Interim Condensed Consolidated Financial Information and Review Report

International Financial Advisors – KPSC and Subsidiaries

Kuwait

31 March 2017 (Unaudited)

Contents

Grant Thornton | An instinct for growth™
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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 31 March 2017 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-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.

Going Concern
We draw attention to Note (2.2) in the interim condensed consolidated financial information, which indicates that as of 31 March 2017, the Group's current liabilities exceeded its current assets by KD 38,470,671 and to Note (15) in the consolidated financial statement which states that the management of the Parent Company is currently working on renewing its loans due to a foreign bank of which installments were due at the end of the current financial year. Rescheduling procedures for these loans is still underway as of the date of issuance of these interim condensed consolidated financial information.

Although these matters are considered material and may affect the Group's ability to continue as a going concern, the interim condensed consolidated financial information has been prepared on the basis of fundamental accounting concept stated in note (2.2) to the interim condensed consolidated financial information. Our opinion is unqualified regarding this matter.

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.

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. 1 of 2016, and its Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association as amended, 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 three month period ended 31 March 2017 that might have had a material effect on the business or the interim condensed consolidated financial position of the parent company.

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Kuwait
15 May 2017

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
Revenue			
Interest income		**201,329**	128,427
Management fees and similar income		**79,729**	16,815
Dividend income		**2,552**	800
Net income from hoteliers and related services	6	**6,483,092**	5,097,551
Net gain/(loss) from investments		**161,987**	(14,628)
Share of results of associates	12	**547,672**	247,444
Loss on sale of shares in investment in associate	12	**-**	(1,027,829)
Other income	7	**1,741,994**	250,075
		9,218,355	4,698,655
Expenses and other charges			
Staff costs		**(1,356,658)**	(1,580,321)
Other operating expenses and charges		**(4,053,149)**	(5,610,443)
Impairment of available for sale investments		**(81,661)**	(90,290)
Reversal of provision no longer required	a-21	**1,229,249**	-
Depreciation		**(1,289,411)**	(1,204,756)
Interest and similar expenses		**(3,401,141)**	(2,641,348)
		(8,952,771)	(11,127,158)
Profit/(loss) before taxation on overseas subsidiaries		**265,584**	(6,428,503)
Taxation on overseas subsidiaries		**509,213**	45,223
Profit/(loss) for the period		**774,797**	(6,383,280)
Profit/(loss) for the period attributable to :			
Owners of the parent company		**235,726**	(4,410,588)
Non-controlling interests		**539,071**	(1,972,692)
Profit/(loss) for the period		**774,797**	(6,383,280)
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company	8	**0.35 Fils**	(6.55) 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 profit or loss and other comprehensive income

	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
Profit/(loss) for the period	774,797	(6,383,280)
Other comprehensive income/(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	(34,669)	(44,002)
- Transferred to interim condensed consolidated statement of profit or loss on impairment	81,661	90,290
Share of other comprehensive income of associates	318,345	885,921
Exchange differences arising on translation of foreign operations	681,865	(475,258)
Total other comprehensive income	1,047,202	456,951
Total comprehensive Income/(loss) for the period	1,821,999	(5,926,329)
Total comprehensive income/(loss) for the period attributable to:		
Owners of the parent company	1,068,555	(3,390,975)
Non-controlling interests	753,444	(2,535,354)
	1,821,999	(5,926,329)

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 financial position

	Notes	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Assets				
Cash and cash equivalents	9	**6,773,446**	8,647,293	13,114,136
Investments at fair value through profit or loss		**264,610**	246,992	300,974
Receivables and other debit balances		**19,581,838**	17,249,063	18,780,159
Due from related parties	10	**1,028,405**	487,027	295,557
Trading properties	11	**9,461,310**	7,511,097	7,191,726
Available for sale investments		**22,729,192**	22,669,789	25,969,730
Investment properties		**10,826,803**	10,826,813	10,326,011
Investment in associates	12	**41,898,321**	41,103,181	42,868,945
Goodwill		**40,213,181**	40,174,557	40,172,940
Properties under development	13	**79,052,610**	70,748,732	74,378,714
Capital work in progress		**47,329,476**	46,560,974	46,891,897
Property, plant and equipment		**105,065,459**	103,529,030	108,783,628
Total assets		**384,224,651**	369,754,548	389,074,417
Liabilities and equity				
Liabilities				
Due to bank		**-**	-	1,302,003
Payables and other credit balances	14	**67,008,720**	62,652,236	70,725,787
Due to related parties	10	**25,422,603**	21,448,538	32,016,088
Borrowings	15	**192,339,553**	194,304,431	190,167,962
Advances received from customers	16	**13,556,837**	7,361,111	11,159,660
Total liabilities		**298,327,713**	285,766,316	305,371,500
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	17	**(32,757,404)**	(32,757,404)	(32,757,404)
Treasury shares reserve	17	**104,935**	104,935	104,935
Statutory and voluntary reserves		**32,757,404**	32,757,404	32,757,404
Fair value reserve		**6,773,612**	6,408,275	7,413,751
Foreign currency translation reserve		**(7,190,162)**	(7,657,647)	(5,148,950)
Accumulated losses		**(33,142,407)**	(33,378,133)	(35,098,340)
Total equity attributable to the owners of the parent company		**50,519,039**	49,450,491	51,244,457
Non-controlling interests		**35,377,899**	34,537,741	32,458,460
Total equity		**85,896,938**	83,988,232	83,702,917
Total liabilities and equity		**384,224,651**	369,754,548	389,074,417

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 2017	72,000,000	11,973,061	(32,757,404)	104,935	32,757,404	6,408,275	(7,657,647)	(33,378,133)	49,450,491	34,537,741	83,988,232
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	86,707	86,707
Transactions with owners	-	-	-	-	-	-	-	-	-	86,707	86,707
Profit for the period	-	-	-	-	-	-	-	235,726	235,726	539,071	774,797
Other comprehensive income/(loss)											
Available for sale investments:											
- Net change in fair value arising during the period	-	-	-	-	-	(34,669)	-	-	(34,669)	-	(34,669)
- Transferred to interim condensed consolidated statement of profit or loss on impairment	-	-	-	-	-	81,661	-	-	81,661	-	81,661
Share of other comprehensive income of associates	-	-	-	-	-	318,345	-	-	318,345	-	318,345
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	467,485	-	467,485	214,380	681,865
Total other comprehensive income	-	-	-	-	-	365,337	467,485	-	832,822	214,380	1,047,202
Total comprehensive income for the period	-	-	-	-	-	365,337	467,485	235,726	1,068,548	753,451	1,821,999
Balance at 31 March 2017	**72,000,000**	**11,973,061**	**(32,757,404)**	**104,935**	**32,757,404**	**6,773,612**	**(7,190,162)**	**(33,142,407)**	**50,519,039**	**35,377,899**	**85,896,938**

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)(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 2016	72,000,000	11,973,061	(32,757,404)	104,935	32,757,404	6,481,542	(5,236,354)	(30,687,752)	54,635,432	34,890,394	89,525,826
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	103,420	103,420
Transactions with owners	-	-	-	-	-	-	-	-	-	103,420	103,420
Loss for the period	-	-	-	-	-	-	-	(4,410,588)	(4,410,588)	(1,972,692)	(6,383,280)
Other comprehensive income/(loss)											
Available for sale investments:											
- Net change in fair value arising during the period	-	-	-	-	-	(44,002)	-	-	(44,002)	-	(44,002)
- Transferred to interim condensed consolidated statement of profit or loss on impairment	-	-	-	-	-	90,290	-	-	90,290	-	90,290
Share of other comprehensive income of associates	-	-	-	-	-	885,921	-	-	885,921	-	885,921
Exchange difference arising on translation of foreign operation	-	-	-	-	-	-	87,404	-	87,404	(562,662)	(475,258)
Total other comprehensive income/(loss)	-	-	-	-	-	932,209	87,404	-	1,019,613	(562,662)	456,951
Total comprehensive income/(loss) for the period	-	-	-	-	-	932,209	87,404	(4,410,588)	(3,390,975)	(2,535,354)	(5,926,329)
Balance at 31 March 2016	72,000,000	11,973,061	(32,757,404)	104,935	32,757,404	7,413,751	(5,148,950)	(35,098,340)	51,244,457	32,458,460	83,702,917

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

	Note	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
OPERATING ACTIVITIES			
Profit/(loss) for the period		**774,797**	(6,383,280)
Adjustments:			
Gain on sale of available for sale investments		**(144,367)**	-
Impairment of available for sale investments		**81,661**	90,290
Dividend income		**(2,552)**	(800)
Interest income		**(201,329)**	(128,427)
Interest and similar expenses		**3,401,141**	2,641,348
Reversal of provision no longer required		**(1,229,249)**	-
Depreciation		**1,289,411**	1,204,756
Share of results of associates		**(547,672)**	(247,444)
Loss on sale of shares in investment in associate		**-**	1,027,829
		3,421,841	(1,795,728)
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		**(17,618)**	231,113
Receivables and other debit balances		**(2,332,775)**	1,226,061
Due from related parties		**687,871**	1,721,406
Trading properties		**(1,950,213)**	294,720
Payables and other credit balances		**4,849,701**	(217,689)
Due to related parties		**4,201,766**	4,377,905
Advances received from customers		**5,968,181**	(10,128,960)
Cash generated from/(used in) operations		**14,828,754**	(4,291,172)
Dividend income received		**2,552**	800
Interest income received		**201,329**	128,427
Interest and similar expenses paid		**(3,898,354)**	(371,252)
Net cash from/(used in) operating activities		**11,134,281**	(4,533,197)
INVESTING ACTIVITIES			
Net change in investment in associates		**318,345**	-
Proceeds from sale of shares in investment in associate		**-**	311,643
Net movement in properties under development		**(7,395,811)**	6,127,824
Net change in capital work in progress		**-**	(191,336)
Net change in property, plant and equipment		**(2,825,840)**	(535,635)
Proceeds from sale of available for sale investments		**175,733**	-
Net cash (used in)/from investing activities		**(9,727,573)**	5,712,496
FINANCING ACTIVITIES			
Proceeds from banks loans		**1,592,345**	987,247
Repayment of bank loans		**(4,782,080)**	(563,792)
Change in non-controlling interests		**86,707**	103,420
Net cash (used in)/from financing activities		**(3,103,028)**	526,875
(Decrease)/increase in cash and cash equivalents		**(1,696,320)**	1,706,174
Foreign currency adjustment		**(177,527)**	(2,524,767)
Cash and cash equivalents at beginning of the period	9	**8,300,847**	12,284,280
Cash and cash equivalents at end of the period	9	**6,427,000**	11,465,687

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 following activities:

1. Invest in various economic sectors through the incorporation or participation in the incorporation of various companies or institutions practicing similar or complementary activities to the company's objectives for its account and for the account of third parties inside or outside the State of Kuwait.

2. Manage local or foreign various companies and institutions and market the investment services and products owned by them or by third parties inside or outside the State of Kuwait.

3. Own and acquire the right of disposal of whatever it deems necessary thereto of movable and immovable property or any parts thereof or any franchising rights the company deems they are necessary or appropriate to the nature of its activity or to the development of its funds, excluding trading in goods for its account.

4. Conduct all business related to securities trading for its account and for the account of third parties inside or outside the State of Kuwait, including sale, purchase and marketing of securities of shares and sukuks and other securities issued by local and foreign government and private companies, institutions and bodies and practice the related financial mediation and brokerage activities.

5. Manage the funds of individuals and local or foreign public and private companies, institutions and bodies and invest these funds in various economic sectors through investment and real estate portfolios inside or outside the State of Kuwait.

6. Provide economic advice related to investment and hold courses, issue brochures of various investment activities for individuals, local and foreign companies and institutions.

7. Prepare and provide technical, economic and assessment studies and consultations and prepare feasibility studies for various investment activities and other studies, examining the technical, financial and administrative aspects related to these activities for its account or for the account of third parties inside or outside the State of Kuwait.

8. Establish and manage the collective investment systems and local and foreign investment funds of all kinds and contribute to their establishment for the account of the company and for the account of third parties in accordance with the regulating laws, rules and conditions specified by the competent regulatory authorities; put its stakes or units to subscription so that the company's contributions to the share capital of the collective investment system or the investment fund shall not be less than the minimum limit specified by the regulatory authorities; sell or purchase stakes or units in the local or foreign collective investment systems or investment funds for its account and for the account of third parties or market same, provided the necessary approvals are obtained from the competent regulatory authorities; act as investment custodian, investment monitor and investment advisor in general for the investment funds inside or outside the State of Kuwait in accordance with the regulating laws.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities of the parent company (continued)

9. Invest funds for its account and for the account of third parties in the various aspects of investment inside or outside the State of Kuwait and acquire movable and immovable assets.
10. Act as the issuance manager for the securities issued by the local and foreign government and private companies, institutions and bodies and act as the subscription agent, listing advisor, investment custodian and monitor, including publications management and commitments of subscription operations management, receiving applications and covering subscription thereto.
11. Perform all advisory services that help develop and strengthen the ability of financial and monetary market in the State of Kuwait and meet its requirements within the limits of the law and the decisions or instructions issued by the competent regulatory authorities (after obtaining the necessary approvals from those authorities).
12. Mediate in financing operations, structure and manage the financing arrangements of the local and international companies, institutions, bodies and projects in the various economic sectors in accordance with the rules and conditions specified by the competent regulatory authorities.
13. Carry out all the works related to the activities for the arrangement and management of consolidation, acquisition and separation operations for the local and foreign government and private companies, institutions and bodies.
14 Lending, borrowing and issuance of financial guarantees in the scope of achieving the company's objectives.
15. Do brokerage in selling foreign currencies against commission by doing mediation between the sellers and buyers of foreign currencies including the requirements of providing the services of dealers in foreign exchange markets, such as giving advice and doing the necessary contacts by telex, telephone and other means of communication.
16. During commencement of its objectives, the company is prohibited to open current or saving accounts or accept deposits or open documentary credits or represent foreign banks for third parties.
17. Deal and trade in the foreign exchange market and precious metals market inside and outside the State of Kuwait for the company's account only, without prejudice to the prohibition established under the Ministerial Resolution promulgated for organizing CBK's supervision on investment companies.
18. Act as financial, economic and administrative advisors for the companies and institutions operating in Kuwait and Middle East countries.
19. Sell and purchase securities of the companies similar to the company's account inside or outside the State of Kuwait.
20. Manage investment for third parties and manage third parties' portfolios and do financial mediation, provided this does not include brokerage in the shares listed on Kuwait Stock Exchange.
21. Acquire movables and properties necessary to start the company's activities within the limits permitted by the Law.
22 Utilize the surplus funds available with the company by investing same in financial portfolios managed by specialized companies and authorities.

The company may have interest or participate in any way with the companies, institutions and authorities which practice similar activities or which assist it in achieving its objectives inside or outside the State of Kuwait. The company may also open branches inside or outside the State of Kuwait in such a way that does not conflict with the Companies Law and the instructions of the regulatory authorities.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities of the parent company (continued)

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

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 which cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012. The executive regulations of Law No. 1 of 2016 were issued on 12 July 2016.

This interim condensed consolidated financial information for the three-month period ended 31 March 2017 was authorised for issue by the parent company's board of directors on 15 May 2017.

2 Basis of preparation

2.1 This interim condensed consolidated financial information of the group for the three-month period ended 31 March 2017 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 2016 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 three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For more details refer to the annual audited consolidated financial statements and its related disclosures for the year ended 31 December 2016.

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 2016 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

2.2 Fundamental Accounting Concept

The group's current liabilities exceeded its current assets by KD38,470,671 as at 31 March 2017, management confirms that this situation is temporary as they are working on restructuring the group's asset based investments and re-negotiating the loan installment payments terms and dates.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

2.2 Fundamental Accounting Concept (continued)

The management of the parent company and its subsidiary: IFA Hotels and Resorts, has begun serious negotiations with its lenders to restructure all its debts as appropriate with its current and future requirements to complete the existing projects and provide the necessary liquidity to finance its activities and achieve the best return on its assets either by sale or operation. The balances of borrowings due on the Parent Company directly amounted to K.D 75,757,852 as at the end of the year. The balances of borrowings due on the above subsidiary amounted to K.D 116,581,701 and all of the subsidiary's borrowings are regular.

Although some of the installments are due on the Borrowings of the parent company in favor of a foreign bank as stated in note 15, the management of the parent company is fully convinced that, due to the active negotiations which currently happening with this foreign bank, the provisions of claim of full borrowings due thereto will not be applied as a result of not repayment of those installments. So this matter, in any way, will not be the reason for the group's inability to continue as a going concern. The management of the parent company and its subsidiary confirm that the carrying value of the group's assets, which approximately represent twice of outstanding borrowings balances on the group, is enough to repay these borrowings in full and achieve shareholders' full equity.

Noting that, the carrying value of those assets is less than the estimated market value on that date. Therefore, the group's management has no doubts about the group's ability to continue as a going concern.

3 Changes in accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 December 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new accounting pronouncements which have become effective for the first time in 2017, none of which had any significant impact on the Group's results or its interim condensed consolidated financial position. These are:

Standard or Interpretation	*Effective for annual periods beginning*
IAS 7 Statement of Cash Flows- Amendments	1 January 2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses - Amendments	1 January 2017
Annual Improvements to IFRSs 2014-2016 Cycle	1 January 2017

4 Judgments and estimates

The preparation of interim condensed consolidated financial information requires management to make judgments, 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 judgments 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 2016.

Notes to the interim condensed consolidated financial information (continued)

5 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 that subsidiary in to the group's interim condensed consolidated financial information, the consolidated financial statements for the year ended 31 December 2016 have been used after appropriate adjustments have been made for the effects of significant transactions on period ended 31 March 2017.

The group has consolidated the financial information of other subsidiaries by using interim condensed financial information and management accounts provided by these companies as at 31 March 2017.

6 Net income from hoteliers and related services

	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
Income:		
Income from properties	3,635,540	385,737
Hotel operations	7,788,268	8,051,415
Beach club operations	2,341	683,812
Management fees	458,210	-
Residential service income	852,546	603,056
Rental	325,020	499,139
	13,061,925	10,223,159
Direct costs	(6,578,833)	(5,125,608)
	6,483,092	5,097,551

7 Other income

The other income consists of the following:

	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
Net income from ticket sales and related services	77,406	57,963
Net gain on bargain purchase (below)	965,037	-
Other miscellaneous income	699,551	192,112
	1,741,994	250,075

During the period, a joint operation (50%) was held in Tongaat Hulett/IFA Resorts Developments (TIFAZ) through a subsidiary located in South Africa of IFA Hotels and Resorts Company – KPSC (subsidiary company). The South African subsidiary acquired the holding company which owns the remaining 50% of the joint operation, the Group effectively owns 100% of the joint operation and this transaction resulted in net gain on bargain purchase with an amount of KD 965,037 calculated as follows:

	KD
Fair value of identifiable assets and liabilities acquired	4,261,734
Less: Fair value of consideration	(3,296,697)
Net gain on bargain purchase	965,037

Notes to the interim condensed consolidated financial information (continued)

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 outstanding during the period excluding treasury shares.

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Profit/(loss) for the period attributable to the owners of the parent company (KD)	**235,726**	(4,410,588)
Weighted average number of shares outstanding during the period (excluding treasury shares)	**672,889,436**	672,889,436
Basic and diluted earnings/(loss) per share attributable to the owners of the parent company	**0.35 Fils**	(6.55) 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:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Cash and bank balances	**6,773,446**	8,647,293	13,114,136
	6,773,446	8,647,293	13,114,136
Less: Due to bank	**-**	-	(1,302,003)
Less: Restricted balance	**(346,446)**	(346,446)	(346,446)
Cash and cash equivalents of interim condensed consolidated statement of cash flows	**6,427,000**	8,300,847	11,465,687

10 Due from /to related parties

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Due from			
International Resorts Company – KPSC	**144,437**	75,999	-
Aim Consulting Services Co. – WLL	**19,001**	44,392	-
Al Deera Holding Company – KPSC	**509,095**	509,015	1,206,495
Zimbali Lodge Company	**27,390**	614,198	-
Other related parties	**585,584**	729,773	575,412
	1,285,507	1,973,377	1,781,907
Provision for doubtful debts	**(257,102)**	(1,486,350)	(1,486,350)
	1,028,405	487,027	295,557

Notes to the interim condensed consolidated financial information (continued)

10 Due from /to related parties

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Due to			
IFA Zimbali H & R (Pty) Ltd	**1,563,823**	2,106,277	1,345,271
Al Tilal Investment Co. – WLL	**1,365,726**	1,352,418	1,313,335
Kuwait Real Estate Company – KPSC	**214,201**	227,701	12,390,143
Al Rana General Trading Co. – WLL	**4,516,495**	2,890,902	829,414
Kuwait Holding Co. – KSCC	**4,117,644**	3,913,242	3,927,111
United Investment Portugal Company	**366,146**	366,146	366,146
Arzan financial Group for Financing and Investment – KPSC	**266,036**	53,857	58,707
Al Dahiya Investment Co. – WLL	**5,991,649**	5,929,134	5,745,542
Al Wafir Marketing Services Company - KSCC	**5,665,509**	3,652,735	3,628,650
IFA Properties Brokerage – LLC	**33,338**	77,135	582,781
Fiarmount Zimbali H & R (Pty) Ltd	**-**	-	441,245
Kuwait Invest Real Estate - KSCC	**435,040**	435,040	435,040
Other related parties	**886,996**	443,951	952,703
	25,422,603	21,448,538	32,016,088

Due from related parties are non-interest bearing and have no specific repayment terms.

Due to related parties include balance amounting to KD7,802,584 (31 December 2016: KD7,720,393 and 31 March 2016: KD8,204,640) carries interest rate ranging from 2.5% to 4.25% (31 December 2016: 2.5% to 4.5% and 31 March 2016: 4.25%) per annum and has no specific repayment term. The remaining balances of KD17,620,019 (31 December 2016: KD13,728,145 and 31 March 2016: KD23,811,488) are non-interest bearing and have no specific repayment terms.

11 Trading properties

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Residential apartments in Dubai (UAE)	**4,331,313**	4,268,982	4,299,324
Properties in South Africa	**5,129,998**	3,242,115	2,892,402
	9,461,311	7,511,097	7,191,726

Notes to the interim condensed consolidated financial information (continued)

12 Investment in associates

Name of associate	Principal Activities	Place of incorporation	Percentage of ownership %		
			31 March 2017 (Unaudited) %	31 Dec 2016 (audited) %	31 March 2016 (Unaudited) %
Arzan Financial Group For Financing and Investment – KPSC (Quoted)	Financing	Kuwait	**17.53**	17.53	18.13
Neova Sigorta Insurance Company("Neova")	Insurance	Turkey	**35**	35	35
Yotel Investment Limited – UK	Investment	UK	**39.56**	40.36	50
Legend & IFA Developments (Pty) Ltd	Property development	South Africa	**50**	50	50
IFA Investments (Switzerland) SA	Investments	Switzerland	**25**	25	25
Zamzam Religious Tourism Co. – KSCC	Hajj & Umrah	Kuwait	**20**	20	20
Abwab Capital Limited	Investments	UAE	**45.96**	45.96	42.43
Weqaya Takaful Insurance and Reinsurance Company-SSC (Quoted)	Insurance	Saudi Arabia	**20**	20	20

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

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Carrying value at the beginning of the period/year	**41,103,181**	42,645,744	42,645,744
Additions	**-**	275,952	-
Share of results of associate	**547,672**	3,203,176	247,444
Loss on sale of shares in associates	**-**	-	(1,027,829)
Proceeds from sale of shares in associate	**-**	-	(311,643)
Disposals	**-**	(3,010,266)	-
Impairment of investment in associate	**-**	(30,759)	-
Share of other comprehensive income/(loss)	**318,345**	645,330	885,921
Foreign exchange translation adjustment	**(70,877)**	(2,625,996)	429,308
Carrying amount at the end of the period/year	**41,898,321**	41,103,181	42,868,945
Fair value	**5,208,253**	4,504,435	4,512,781

13 Properties under development

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Properties in Dubai – UAE	**72,142,481**	62,021,359	56,611,135
Properties in South Africa	**6,910,129**	8,727,373	7,090,626
Properties in Lebanon	**-**	-	10,676,953
	79,052,610	70,748,732	74,378,714

Notes to the interim condensed consolidated financial information (continued)

14 Payables and other credit balances

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Accrued expenses	**8,101,834**	8,599,047	6,407,423
Accounts payable	**18,220,301**	14,613,430	17,292,250
Dividend payable	**567,281**	568,781	512,511
Kuwait Foundation for the Advancement of Science	**2,482,641**	2,476,455	2,471,310
National Labour Support Tax	**7,849,575**	7,760,674	7,725,279
Zakat Provision	**731,276**	695,716	681,936
Deferred tax	**1,590,780**	1,157,846	1,176,329
Provision for employees' end of service benefits and leave	**2,606,079**	2,806,088	2,829,332
Deferred income	**2,212,031**	2,215,512	2,294,590
Accrued retention payable	**4,493,212**	4,787,460	3,216,058
Accrued construction costs	**593,926**	35,836	1,443,426
Redeemable preference shares	**-**	-	3,040,647
Refundable deposits on cancellation and resale of units	**4,023,609**	1,538,477	4,175,817
Land ownership transfer fee payable	**247,135**	330,465	466,822
Provision for loans receivable	**1,556,000**	1,556,000	1,556,000
Due to policyholders	**3,735,834**	3,871,789	3,069,081
Other payables(a – below)	**7,997,206**	9,638,660	12,366,976
	67,008,720	62,652,236	70,725,787

a. Other payables include post-dated cheques amounting to KD899,263issued against settlement of legal cases filed by unit holders in Balqis Residence FZE (UAE sub-subsidiary). Out of these, post-dated cheques amounting to KD720,540 have been issued in respect of refunds of deposits received from customers and their maturities are as per court order.

Notes to the interim condensed consolidated financial information (continued)

15 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	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
1	USD	28-12-2005	28-12-2019	3.82%	Financing the group's investments	Shares of parent company and IFA H& R shares	**36,759,000**	36,759,000	36,489,000
2	EUR	15-06-2007	28-12-2019	2.5%	Financing the group's investments	Shares of IFA H& R and certain AFS investments	**6,443,852**	6,443,852	6,616,976
3	KD	26-06-2011	31 -12- 2023	4.75%	Repayment of indebtedness	Local portfolio with 120% coverage	**24,000,000**	24,000,000	23,000,000
4	KD	01-01-2010	31-12-2019	4.5%	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	6.3% - 15.3%	Projects financing	Properties located in Palm Jumeirah, U.A.E and collections deposited in account opened in a foreign bank	**101,229,191**	101,080,876	96,421,979
6	Rand	23-05-2007	21-05-2017	2.25% - 9.5%	Financing the group's investments	Mortgage of certain properties, plant and equipment and certain trading properties in South African subsidiaries	**11,789,070**	13,714,020	12,103,39[illegible]
7	USD	01-01-2010	31-12-2016	9%	Acquisition of properties	Land included in properties under development	-	-	2,868,787
8	EUR	15-09-2011	15-03-2024	6.5%	Acquisition of properties	Investment properties owned by the subsidiary	**3,563,440**	3,751,683	4,112,828
							192,339,553	194,304,431	190,167,96[illegible]

a) Euro and US Dollar loan

Euro and US Dollar loan granted to the Group from a foreign bank amounted to KD 43,202,852. Installments on both loans matured in accordance with the contractual terms and conditions. These installments amounted to KD 12,096,799 and were not settled up to the date of interim condensed consolidated financial.

The Parent Company's management is currently negotiating with the foreign bank to find the ways of rescheduling these loans and agree upon the final conditions of that rescheduling.

Notes to the interim condensed consolidated financial information (continued)

15 Borrowings (continued)

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

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Restricted balances	**346,446**	346,446	346,446
Investments at fair value through profit or loss	**152,237**	140,659	116,570
Trading properties	**5,129,998**	3,242,115	2,892,403
Available for sale investments	**6,467,535**	6,460,007	6,755,705
Investment in associate	**2,415,501**	2,089,081	2,033,798
Investment properties	**7,438,139**	7,438,139	7,642,994
Properties under development	**34,383,737**	34,620,504	41,251,897
Property, plant and equipment	**88,585,929**	88,052,061	80,423,184
Investment in subsidiary	**58,402,509**	58,402,509	57,508,254
Total assets pledged	**203,322,031**	200,791,521	198,971,251

16 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.

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Balance at the beginning of the period/year	**7,361,111**	22,224,779	22,224,779
Advances received during the period/year	**9,009,979**	8,047,818	1,978,130
Recognised as revenue during the period/year	**(2,952,002)**	(15,850,250)	(8,637,344)
Deposits transferred to other payables	**-**	(3,469,746)	(3,469,746)
Deposits transferred upon cancellation	**(89,796)**	(1,922,393)	-
Arising from disposal of subsidiary	**-**	(658,064)	-
Foreign currency adjustment	**227,545**	(1,011,033)	(936,159)
	13,556,837	7,361,111	11,159,660

17 Treasury shares

	31 March 2017 (Unaudited)	31 Dec. 2016 (Audited)	31 March 2016 (Unaudited)
Number of shares	**47,110,564**	47,110,564	47,110,564
Percentage of issued shares	**6.54%**	6.54%	6.54%
Cost (KD)	**32,757,404**	32,757,404	32,757,404
Market value (KD)	**2,049,310**	1,460,427	1,413,317

Reserves of the parent company equivalent to the cost of treasury shares have been earmarked as non-distributable. Treasury shares carried at cost amounting to KD32,743,499 (31 December 2016 and 31 March 2016: KD32,743,499) are pledged as security against group's borrowings.

Notes to the interim condensed consolidated financial information (continued)

18 Capital commitments

Capital expenditure commitments

At 31 March 2017, the group had capital commitments to settle all the funds necessary to pay the rest of its share of 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:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Estimated and contracted of capital expenditure of contracts revenue	**30,700,900**	36,615,403	39,850,766

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.

Notes to the interim condensed consolidated financial information (continued)

19 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	
	31 March 2017 (Unaudited) KD	31 March 2016 (Unaudited) KD	31 March 2017 (Unaudited) KD	31 March 2016 (Unaudited) KD	31 March 2017 (Unaudited) KD	31 March 2016 (Unaudited) KD	31 March 2017 (Unaudited) KD	31 March 2016 (Unaudited) KD	31 March 2017 (Unaudited) KD	31 March 2016 (Unaudited) KD
Segment income/(loss)	79,729	16,815	830,420	(665,786)	6,483,092	5,097,551	1,825,114	250,075	9,218,355	4,698,655
Segment (loss)/profit for the period	(1,209,682)	(1,187,941)	(2,652,382)	(3,397,424)	6,483,092	5,097,551	(2,355,444)	(6,940,689)	265,584	(6,428,503
Unallocated expenses (NLST ,Zakat and taxations)									509,213	45,223
profit /(Loss) for the period									774,797	(6,383,280
Depreciation									1,289,411	1,204,756
Impairment									81,661	90,290
Interest and similar expenses									3,401,141	2,641,348
Total segmental assets	105,065,460	108,783,628	111,878,749	122,426,724	146,670,199	138,788,348	-	-	363,614,408	369,998,700
Total segmental liabilities	-	-	(192,339,553)	(191,469,965)	(13,556,837)	(11,159,660)	-	-	(205,896,390)	(202,629,625
Net segmental assets	105,065,460	108,783,628	(80,460,804)	(69,043,241)	133,113,362	127,628,688	-	-	157,718,018	167,369,075
Unallocated assets									20,610,241	19,075,717
Unallocated liabilities									(92,431,323)	(102,741,875
Net Assets									85,896,938	83,702,917

Notes to the interim condensed consolidated financial information (continued)

20 Annual General Assembly of the Shareholders

The directors did not propose dividends for the year ended 31 December 2016. The Annual General Assembly for the year ended 31 December 2016 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 2016 have not yet been approved. The interim condensed consolidated financial information for the three month period ended 31 March 2017 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 2016.

21 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.

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties – after provision	1,028,405	487,027	295,557
Due to related parties	25,422,603	21,448,538	32,016,088
Transactions included in the interim condensed consolidated statement of profit or loss:			
Fees and commission income	76,916	256,036	-
Dividend income	-	240,695	-
Interest and similar expenses	90,078	342,647	99,733
Gain on sale of subsidiaries	-	4,610,795	-
Reversal of provisions no longer required from related parties (a- below)	1,229,249	-	-
Gain on sale of shares in associate	-	915,589	-
Key management compensation of the group			
Short-term employee benefits	43,882	987,754	40,478

a) During the period, a review of the provisions for doubtful debts was conducted by the Provisioning Committee, formed by the parent company Board of Directors, to ensure that all provisioning has been made in 2013 in accordance with the provisioning requirements of the Central Bank of Kuwait regarding general and specific provisioning on loans receivables and also other provisions imposed by the Central Bank on the amounts due from related parties.

The Committee concluded that a Reversal of provision amounting to KD1,229,249 should be made because the outstanding balances have decreased from KD7,431,750 as of 2013 to KD1,285,507 as at 31 March 2017. Accordingly, the provision balance for doubtful amounts due from related parties will decrease to KD257,101 which is equivalent to 20% of the outstanding balances. The Board of Directors of the parent company has approved the reversal of the provision by an amount of KD1,229,249 and it has been recognized in the interim condensed consolidated statement of profit or loss for the period.

Notes to the interim condensed consolidated financial information (continued)

22 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 31 March 2017 amounted to KD35,067,168 (31 December 2016: KD35,831,487and 31 March 2016: KD38,640,344) the group earned management fee of KD14,932 (31 March 2016: KD16,815) from these activities.

23 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 2016.

24 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:

31 March 2017 (unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss				
Investments held for trading:				
Local shares:				
Quoted securities	231,364	-	-	231,364
Unquoted securities	-	-	31,597	31,597
Foreign shares:				
Quoted securities	1,649	-	-	1,649
Available for sale investments				
Quoted securities	195,175	-	-	195,175
Managed funds	-	744,258	-	744,258
Unquoted securities	-	-	21,021,210	21,021,210
	428,188	744,258	21,052,807	22,225,253

Notes to the interim condensed consolidated financial information (continued)

24 Fair value measurement (continued)

31 December 2016 (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 shares:				
Quoted securities	213,430	-	-	213,430
Unquoted securities	-	-	31,597	31,597
Foreign shares:				
Quoted securities	1,965	-	-	1,965
Available for sale investments				
Quoted securities	171,499	-	-	171,499
Foreign quoted securities	44,617	-	-	44,617
Managed funds	-	730,216	-	730,216
Unquoted securities	-	-	20,932,631	20,932,631
	431,511	730,216	20,964,228	22,125,955

31 March 2016 (unaudited)	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss				
Investments held for trading:				
Local shares:				
Quoted securities	227,406	-	-	227,406
Unquoted securities	-	-	71,272	71,272
Foreign shares:				
Quoted securities	2,296	-	-	2,296
Available for sale investments				
Quoted securities	388,484	-	-	388,484
Managed funds	-	633,631	-	633,631
Unquoted securities	-	-	23,489,722	23,489,722
	618,186	633,631	23,560,994	24,812,811

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:

Notes to the interim condensed consolidated financial information (continued)

24 Fair value measurement (continued)

Level 3 fair value measurements (continued)

	Investments at fair value through profit or loss		
	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Opening balance	**31,597**	71,272	71,272
Gains or losses recognised in:			
- Interim condensed consolidated statement of profit or loss	**-**	(39,675)	-
Closing balance	**31,597**	31,597	71,272

	Available for sale Investments		
	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Opening balance	**20,932,631**	22,986,781	22,986,781
Transferred to level 3 previously carried at cost	**-**	572,739	488,393
Disposals	**-**	(1,131,559)	-
Gains or losses recognised in:			
- Other comprehensive income / (loss)	**88,579**	(1,495,330)	14,548
Closing balance	**21,021,210**	20,932,631	23,489,722

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 are 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 profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

Notes to the interim condensed consolidated financial information (continued)

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

Basic and diluted profit/(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 outstanding during the period excluding treasury shares.

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Profit /(loss) for the period attributable to the owners of the parent company (KD)	235,726	(4,410,588)
Weighted average number of shares outstanding during the period (excluding treasury shares)	672,889,436	672,889,436
Basic and diluted profit/(loss) per share attributable to the owners of the parent company	0.35 Fils	(6.55) 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:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Cash and bank balances	6,773,446	8,647,293	13,114,136
	6,773,446	8,647,293	13,114,136
Less: Due to bank	-	-	(1,302,003)
Less: Restricted balance	(346,446)	(346,446)	(346,446)
Cash and cash equivalents of interim condensed consolidated statement of cash flows	6,427,000	8,300,847	11,465,687

10 Due from /to related parties

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Due from			
International Resorts Company – KPSC	144,437	75,999	-
Aim Consulting Services Co. – WLL	19,001	44,392	-
Al Deera Holding Company – KPSC	509,095	509,015	1,206,495
Zimbali Lodge Company	27,390	614,198	-
Other related parties	585,584	729,773	575,412
	1,285,507	1,973,377	1,781,907
Provision for doubtful debts	(257,102)	(1,486,350)	(1,486,350)
	1,028,405	487,027	295,557