

Date :

التاريخ : 15 مايو 2024

Mr. Hamed Ahmed Ali
Chief Executive Officer
Dubai Financial Market

السيد/ حامد أحمد علي المحترم،،،
الرئيس التنفيذي
سوق دبي المالي

Greeting ,,,

تحية طيبة وبعد ،،،

Subject: Interim Condensed Consolidated Financial
Information for the period ended 31/03/2024 For
International Financial Advisors Holding Company and
Subsidiaries

الموضوع : المعلومات المالية المرحلية المكثفة المجمعة
للفترة المنتهية في 2024/03/31 لشركة الإستشارات
المالية الدولية القابضة والشركات التابعة

Please note that the Board of Directors Meeting of
International Financial Advisors Holding Company had
been held today 15/05/2024, at 02:00PM and approved
the followings :

برجاء الإحاطة بأن مجلس إدارة شركة الاستشارات
المالية الدولية القابضة قد عقد إجتماعه اليوم
2024/05/15 في تمام الساعة الثانية بعد الظهر،
وقد وافق المجلس على القرارات التالية:

The Board of Directors reviewed and approved the
Interim Condensed Consolidated Financial information
of the company for the period ended 31/03/2024.

إطلع المجلس على المعلومات المالية المرحلية المكثفة
المجمعة للشركة عن الفترة المنتهية في 2024/03/31
ووافق عليها واعتمدها.

We attached the signed Interim Condensed Consolidated
Financial information for the period ended 31/03/2024
(Arabic & English Copy), after approved from The Board
of Directors Meeting today.

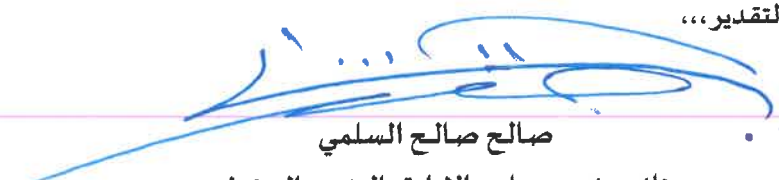
كما نرفق لكم طيه المعلومات المالية المرحلية المكثفة
المجمعة الموقعة للفترة المنتهية في 2024/03/31
(نسخة باللغة العربية والإنجليزية) وذلك بعد
إعتمادها من مجلس إدارة الشركة في إجتماعه اليوم.

Kindly Note & do the needful.

برجاء الإحاطة واتخاذ ما يلزم.

Regards ,

وتفضلوا بقبول فائق التحية والتقدير،،،


صالح صالح السلمي
نائب رئيس مجلس الإدارة والرئيس التنفيذي
Saleh Saleh Al-Selmi
Vice Chairman & C.E.O

Interim condensed consolidated financial information and review report

**International Financial Advisors Holding – KPSC
and Subsidiaries
Kuwait**

31 March 2024 (Unaudited)

Contents

	Page
Report on review of interim condensed consolidated financial information	1 and 2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of financial position	5
Interim condensed consolidated statement of changes in equity	6-7
Interim condensed consolidated statement of cash flows	8
Notes to the interim condensed consolidated financial information	9 to 22

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 of 31 March 2024 and the related interim condensed consolidated statements of profit or loss and 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 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 disclosed in note 7.1-a to the interim condensed consolidated financial information, the share of results of one of its foreign associates has been accounted for based on management accounts for the three-month period ended 31 March 2024 and year ended 31 December 2023. There were no practicable review procedures available to us to ascertain the impact of unavailability of reviewed and audited financial information relating to this foreign associate on this interim condensed consolidated financial information. Had we been able to obtain reviewed and audited financial information, 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 situations 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”.

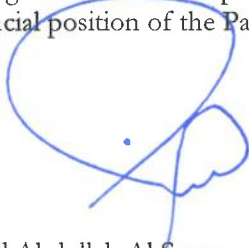
Report on review of other legal and regulatory requirements

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 three-month period ended 31 March 2024 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 ~~three-month~~ period ended 31 March 2024 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
15 May 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
Income			
Change in fair value of investments at FVTPL		20,371	26,720
Share of results of associates and joint venture	7	2,731,353	809,926
Rental income		-	8,783
Loss on disposal of assets held for sale		-	(2,900)
Other income		29,924	43,605
		2,781,648	886,134
Expenses and other charges			
Staff costs		(75,366)	(75,628)
Other operating expenses and charges		(157,046)	(109,187)
Finance costs		(186,659)	(207,053)
		(419,071)	(391,868)
Profit before taxation		2,362,577	494,266
Taxation		(14,054)	(17,447)
Profit for the period		2,348,523	476,819
Attributable to:			
- Shareholders of the Parent Company		2,361,724	478,187
- Non-controlling interests		(13,201)	(1,368)
		2,348,523	476,819
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	4	9.47	1.92

The notes set out on pages 9 to 22 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 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
Profit for the period	2,348,523	476,819
Other comprehensive (loss)/income:		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>		
Net change in fair value of investments at FVTOCI	(1,646,580)	(820,395)
	(1,646,580)	(820,395)
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>		
Share of other comprehensive income/(loss) of associates and joint venture	35,536	(926,833)
Exchange differences arising on translation of foreign operations	8,904	3,298
	44,440	(923,535)
Total other comprehensive loss	(1,602,140)	(1,743,930)
Total comprehensive income/(loss) for the period	746,383	(1,267,111)
Attributable to:		
- Shareholders of the Parent Company	759,357	(1,264,905)
- Non-controlling interests	(12,974)	(2,206)
	746,383	(1,267,111)

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Assets				
Cash and cash equivalents	5	2,507,005	1,971,627	961,917
Assets held for sale		175,686	175,686	506,677
Investments at fair value through profit or loss		276,330	255,959	1,029,410
Receivables and other assets		3,753,449	3,046,241	3,710,521
Due from related parties	15	23,671,703	24,503,059	19,242,599
Investments at fair value through other comprehensive income	6	23,021,131	24,667,584	15,899,895
Investment properties		5,046,702	5,044,999	3,743,684
Investment in associates and joint venture	7	56,053,932	53,287,043	43,351,747
Equipment		9,711	10,247	10,434
Total assets		114,515,649	112,962,445	88,456,884
Liabilities and equity				
Liabilities				
Payables and other liabilities	8	11,737,954	10,980,833	13,515,235
Due to related parties	15	6,587,964	6,525,903	5,545,091
Due to bank		-	-	241,582
Borrowings	9	27,075,389	27,087,750	28,617,650
Total liabilities		45,401,307	44,594,486	47,919,558
Equity				
Share capital	10	26,673,255	26,673,255	26,673,255
Treasury shares	11	(32,757,404)	(32,757,404)	(32,757,404)
Statutory and voluntary reserves		35,295,508	35,295,508	32,757,404
Fair value reserve		14,323,579	15,970,101	4,796,466
Foreign currency translation reserve		(1,439,297)	(1,462,957)	(1,352,384)
Reserve for financial derivatives		10,254,686	10,234,191	9,570,951
Retained earnings/(accumulated losses)		11,832,266	9,470,542	(3,819,172)
Total equity attributable to the shareholders of the Parent Company		64,182,593	63,423,236	35,869,116
Non-controlling interests		4,931,749	4,944,723	4,668,210
Total equity		69,114,342	68,367,959	40,537,326
Total liabilities and equity		114,515,649	112,962,445	88,456,884



Saleh Saleh Al-Selmi
Vice Chairman and CEO

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company								Non- controlling interests	Total
	Share capital KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Retained earnings KD	Sub – total KD	KD	KD
Balance at 1 January 2024 (audited)	26,673,255	(32,757,404)	35,295,508	15,970,101	(1,462,957)	10,234,191	9,470,542	63,423,236	4,944,723	68,367,959
Profit/(loss) for the period	-	-	-	-	-	-	2,361,724	2,361,724	(13,201)	2,348,523
Other comprehensive (loss)/income	-	-	-	(1,646,522)	23,660	20,495	-	(1,602,367)	227	(1,602,140)
Total comprehensive (loss)/income for the period	-	-	-	(1,646,522)	23,660	20,495	2,361,724	759,357	(12,974)	746,383
Balance at 31 March 2024 (unaudited)	26,673,255	(32,757,404)	35,295,508	14,323,579	(1,439,297)	10,254,686	11,832,266	64,182,593	4,931,749	69,114,342

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the shareholders of the Parent Company								Non-controlling interests	Total
	Share capital KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Accumulated losses KD	Sub – total KD	KD	KD
Balance at 1 January 2023 (audited)	26,673,255	(32,757,404)	32,757,404	5,616,861	(1,206,543)	10,347,807	(4,441,842)	36,989,538	4,544,566	41,534,104
Consolidation and other adjustments	-	-	-	-	-	-	144,483	144,483	125,850	270,333
Profit/(loss) for the period	-	-	-	-	-	-	478,187	478,187	(1,368)	476,819
Other comprehensive loss	-	-	-	(820,395)	(145,841)	(776,856)	-	(1,743,092)	(838)	(1,743,930)
Total comprehensive (loss)/income for the period	-	-	-	(820,395)	(145,841)	(776,856)	478,187	(1,264,905)	(2,206)	(1,267,111)
Balance at 31 March 2023 (unaudited)	26,673,255	(32,757,404)	32,757,404	4,796,466	(1,352,384)	9,570,951	(3,819,172)	35,869,116	4,668,210	40,537,326

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before taxation		2,362,577	494,266
Adjustments:			
Share of results of associates and joint venture		(2,731,353)	(809,926)
Loss on disposal of assets held for sale		-	2,900
Finance costs		186,659	207,053
Depreciation		1,246	1,399
		(180,871)	(104,308)
Changes in operating assets and liabilities:			
Investments at FVTPL		(20,371)	(26,720)
Receivables and other assets		(707,208)	158,282
Due from related parties		831,356	14,471
Payables and other liabilities		666,881	(688,895)
Due to related parties		56,987	83,843
Net cash from/(used in) operating activities		646,774	(563,327)
INVESTING ACTIVITIES			
Additions to equipment		(710)	(9,006)
Proceeds from disposal of assets held for sale		-	540,736
Net cash (used in)/from investing activities		(710)	531,730
FINANCING ACTIVITIES			
Decrease in borrowings		(12,361)	-
Finance costs paid		(105,241)	-
Net cash used in financing activities		(117,602)	-
Increase/(decrease) in cash and cash equivalents		528,462	(31,597)
Foreign currency adjustment		6,916	2,676
Cash and cash equivalents at beginning of the period	5	1,187,627	(36,190)
Cash and cash equivalents at end of the period	5	1,723,005	(65,111)

The notes set out on pages 9 to 22 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 (“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 Bursa Kuwait and Dubai Financial Market.

The Securities Activities Licence issued by the Capital Markets Authority (“CMA”) expired on 29 March 2018 under which the Parent Company carried out certain investment activities. Management did not renew the licence. Accordingly, the CMA notified the Parent Company on 6 May 2018 that it is no longer considered a licenced entity under the CMA regulations. Consequently, the Parent Company is currently in the process of disposing the portfolios under management (Note 17).

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 three-month period ended 31 March 2024 was authorised for issue by the Parent Company’s board of directors on 15 May 2024.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies 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 2023, except for the changes described in Note 3.

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“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 IFRS Accounting 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 three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2023.

3 Changes in accounting policies

The accounting policies used in the preparation of this 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 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards were effective for the current period.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Disclosure of accounting policies	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 1 Amendments - Classification of liabilities with debt covenants (continued)

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

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.

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

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements

The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements effect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

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

IFRS 16 Amendments – Lease liability in a sale and leaseback

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IFRS 16 Amendments – Lease liability in a sale and leaseback (continued)

The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

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

4 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 31 March 2024 (Unaudited)	Three months ended 31 March 2023 (Unaudited)
Profit for the period attributable to the shareholders of the Parent Company (KD)	2,361,724	478,187
Weighted average number of shares outstanding during the period (shares)	249,279,883	249,279,883
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	9.47	1.92

5 Cash and cash equivalents

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Cash and bank balances	2,068,005	1,532,627	522,917
Term deposits	439,000	439,000	439,000
Cash and cash equivalents as per consolidated statement of financial position	2,507,005	1,971,627	961,917
Less: restricted balance (note 9)	(345,000)	(345,000)	(346,446)
Less: deposits maturing after more than three months	(439,000)	(439,000)	(439,000)
Less: due to bank	-	-	(241,582)
Cash and cash equivalents as per consolidated statement of cash flows	1,723,005	1,187,627	(65,111)

Notes to the interim condensed consolidated financial information (continued)

6 Investments at fair value through other comprehensive income

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Local quoted securities	20,112,375	21,758,828	10,830,223
Foreign quoted securities	3,590	3,590	5,895
Local unquoted securities	10,506	10,506	10,506
Foreign unquoted securities	2,891,244	2,891,244	5,043,702
Managed funds	3,416	3,416	9,569
	23,021,131	24,667,584	15,899,895

Investments at fair value through other comprehensive income aggregating to KD20,111,920 (31 December 2023: KD21,758,500 and 31 March 2023: to KD10,830,023) are pledged against borrowing facilities of the Group (Note 9).

7 Investment in associates and joint venture

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Investment in associates (note 7.1)	29,452,967	27,512,845	20,198,924
Investment in joint venture (note 7.2)	26,600,965	25,774,198	23,152,823
	56,053,932	53,287,043	43,351,747

7.1 Investment in associates

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

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	27,512,845	20,301,871	20,301,871
Additions	-	1,625,564	-
Share of results	1,925,081	6,109,663	47,030
Share of other comprehensive income/(loss)	15,041	(206,760)	(149,977)
Share of loss accounted for directly in equity by associates	-	(317,493)	-
	29,452,967	27,512,845	20,198,924

- Investment in associates include investment in a foreign associate with a carrying value of KD1,754,454 which has been accounted for using management accounts for the three-month period ended 31 March 2024 and for the year ended 31 December 2023.
- Investment in associates amounting to KD26,508,506 (31 December 2023: KD24,707,990 and 31 March 2023: to KD19,122,262) is pledged against Group's borrowings (Note 9).

Notes to the interim condensed consolidated financial information (continued)

7 Investment in associates and joint venture (continued)

7.2 Investment in joint venture

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

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	25,774,198	23,166,783	23,166,783
Share of results	806,272	2,721,031	762,896
Share of other comprehensive income/(loss)	20,495	(113,616)	(776,856)
	26,600,965	25,774,198	23,152,823

- a) Investment in joint venture is pledged against the borrowing facilities obtained to finance the underlying project (note 12b).

8 Payables and other liabilities

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Accounts payable and accruals	1,526,258	1,538,631	3,616,078
Dividend payable	48,442	48,442	48,442
Provisions for taxation	5,434,241	5,420,188	5,949,530
Provision for employees' end of service benefits and leave	522,263	508,404	618,110
Due to policyholders	434,935	413,568	78,642
Policyholders' deficit reserve	3,116,955	2,396,131	2,865,009
Other liabilities	654,860	655,469	339,424
	11,737,954	10,980,833	13,515,235

9 Borrowings

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

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Borrowings denominated in Kuwaiti Dinar (note 9.1)	6,983,264	6,995,625	8,555,000
Borrowings denominated US Dollar (note 9.2)	20,092,125	20,092,125	20,062,650
	27,075,389	27,087,750	28,617,650

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

- 9.1 During the previous year, the Group obtained a Murabaha facility from a local Islamic bank amounting to KD7,000,000 carrying a profit rate of 1.75% above the Central Bank of Kuwait discount rate. The facility is payable in 6 annual installments beginning 1 July 2025.

Notes to the interim condensed consolidated financial information (continued)

9 Borrowings (continued)

- 9.2 The loan denominated in the US Dollar was 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 KD1,003,132) beginning 31 March 2021 ending on 31 March 2024 and with final instalment of USD52,400,000 (equivalent to KD16,050,120) 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, instalments of USD13,100,000 (equivalent to KD4,012,528) were due up to 31 March 2024. However, the Group applied for an extension to postpone the instalments which was approved by the related party till 30 September 2024.

10 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 2023 and 31 March 2023: 266,732,550 shares of 100 Fils each).

The board of directors of the Parent Company, in their meeting held on 19 March 2024, proposed to increase the Parent Company's share capital from KD26,673,255 comprising of 266,732,550 ordinary shares, to KD42,677,208 comprising of 426,772,080 ordinary shares which was approved by Capital Markets Authority.

Subsequent to the reporting date, the board of directors, in their meeting held on 21 April 2024, revised the aforementioned proposal to increase the Parent Company's share capital from KD30,007,412 (inclusive of bonus shares, as referenced in note 14) to KD48,011,859 through issuance of 180,044,470 shares amounting to KD18,004,447 in cash. The newly issued shares will bear a nominal value of 100 fils, along with a premium of 50 fils. The revised proposal was approved by Capital Markets Authority on 30 April 2024.

The proposal is subject to the approval of the shareholders at general assembly.

11 Treasury shares

	31 March 2024 (Unaudited)	31 Dec. 2023 (Audited)	31 March 2023 (Unaudited)
Number of treasury shares (shares)	17,452,667	17,452,667	17,452,667
Percentage of treasury shares to paid up capital (%)	6.54	6.54	6.54
Cost (KD)	32,757,404	32,757,404	32,757,404
Market Value (KD)	6,632,013	5,357,969	1,448,571

12 Capital commitments and contingent liabilities

(a) The Group has the following commitments:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Group's share of associates' commitments:			
Estimated and contracted capital expenditure for construction of properties under development and trading properties	-	1,712	25,189
Finance guarantees	2,744	2,738	2,627
Post-dated cheques issued	-	-	255,400

Notes to the interim condensed consolidated financial information (continued)

12 Capital commitments and contingent liabilities (continued)

(a) The Group has the following commitments (continued):

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Group's share of joint venture's commitments:			
Group's share of engineering, procurement and construction agreement of a plant in an underlying project of a joint venture	35,439,997	35,439,997	43,568,754
Group's share of future land lease payments in an underlying project of a joint venture	4,013,333	4,013,333	4,173,333

(b) The Group has the following contingent liabilities:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Contingent liabilities			
Corporate guarantee of borrowings by a joint venture (note 7.2a)	9,804,594	9,804,594	9,804,594
Group's share of guarantee provided by a joint venture	16,588,065	16,588,065	27,603,633

Notes to the interim condensed consolidated financial information (continued)

13 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
	31 March 2024 (Unaudited) KD	31 March 2023 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2023 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2023 (Unaudited) KD	
Segment income	2,751,724	833,747	-	8,782	29,924	43,605	886,134
Profit/(loss) before taxation	2,565,065	626,693	-	8,782	(202,488)	(141,209)	494,266
Finance costs							
							186,659
Taxation							207,053
							14,054
							22,503
Total segmental assets	81,858,397	61,242,969	5,232,099	4,260,796	-	-	65,503,765
Total segmental liabilities	(27,075,389)	(28,859,233)	-	-	-	-	(28,859,233)
Net segmental assets	54,783,008	32,383,736	5,232,099	4,260,796	-	-	36,644,532
Unallocated assets							
Unallocated liabilities							
							27,425,153
							(18,325,918)
Net assets							69,114,342
							40,537,326

Notes to the interim condensed consolidated financial information (continued)

14 Annual general assembly of shareholders

The Annual General Assembly of the Parent Company for the year ended 31 December 2023 has not been held yet. Accordingly, the financial statements for the year ended 31 December 2023 have not been approved by the shareholders of the Parent Company. The interim condensed financial information for the three-month period ended 31 March 2024 does 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 2023. The board of directors of the Parent Company proposed to issue 12.5% bonus shares for the year ended 31 December 2023. This proposal is subject to the approval of the Parent Company's shareholders at the Annual General Assembly.

15 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.

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties (a):			
- Due from associates	21,903,027	22,104,082	16,831,682
- Due from related parties (included in other assets)	-	12,646	-
- Due from other related parties	1,768,676	2,398,977	2,410,917
	23,671,703	24,515,705	19,242,599
Due to related parties (b and c):			
- Due to other related parties	6,587,964	6,525,903	5,545,091
Receivables and other assets	164,611	164,611	164,611
Borrowings	20,092,125	20,092,125	20,062,650

Notes to the interim condensed consolidated financial information (continued)

15 Related party balances and transactions (continued)

	Three months ended 31 March 2023 (Unaudited) KD	Three months ended 31 March 2022 (Unaudited) KD
<i>Transactions included in interim condensed consolidated statement of profit or loss:</i>		
Finance costs	81,475	80,371
Other operating expenses and charges	12,500	26,232
Key management compensation of the Group		
Short-term and long-term employee benefits	141,724	125,382

- 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 2023: KD433,284 and 31 March 2023: to KD433,284) which carries interest at 4.75% (31 December 2023: 4.75% and 31 March 2023: 4.75%) per annum and is payable on 30 June 2024. The remaining balances KD6,154,680 (31 December 2023: KD6,092,620 and 31 March 2023: to KD5,111,807) 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.

16 Fair value measurement

16.1 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)

16 Fair value measurement (continued)

16.2 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:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Financial assets:			
At amortised cost:			
- Cash and cash equivalents (note 5)	2,507,005	1,971,627	961,917
- Receivables and other assets	3,354,329	2,636,594	3,204,174
- Due from related parties (note 15)	23,671,703	24,503,059	19,242,599
At fair value:			
- Investments at fair value through profit or loss	276,330	255,959	1,029,410
- Investments at fair value through other comprehensive income	23,021,131	24,667,584	15,899,895
	52,830,498	54,034,823	40,337,995
Financial liabilities:			
At amortised costs:			
- Payables and other liabilities (note 8)	11,737,954	10,980,833	13,515,235
- Due to related parties (note 15)	6,587,964	6,525,903	5,545,091
- Due to bank (note 5)	-	-	241,582
- Borrowings (note 9)	27,075,389	27,087,750	28,617,650
	45,401,307	44,594,486	47,919,558

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
31 March 2024 (unaudited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	175,964	-	-	175,964
Local unquoted securities	b	-	-	100,366	100,366
Investments at FVTOCI					
Local quoted securities	a	20,112,375	-	-	20,112,375
Foreign quoted securities	a	3,590	-	-	3,590
Managed funds	c	-	-	10,506	10,506
Local unquoted securities	b	-	-	2,891,244	2,891,244
Foreign unquoted securities	b	-	3,416	-	3,416
		20,291,929	3,416	3,002,116	23,297,461

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

16.2 Fair value measurement of financial instruments (continued)

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 December 2023 (audited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	155,593	-	-	155,593
Local unquoted securities	b	-	-	100,366	100,366
Investments at FVTOCI					
Local quoted securities	a	21,758,828	-	-	21,758,828
Foreign quoted securities	a	3,590	-	-	3,590
Managed funds	c	-	3,416	-	3,416
Local unquoted securities	b	-	-	10,506	10,506
Foreign unquoted securities	b	-	-	2,891,244	2,891,244
		21,918,011	3,416	3,002,116	24,923,543
31 March 2023 (unaudited)					
Investments at FVTPL					
<i>Investments held for trading:</i>					
Local quoted securities	a	84,723	-	-	84,723
Local unquoted securities	b	-	-	200,610	200,610
Foreign unquoted securities	c	-	-	744,077	744,077
Investments at FVTOCI					
Local quoted securities	a	10,830,223	-	-	10,830,223
Foreign quoted securities	a	5,895	-	-	5,895
Managed funds	c	-	9,569	-	9,569
Local unquoted securities	b	-	-	10,506	10,506
Foreign unquoted securities	b	-	-	5,043,702	5,043,702
		10,920,841	9,569	5,998,895	16,929,305

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)

16 Fair value measurement (continued)

16.2 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:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Investments at FVTPL			
Opening balance	100,366	911,999	911,999
Reclassified to investment in associate	-	(1,311,106)	-
Gains recognised in:			
- Consolidated statement of profit or loss	-	499,473	32,688
Balance at end of the period/year	100,366	100,366	944,687
Investments at FVTOCI			
Opening balance	2,901,750	5,054,208	5,054,208
Disposals	-	(2,310,006)	-
(Losses)/gains recognised in:			
- Consolidated statement of profit or loss and other comprehensive income	-	157,548	-
Balance at end of the period/year	2,901,750	2,901,750	5,054,208

17 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 31 March 2024 amounted to KD4,195,306 (31 December 2023: KD3,744,302 and 31 March 2023: to KD1,403,687).

About Grant Thornton

Grant Thornton is a global network of 58,000 people in member firms in over 130 countries with a common goal — to help you realise your ambitions. Which is why our network combines global scale and capability with local insights and understanding. So, whether you're growing in one market or many, looking to operate more effectively, managing risk and regulation, or realising stakeholder value, our member firms have the assurance, tax and advisory capabilities you need with the quality you expect.

Grant Thornton - Al-Qatami, Al-Aiban and Partners, established in 1973, is one of the oldest public accounting firms in the State of Kuwait and has been a full member of Grant Thornton International since 1985. This affiliation helps us draw on the expertise and resources of the international organization to provide world class professional services to our clients in Kuwait.

We invest in listening, building relationships and understanding your concerns to deliver an experience that's more personal, agile and proactive.

We work at the pace that matters. Yours.

That's why we celebrate fresh thinking and diverse perspectives to find better solutions.

We don't predict the future. We help you shape it.

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. "GTIL" refers to Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

© 2022 Grant Thornton – Al-Qatami, Al-Aiban & Partners
All Rights Reserved

grantthornton.com.kw