Notes to the interim condensed consolidated financial information (continued)

28 Fair value measurement (continued)

31 December 2014 (Audited)	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss				
Investments held for trading:				
Local:				
Quoted securities	763,510	-	-	763,510
Unquoted securities	-	-	232,156	232,156
Foreign:				
Quoted securities	118,955	-	-	118,955
Available for sale investments				
Quoted securities	649,817	-	-	649,817
Managed funds	-	578,037	-	578,037
Unquoted securities	-	-	25,998,322	25,998,322
	1,532,282	578,037	26,230,478	28,340,797

30 June 2014 (unaudited)				
Assets:				
Investments at fair value through profit or loss				
Investments held for trading:				
Local:				
Quoted securities	842,292	-	-	842,292
Unquoted securities	-	-	232,156	232,156
Foreign:				
Quoted securities	106,296	-	-	106,296
Available for sale investments				
Quoted securities	2,379,662	-	-	2,379,662
Managed funds	-	443,824	-	443,824
Unquoted securities	-	-	17,283,982	17,283,982
Net fair value	3,328,250	443,824	17,516,138	21,288,212

There have been no significant transfers between levels 1 and 2 during the reporting period.

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Level 3 fair value measurements

The group's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	Investments at fair value through profit or loss		
	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Opening balance	232,156	232,156	232,156
Transferred from level 1	136	-	-
Closing balance	232,292	232,156	232,156

Notes to the interim condensed consolidated financial information (continued)

28 Fair value measurement (continued)

	Available for sale Investments		
	30 June 2015 (Unaudited) KD	31 Dec. 2014 (Audited) KD	30 June 2014 (Unaudited) KD
Opening balance	25,998,322	17,663,070	17,663,070
Purchase	2,485,956	624,232	119,133
Redemption	(9,682,646)	(2,459,079)	-
Gains or losses recognised in:			
- Other comprehensive income/(loss)	-	10,170,099	(498,221)
Closing balance	18,801,632	25,998,322	17,283,982

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

For financial instruments carried at amrotised cost, fair values are not materially different from their carrying values and is used only for disclosure purpose. Fair value of such financial instruments are classified under level 3 determined based on discounted cash flow basis, with most significant inputs being the discount rate that reflects the credit risk of counter parties.

The impact on interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.