Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

International Financial Advisors Holding – KPSC
and Subsidiaries
Kuwait

30 September 2022 (Unaudited)

Contents

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Al-Qatami, Al-Aiban & Partners

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Report on review of interim condensed consolidated financial information

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

Introduction
We have reviewed the interim condensed consolidated statement of financial position of International Financial Advisors Holding – KPSC ("the Parent Company") and its subsidiaries ("the Group") as at 30 September 2022 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
Except as explained in Basis for Qualified Conclusion paragraph, 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.

Basis for Qualified Conclusion
As a result of the legal cases (note 13a), we were unable to perform our review procedures on borrowings of KD8,555,000 included in the interim condensed consolidated financial information. Had we been able to perform our review procedures on borrowings, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified Conclusion
Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, 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 International Accounting Standard 34 "Interim Financial Reporting".

Report on review of other legal and regulatory requirements
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the nine-month period ended 30 September 2022 that might have had a material effect on the business or financial position of the Parent Company.

Report on review of interim condensed consolidated financial information of International Financial Advisors Holding – KPSC (continued)

Report on review of other legal and regulatory requirements (continued)

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2022 that might have had a material effect on the business or financial position of the Parent Company.

Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 November 2022

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 30 Sept. 2022 (Unaudited) KD	Three months ended 30 Sept. 2021 (Unaudited) KD	Nine months ended 30 Sept. 2022 (Unaudited) KD	Nine months ended 30 Sept. 2021 (Unaudited) KD
Income					
Change in fair value of investments at FVTPL		**(19,619)**	(48,285)	**698,443**	67,910
Share of results of associates and joint ventures	5	**2,679,497**	403,576	**3,154,749**	1,027,493
Rental income		**-**	-	**28,826**	-
Dividend income		**-**	-	**257,699**	-
Gain/(loss) on disposal of investment properties		**23,532**	(20,574)	**23,532**	(20,574)
Loss on disposal of assets held for sale	9	**(7,213)**	-	**(7,213)**	-
Advisory fees	6	**-**	-	**-**	950,000
Other income		**410,684**	128,598	**569,086**	386,296
		3,086,881	463,315	**4,725,122**	2,411,125
Expenses and other charges					
Staff costs		**(100,073)**	(65,464)	**(246,118)**	(221,134)
Other operating expenses and charges		**(138,234)**	(111,804)	**(472,789)**	(645,379)
Finance costs		**(176,940)**	(151,254)	**(476,367)**	(447,626)
		(415,247)	(328,522)	**(1,195,274)**	(1,314,139)
Profit for the period before provisions for NLST and Zakat		**2,671,634**	134,793	**3,529,848**	1,096,986
Provision charge for National Labour Support Tax (NLST)		**(35,264)**	(511)	**(35,264)**	(9,774)
Provision charge for Zakat		**(88,159)**	(1,278)	**(88,159)**	(24,436)
Profit for the period		**2,548,211**	133,004	**3,406,425**	1,062,776
Attributable to:					
- Shareholders of the Parent Company		**2,512,852**	128,153	**3,405,562**	1,035,129
- Non-controlling interests		**35,359**	4,851	**863**	27,647
Profit for the period		**2,548,211**	133,004	**3,406,425**	1,062,776
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	7	**10.08**	0.51	**13.66**	4.15

The notes set out on pages 8 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		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD
Profit for the period	**2,548,211**	133,004	**3,406,425**	1,062,776
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to profit or loss:				
Net change in fair value of investments at FVTOCI	**(2,468,395)**	2,302,731	**(3,493,560)**	10,390,083
Share of other comprehensive income of associates and joint ventures	**-**	-	**-**	35,851
	(2,468,395)	2,302,731	**(3,493,560)**	10,425,934
Items that may be reclassified subsequently to the profit or loss:				
Share of other comprehensive income of associates and joint ventures	**1,321,817**	3,322,222	**6,851,897**	2,967,207
Exchange differences arising on translation of foreign operations	**58,290**	8,542	**118,596**	(22,667)
Reserve for financial derivatives transferred to statement of profit or loss on derecognition of financial liabilities by an associate	**-**	597,365	**-**	597,365
	1,380,107	3,928,129	**6,970,493**	3,541,905
Total other comprehensive (loss)/income	**(1,088,288)**	6,230,860	**3,476,933**	13,967,839
Total comprehensive income for the period	**1,459,923**	6,363,864	**6,883,358**	15,030,615
Attributable to:				
- Shareholders of the Parent Company	**1,425,016**	6,355,292	**6,844,789**	15,001,547
- Non-controlling interests	**34,907**	8,572	**38,569**	29,068
	1,459,923	6,363,864	**6,883,358**	15,030,615

The notes set out on pages 8 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	**30 Sept. 2022 (Unaudited) KD**	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Assets				
Cash and bank balances	8	**876,724**	390,459	387,090
Non-current assets held for sale	9	**543,636**	-	-
Investments at fair value through profit or loss		**956,910**	258,467	271,838
Receivables and other assets		**3,978,324**	4,688,224	4,068,490
Due from related parties	20	**19,402,362**	19,415,749	19,508,063
Investments at fair value through other comprehensive income	10	**16,271,011**	20,559,215	15,988,418
Advance for investments		**-**	-	4,993,775
Investment properties		**4,283,876**	5,319,031	5,171,022
Investment in associates and joint ventures	11	**44,425,629**	35,367,914	36,017,609
Equipment		**3,775**	6,619	7,568
Total assets		**90,742,247**	86,005,678	86,413,873
Liabilities and equity				
Liabilities				
Payables and other liabilities	12	**13,138,316**	13,847,900	13,118,313
Due to related parties	20	**5,918,143**	6,406,417	6,377,702
Due to banks		**241,582**	241,582	241,582
Borrowings	13	**28,368,750**	28,368,750	28,417,875
Total liabilities		**47,666,791**	48,864,649	48,155,472
Equity				
Share capital	14	**26,673,255**	26,673,255	26,673,255
Treasury shares	16	**(32,757,404)**	(32,757,404)	(32,757,404)
Statutory and voluntary reserves		**32,757,404**	32,757,404	32,757,404
Other components of equity	16	**14,670,488**	10,320,293	11,042,317
Accumulated losses		**(2,438,928)**	(3,990,040)	(3,557,657)
Total equity attributable to shareholders of the Parent Company		**38,904,815**	33,003,508	34,157,915
Non-controlling interests		**4,170,641**	4,137,521	4,100,486
Total equity		**43,075,456**	37,141,029	38,258,401
Total liabilities and equity		**90,742,247**	86,005,678	86,413,873

Saleh Saleh Al-Selmi
Vice Chairman and CEO

The notes set out on pages 8 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to shareholders of the Parent Company						Non-controlling interests	Total
	Share capital	Treasury shares	Statutory and voluntary reserves	Other components of equity	Accumulated losses	Sub-total		
	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2022 (audited)	26,673,255	(32,757,404)	32,757,404	10,320,293	(3,990,040)	33,003,508	4,137,521	37,141,029
Profit for the period	-	-	-	-	3,405,562	3,405,562	863	3,406,425
Other comprehensive income	-	-	-	3,439,227	-	3,439,227	37,706	3,476,933
Total comprehensive income for the period	-	-	-	3,439,227	3,405,562	6,844,789	38,569	6,883,358
Gain on sale of investments at FVTOCI	-	-	-	(8,104)	8,104	-	-	-
Share of gain arising on partial disposal of a subsidiary by an associate	-	-	-	919,072	639,531	1,558,603	9,002	1,567,605
Share of loss arising on deemed disposal of partial interests in a subsidiary by an associate	-	-	-	-	(2,502,085)	(2,502,085)	(14,451)	(2,516,536)
Balance at 30 September 2022 (unaudited)	26,673,255	(32,757,404)	32,757,404	14,670,488	(2,438,928)	38,904,815	4,170,641	43,075,456
Balance at 1 January 2021 (audited)	26,673,255	(32,757,404)	32,757,404	(2,978,363)	(4,902,208)	18,792,684	4,069,315	22,861,999
Profit for the period	-	-	-	-	1,035,129	1,035,129	27,647	1,062,776
Other comprehensive income	-	-	-	13,966,418	-	13,966,418	1,421	13,967,839
Total comprehensive income for the period	-	-	-	13,966,418	1,035,129	15,001,547	29,068	15,030,615
Arising on partial disposal of a subsidiary by an associate	-	-	-	-	363,684	363,684	2,103	365,787
Loss on sale of investments at FVTOCI	-	-	-	54,262	(54,262)	-	-	-
Balance at 30 September 2021 (unaudited)	26,673,255	(32,757,404)	32,757,404	11,042,317	(3,557,657)	34,157,915	4,100,486	38,258,401

The notes set out on pages 8 to 25 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2022 (Unaudited) KD	Nine months ended 30 Sept. 2021 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period before provisions for NLST and Zakat		**3,529,848**	1,096,986
Adjustments:			
Share of results of associates and joint ventures		**(3,154,749)**	(1,027,493)
Dividend income from investments at FVTOCI		**(257,699)**	-
(Gain)/loss on disposal of investment properties		**(23,532)**	20,574
Loss on disposal of assets held for sale		**7,213**	-
Finance costs		**476,367**	447,646
Depreciation		**2,844**	2,845
		580,292	540,558
Changes in operating assets and liabilities:			
Investments at FVTPL		**(698,443)**	(67,910)
Receivables and other assets		**939,355**	311,770
Due from related parties		**13,387**	(438,616)
Payables and other liabilities		**(1,293,981)**	(1,659,539)
Due to related parties		**(503,667)**	103,056
Net cash used in operating activities		**(963,057)**	(1,210,681)
INVESTING ACTIVITIES			
Proceeds from sale of investments at FVTOCI		**794,639**	-
Proceeds from sale of assets held for sale		**305,789**	-
Dividend income received from investments at FVTOCI		**257,699**	-
Additions to investment in associates and joint ventures		-	(549,259)
Refund of advance for investments		-	1,112,236
Decrease in restricted bank balances		-	654,268
Net cash from investing activities		**1,358,127**	1,217,245
Increase in cash and cash equivalents		**395,070**	6,564
Foreign currency adjustment		**91,195**	(17,547)
Cash and cash equivalents at beginning of the period	8	**(197,569)**	(189,955)
Cash and cash equivalents at end of the period	8	**288,696**	(200,938)
Non-cash transactions			
Receivables and other assets		**(229,455)**	(55,064)
Investment properties		**229,455**	(105,350)
Investments in associates and joint ventures		-	(170,741)
Due to related parties		-	30,000
Accounts payable and other liabilities		-	90,455

The notes set out on pages 8 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 Holding – KPSC [Formerly: 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 listed on Boursa Kuwait and Dubai Financial Market.

During 2018, the Parent Company's Securities Activities Licence issued by the Capital Markets Authority was cancelled and accordingly, was no longer considered a licenced entity under the CMA regulations. Further, during 2019, the Parent Company was removed from the CBK register. Consequently, the Parent Company is currently in the process of disposing the portfolios under management (Note 22).

The objectives of the Parent Company are as follows:

- Management of the Parent Company's subsidiaries or participation in management of other companies in which it holds ownership stakes and providing the necessary support thereto.
- Investing funds by way of trading in shares, bonds and other financial securities.
- Acquisition of properties and movables necessary to carry out the business activities as allowable by the law.
- Financing and extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or royalties and any other property related thereto, and renting such properties to the subsidiary companies and others whether inside Kuwait or abroad.
- Using cash surplus to invest in financial portfolios/funds managed by specialised parties.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Parent Company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

The Group comprises the Parent Company and its subsidiaries.

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 nine-month period ended 30 September 2022 was authorised for issue by the Parent Company's board of directors on 14 November 2022.

2 Basis of preparation and presentation and fundamental accounting concept

2.1 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2022 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting polices used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the changes described in Note 3.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation and fundamental accounting concept (continued)

2.1 Basis of preparation and presentation (continued)
The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

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

Operating results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2021.

The Group has consolidated the financial information of its subsidiaries using interim condensed financial information and management accounts as at 30 September 2022.

2.2 Fundamental accounting concept
As at 30 September 2022, the Group's current liabilities exceeded its current assets by KD3,388,508 which cast significant doubt about its ability to realise its assets and discharge its liabilities in the normal course of business. The current liabilities include instalments of borrowings of KD11,527,063 which are contractually due within 12 months from the end of the reporting period, and due to related parties of KD5,484,859 which do not have any specific repayment terms.

The interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the borrowings taking into consideration the following assumptions:

- The Group has recognised a net profit of KD3,406,425 for the nine-month period 30 September 2022.
- Additional repayment required will be met out from operating cash flows.
- The Group has access to a sufficient and variety of sources of funding and has a reasonable expectation that liabilities maturing within 12 months can be paid or rescheduled.
- The Group maintains sufficient cash to meet liquidity needs in the event of an unforeseen interruption in cash flows.

As described above, management has a reasonable expectation that the Group has taken measures and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the interim condensed consolidated financial information has been prepared on a going concern basis.

Had the going concern basis not been used, adjustments would be made relating to the recoverability of recorded asset amounts or to the amount of liabilities to reflect the fact that the Group may be required to realize its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

3.1 Summary of new accounting policies

Below are the new accounting policies adopted by the Group.

Non-current assets classified as held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Any profit or loss arising from the sale of a non-current assets held for sale or its remeasurement to fair value less costs to sell is presented as part of a single line item in profit or loss.

3.2 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 3 Amendment – Reference to the conceptual framework	1 January 2022
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
IAS 37 – Amendments – Onerous contracts -Cost of fulfilling a contract	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

IFRS 3 – Reference to the conceptual framework

The amendments add a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IAS 16 Amendments - Proceeds before intended use

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The adoption of the amendment did not have a significant impact on the Group's interim condensed consolidated financial information.

IAS 37 Amendments – Onerous contracts- Cost of fulfilling a contract

The amendments specify which costs an entity includes when assessing whether a contract will be loss-making.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 New and amended standards adopted by the Group (continued)

IAS 37 Amendments – Onerous contracts- Cost of fulfilling a contract (continued)
The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The amendments are only to be applied to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual period in which it first applies the amendments.

The adoption of the amendment did not have a significant impact on the Group's interim condensed consolidated financial information.

Annual Improvements 2018-2020 Cycle
Amendment to IAS 1 simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. Subsidiary that is a first-time adopter later than its parent might have been required to keep two parallel sets of accounting records for cumulative translation differences based on different dates of transition to IFRSs. However, the amendment extends the exemption to cumulative translation differences to reduce costs for first-time adopters.

Amendment to IFRS 9 relates to the '10 per cent' Test for Derecognition of Financial Liabilities – In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to IFRS 16 avoids the potential for confusion in applying IFRS 16 Leases because of how Illustrative Example 13 accompanying IFRS 16 had illustrated the requirements for lease incentives. Before the amendment, Illustrative Example 13 had included as part of the fact pattern a reimbursement relating to leasehold improvements; the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. The IASB decided to remove the potential for confusion by deleting from Illustrative Example 13 the reimbursement relating to leasehold improvements.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

3.3 IASB Standards issued but not yet effective
At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.3 IASB Standards issued but not yet effective (continued)

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments	No stated date
IAS 1 Amendments- Classification of current and non-current	1 January 2023
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023
IAS 12 Income taxes- Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments

The Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IASB has postponed the effective date indefinitely until other projects are completed. However, early implementation is allowed. Management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future should such transactions arise.

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 1 Amendments – Disclosure of accounting policies

The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.3 IASB Standards issued but not yet effective (continued)

IAS 8 Amendments – Definition of accounting estimates
The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 12 Amendments – Deferred tax related to assets and liabilities arising from a single transaction
The amendments to IAS 12 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

4 Judgements and estimates
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 2021.

5 Share of results of associates and joint ventures

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD
Share of results of associates and joint ventures (note 11.1 and 11.2)	**2,679,497**	1,000,941	**3,154,749**	1,624,858
Reserve for financial derivatives transferred to statement of profit or loss on derecognition of financial liabilities by an associate	**-**	(597,365)	**-**	(597,365)
	2,679,497	403,576	**3,154,749**	1,027,493

6 Advisory fees
During the prior period, the Parent Company provided services to related parties that include KD855,000 related to agreements between these related parties and one of the Group's subsidiaries.

Notes to the interim condensed consolidated financial information (continued)

7 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share attributable to the shareholders of the Parent Company is calculated by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the period excluding treasury shares.

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited)	30 Sept. 2021 (Unaudited)	**30 Sept. 2022 (Unaudited)**	30 Sept. 2021 (Unaudited)
Profit for the period attributable to the shareholders of the Parent Company (KD)	**2,512,852**	128,153	**3,405,562**	1,035,129
Weighted average number of shares outstanding during the period (shares)	**249,279,883**	249,279,883	**249,279,883**	249,279,883
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	**10.08**	0.51	**13.66**	4.15

8 Cash and cash equivalents

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Cash and bank balances	**876,724**	390,459	387,090
Less: restricted balance on borrowings (note 13)	**(346,446)**	(346,446)	(346,446)
Less: due to banks	**(241,582)**	(241,582)	(241,582)
Cash and cash equivalents as per consolidated statement of cash flows	**288,696**	(197,569)	(200,938)

9 Non-current assets held for sale

During the period, the Group classified three investment properties amounting to KD856,638 as Assets Held for Sale upon meeting the criteria for recognition as non-current assets held for sale. Subsequent to the transfer, the Group sold one of the properties for KD305,789 resulting into a gain of KD7,213.

10 Investments at fair value through other comprehensive income

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Local quoted securities	**12,165,590**	15,737,730	15,927,163
Foreign quoted securities	**5,901**	2,754	2,510
Local unquoted securities	**10,500**	10,500	10,500
Foreign unquoted securities	**4,079,650**	4,799,030	39,031
Managed funds	**9,370**	9,201	9,214
	16,271,011	20,559,215	15,988,418

Investments at fair value through other comprehensive income amounting to KD12,165,387 (31 December 2021: KD15,737,463 and 30 September 2021: KD15,926,906) are pledged against borrowing facilities of the Group (Note 13).

Notes to the interim condensed consolidated financial information (continued)

11 Investment in associates and joint venture

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Investment in associates (note 11.1)	**22,130,886**	21,420,655	22,055,075
Investment in joint venture (note 11.2)	**22,294,743**	13,947,259	13,962,534
	44,425,629	35,367,914	36,017,609

11.1 Investment in associates

The movement in associates during the period/year is as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Carrying value at the beginning of the period/year	**21,420,655**	19,978,512	19,978,512
Additions	-	720,000	720,000
Share of results of associates	**1,641,158**	147,249	1,284,909
Share of other comprehensive income	**18,004**	209,107	(294,133)
Adjustments arising on partial disposal of a subsidiary	**1,567,605**	365,787	365,787
Adjustments arising on deemed disposal of partial interest in a subsidiary	**(2,516,536)**	-	-
	22,130,886	21,420,655	22,055,075

Investment in associates amounting to KD20,508,086 (31 December 2021: KD19,823,362 and 30 September 2021: KD20,476,080) is pledged against Group's borrowings (Note 13).

11.2 Investment in joint venture

The movement of the investment in joint venture is as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Carrying value at the beginning of the period/year	**13,947,259**	10,325,394	10,325,394
Share of results of joint venture	**1,513,591**	367,887	339,949
Share of other comprehensive income	**6,833,893**	3,253,978	3,297,191
	22,294,743	13,947,259	13,962,534

a) Investment in joint venture is pledged against the borrowing facilities obtained to finance the underlying project (note 17b).

Notes to the interim condensed consolidated financial information (continued)

12 Payables and other liabilities

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Accounts payable and accruals	**2,681,643**	2,089,107	1,933,482
Dividend payable	**20,442**	48,442	48,442
Provisions for KFAS, NLST and Zakat	**6,144,069**	6,006,375	6,015,648
Provision for employees' end of service benefits and leave	**603,934**	582,585	514,847
Due to policyholders	**668,685**	1,724,863	1,729,283
Policyholders' deficit reserve	**2,942,647**	3,268,970	2,749,024
Other liabilities	**76,896**	127,558	127,587
	13,138,316	13,847,900	13,118,313

13 Borrowings

The Group's borrowings are denominated in the following currencies:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Borrowings denominated in Kuwaiti Dinar	**8,555,000**	8,555,000	8,555,000
Borrowings denominated US Dollar	**19,813,750**	19,813,750	19,862,875
	28,368,750	28,368,750	28,417,875

The details of loan balances and bank facilities of the Group are as follows:

a) The borrowing in Kuwait Dinar is due to a local bank which matured on 31 December 2019 carrying annual interest rate of 2.25% above Central Bank of Kuwait discount rate. The loan is secured by pledge of a financial portfolio. During a prior year, the Parent Company filed a legal case against the bank to determine the amount due to the bank. The court referred the case to the experts' department and the hearing was scheduled to be held on 23 September 2021 which was postponed till 17 November 2021 on which the Parent Company objected on the experts' report and accordingly, referred back to the experts' department for a second review which is scheduled to be held on 21 November 2022. In the meantime, during the year ended 31 December 2020, the bank obtained a cautionary order in its favor which was suspended as the Parent Company objected its execution. The Court of First Instance rejected the objection which was upheld by the Court of Appeal on 15 December 2020. The Parent Company has filed an appeal with the Court of Cassation. However, no hearing has been scheduled as of the date of the issue of this interim condensed consolidated financial information. In a related legal case filed by the Parent Company, the Court of Appeals cancelled the cautionary order on 24 October 2021 as if it was not issued.

   Management of the Parent Company believes that the bank is unable to execute the contracts until the final ruling of the original case is made which is currently with the experts' department of Ministry of Justice regarding the Parent Company's legal case for liquidation of the accounts and determining the amount due to the bank.

Notes to the interim condensed consolidated financial information (continued)

13 Borrowings (continued)

b) The loan denominated in the US Dollar has been obtained from Al-Nozha Al-Dawliya Real Estate Company WLL ("Al Nozha"), a related party, carrying annual interest rate of 1.5%. The loan is repayable in four annual equivalent instalments of USD3,275,000 (equivalent to KD990,688) beginning 31 March 2021 ending on 31 March 2024 and with final instalment of USD52,400,000 (equivalent to KD15,851,000) to be repaid on 31 March 2025. The loan is secured by shares of the Parent Company, shares of associates and investments at FVTOCI. In accordance with the contractual terms and conditions of the loan and related subsequent extensions, two instalments amounting to USD6,550,000 (equivalent to KD1,981,376) were due on 31 March 2022. However, during the period, the Group applied for another extension to postpone the instalments which was approved by the related party till 30 September 2023.

The Group's borrowings are secured against the following assets of the Group:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Restricted bank balances (note 8)	**346,446**	346,446	346,446
Investments at FVTPL	**121,167**	13,970	14,420
Investments at FVTOCI (note 10)	**12,165,387**	15,737,463	15,926,906
Investment in an associate (note 11.1)	**20,508,086**	19,823,362	20,476,080
Investment in subsidiary	**595**	588	582
Total assets pledged	**33,032,680**	35,921,829	36,764,434

14 Share capital

The authorised, issued and paid up share capital of the Parent Company comprised of 266,732,550 shares of 100 Fils each, all fully paid, in cash, (31 December 2021 and 30 September 2021: 266,732,550 shares of 100 Fils each).

15 Treasury shares

	30 Sept. 2022 (Unaudited)	31 Dec. 2021 (Audited)	30 Sept. 2021 (Unaudited)
Number of treasury shares (shares)	**17,452,666**	17,452,666	17,452,666
Percentage of issued shares	**6.54%**	6.54%	6.54%
Cost (KD)	**32,757,404**	32,757,404	32,757,404
Market value (KD)	**1,579,466**	1,972,151	2,111,773

Notes to the interim condensed consolidated financial information (continued)

16 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Total KD
Balance at 1 January 2022 (Audited)	**9,156,274**	**(2,089,817)**	**3,253,836**	**10,320,293**
Group's share in associates' and joint venture's reserves	-	**17,900**	**6,833,893**	**6,851,793**
Exchange differences arising on translation of foreign operations	-	**115,994**	-	**115,994**
Change in fair value of investments at FVTOCI	**(3,528,560)**	-	-	**(3,528,560)**
Other comprehensive (loss)/ income for the period	**(3,528,560)**	**133,894**	**6,833,893**	**3,439,227**
Gain on sale of investments at FVTOCI	**(8,104)**	-	-	**(8,104)**
Arising on partial disposal of a subsidiary by an associate	-	**919,072**	-	**919,072**
Balance at 30 September 2022 (Unaudited)	**5,619,610**	**(1,036,851)**	**10,087,729**	**14,670,488**
Balance at 1 January 2021 (Audited)	(1,024,389)	(1,306,782)	(647,192)	(2,978,363)
Group's share in associates' and joint venture's reserves	35,466	(381,206)	3,944,241	3,598,501
Exchange differences arising on translation of foreign operations	-	(22,407)	-	(22,407)
Change in fair value of investments at FVTOCI	10,390,324	-	-	10,390,324
Other comprehensive income for the period	10,425,790	(403,613)	3,944,241	13,966,418
Loss on sale of investments at FVTOCI	54,262	-	-	54,262
Balance at 30 September 2021 (Unaudited)	9,455,663	(1,710,395)	3,297,049	11,042,317

17 Capital commitments and contingent liabilities

(a) The Group has the following commitments:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Estimated and contracted capital expenditure for construction of properties under development and trading properties	**48,867**	23,972	26,348
Finance guarantees	**2,996**	2,916	4,093
Group's share of engineering, procurement and construction agreement of a plant in an underlying project of a joint venture	**76,530,749**	76,530,749	32,674,809
Group's share of future land lease payments in an underlying project of a joint venture	**4,173,333**	4,173,333	978,627
Post-dated cheques issued	-	327,634	-
	80,755,945	81,058,604	33,683,877

Notes to the interim condensed consolidated financial information (continued)

17 Capital commitments and contingent liabilities (continued)

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

- Sale of investment properties
- Share capital increase
- Advances provided by the shareholders, related entities and joint ventures
- Borrowings, if required

(b) The Group has the following contingent liabilities:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Contingent liabilities			
Corporate guarantee of borrowings by a joint venture (note 11.2a)	**9,804,594**	9,804,594	10,325,394
Group's share of guarantee provided by a joint venture	**27,603,633**	27,603,633	27,603,633

Notes to the interim condensed consolidated financial information (continued)

18 Segmental analysis

The Group's activities are concentrated in three main segments: 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.

	Treasury and Investments		Real Estate		Others		Total	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD
Segment income	**4,110,891**	1,095,403	**45,145**	(20,574)	**569,086**	1,336,296	**4,725,122**	2,411,125
Profit/(loss) for the period before provisions for NLST and Zakat	**3,634,524**	647,777	**45,145**	(20,574)	**(149,821)**	469,783	**3,529,848**	1,096,986
Finance costs							**476,367**	447,626
NLST and Zakat							**123,423**	34,210
Total segmental assets	**62,530,274**	52,664,955	**4,287,651**	10,172,365	**-**	-	**66,817,925**	62,837,320
Total segmental liabilities	**(28,610,332)**	(28,659,457)	**-**	-	**-**	-	**(28,610,332)**	(28,659,457)
Net segmental assets	**33,919,942**	24,005,498	**4,287,651**	10,172,365	**-**	-	**38,207,593**	34,177,863
Non-current assets held for sale		-					**543,636**	-
Unallocated assets		-					**23,380,686**	23,576,553
Unallocated liabilities		-					**(19,056,459)**	(19,496,015)
Net assets		-					**43,075,456**	38,258,401

Notes to the interim condensed consolidated financial information (continued)

19 Annual general assembly of shareholders

The Annual General Assembly of the shareholders of the Parent Company held on 17 May 2022 approved the consolidated financial statements for the year ended 31 December 2021, the directors' proposal not to distribute dividends for the year ended 31 December 2021 and not to pay the board of directors' remuneration for the year ended 31 December 2021.

20 Related party balances and transactions

Related parties represent major shareholders, directors, key management personnel of the Group and their close family members, 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 balances and transactions between the Group and other related parties are disclosed below.

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Purchase of investments at fair value through other comprehensive income	-	4,799,028	-
Advance for investments	-	-	4,993,775
Purchase of investment properties	-	-	3,485,416
Due from related parties (a):			
- Due from associates	**16,657,237**	16,628,773	16,643,652
- Due from other related parties	**2,745,125**	2,786,976	2,864,411
	19,402,362	19,415,749	19,508,063
Due to related parties (b and c):			
- Due to other related parties	**5,918,143**	6,406,417	6,377,702
Receivables and other assets	**466,929**	412,260	269,961
Payables and other liabilities	**788,799**	590,959	458,609
Borrowings	**19,813,750**	19,813,750	19,862,875

Notes to the interim condensed consolidated financial information (continued)

20 Related party balances and transactions (continued)

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	**30 Sept. 2022 (Unaudited) KD**	30 Sept. 2021 (Unaudited) KD
Transactions included in interim condensed consolidated statement of profit or loss:				
Dividend income	**-**	-	**257,699**	-
Other income	**110,000**	-	**266,734**	164,611
Finance costs	**83,225**	81,182	**244,246**	239,669
Other operating expenses and charges	**57,000**		**57,000**	-
Advisory fees (note 6)		-	**-**	950,000
Key management compensation of the Group				
Short-term employee benefits	**84,485**	87,817	**266,935**	262,361
Directors' remuneration (included under other operating expenses)	**-**	-	**-**	50,000

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

b) Due to related parties include balance amounting to KD433,284 (31 December 2021: KD433,284 and 30 September 2021: KD433,284) which carries interest at 4.75% (31 December 2021: 4.75% and 30 September 2021: 4.75%) per annum and is payable in 2024. The remaining balances of KD5,484,859 (31 December 2021: KD5,973,133 and 30 September 2021: KD5,944,418) are non-interest bearing and have no specific repayment terms.

c) The Group has pledged part of its equity interest in First Takaful Insurance Company – KPSC, a subsidiary, against certain due to related parties' balances.

21 Fair value measurement

21.1 Fair value hierarchy

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).

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

21.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Financial assets:			
At amortised cost:			
- Cash and bank balances (note 8)	**876,724**	390,459	387,090
- Assets held for sale	**543,636**	-	-
- Receivables and other assets	**3,455,033**	3,638,194	3,131,996
- Due from related parties (note 20)	**19,402,362**	19,415,749	19,508,063
- Advance for investments	**-**	-	4,993,775
At fair value:			
- Investments at fair value through profit or loss	**956,910**	258,467	271,838
- Investments at fair value through other comprehensive income	**16,271,011**	20,559,215	15,988,418
	41,505,676	44,262,084	44,281,180
Financial liabilities:			
At amortised costs:			
- Payables and other liabilities (note 12)	**13,138,318**	13,847,900	13,118,313
- Due to related parties (note 20)	**5,918,143**	6,406,417	6,377,702
- Due to banks (note 8)	**241,582**	241,582	241,582
- Borrowings (note 13)	**28,368,750**	28,368,750	28,417,875
	47,666,791	48,864,649	48,155,472

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the 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 statement of financial position are grouped into the fair value hierarchy as follows:

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2022 (unaudited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	90,675	-	-	90,675
Local unquoted securities	b	-	-	122,158	122,158
Foreign unquoted securities	b	-	-	744,077	744,077
Investments at FVTOCI					
Local quoted securities	a	12,165,590	-	-	12,165,590
Foreign quoted securities	a	5,901	-	-	5,901
Managed funds	c	-	9,370	-	9,370
Local unquoted securities	b	-	-	10,500	10,500
Foreign unquoted securities	b	-	-	4,079,650	4,079,650
		12,262,166	9,370	4,956,385	17,227,921

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

21.2 Fair value measurement of financial instruments (continued)

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 December 2021 (audited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	119,546	-	-	119,546
Local unquoted securities	b	-	-	138,921	138,921
Investments at FVTOCI					
Local quoted securities	a	15,737,730	-	-	15,737,730
Foreign quoted securities	a	2,754	-	-	2,754
Managed funds	c	-	9,201	-	9,201
Local unquoted securities	b	-	-	10,500	10,500
Foreign unquoted securities	b	-	-	4,799,030	4,799,030
		15,860,030	9,201	4,948,451	20,817,682
30 September 2021 (unaudited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	118,668	-	-	118,668
Local unquoted securities	b	-	-	153,170	153,170
Investments at FVTOCI					
Local quoted securities	a	15,927,163	-	-	15,927,163
Foreign quoted securities	a	2,510	-	-	2,510
Managed funds	c	-	9,214	-	9,214
Local unquoted securities	b			10,500	10,500
Foreign unquoted securities	b	-	-	39,031	39,031
		16,048,341	9,214	202,701	16,260,256

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.

a) Quoted securities

All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

b) Unquoted securities

The interim condensed consolidated financial information includes holdings in unlisted securities which are measured at fair value. Fair value is estimated using a discounted cash flow model or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Investment in managed funds

Investment funds managed by other mainly comprise of unquoted units and the fair value of these units has been determined based on net assets values reported by the fund manager as of the reporting date.

Notes to the interim condensed consolidated financial information (continued)

21 Fair value measurement (continued)

21.2 Fair value measurement of financial instruments (continued)

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:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Investments at FVTPL			
Opening balance	**138,921**	153,170	153,170
Gains/(losses) recognised in:			
- Consolidated statement of profit or loss	**727,314**	(14,249)	-
Balance end of the period/year	**866,235**	138,921	153,170
Total amount recognised in consolidated statement of profit or loss on level 3 instruments	**727,314**	(14,249)	-
Investments at FVTOCI			
Opening balance	**4,809,530**	112,531	112,531
Additions	**-**	4,799,028	(63,000)
Disposals	**(779,476)**	(28,641)	-
Gains/(losses) recognised in:			
- Consolidated statement of profit or loss and other comprehensive income	**60,096**	(73,388)	-
Balance end of the period/year	**4,090,150**	4,809,530	49,531

22 Fiduciary accounts

The Parent Company previously managed portfolios on behalf of others, mutual funds and maintains cash balances and securities in fiduciary accounts, which were not reflected in the interim condensed consolidated statement of financial position. However, as a result of the legal status of the Parent Company changed to a holding company, it is no longer allowed to manage portfolios. The existing portfolio balance is either currently being disposed of or transferred to other entities. Assets under management at 30 September 2022 amounted to KD1,599,843 (31 December 2021: KD2,078,055 and 30 September 2021: KD1,886,790). The Group earned management fee of KD Nil (31 December 2021: KD Nil and 30 September 2021: KD Nil) from these activities.

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