

Interim condensed consolidated financial information and review report

Gulf Investment House – KPSC and Subsidiaries

Kuwait

31 March 2023 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the Board of Directors of
Gulf Investment House – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House KPSC (the “Parent Company”) and its subsidiaries (together “the Group”) as of 31 March 2023 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with 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, we have not become aware of any violation of the Companies Law No. 1 of 2016, as amended and its Executive Regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2023 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 May 2023

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2023 (Unaudited) KD	Three months ended 31 March 2022 (Unaudited) KD
Income			
Sale of Goods		2,172,672	1,555,781
Cost of sales		(1,593,712)	(1,159,524)
Gross profit		578,960	396,257
Unrealised gain on financial assets at fair value through profit or loss		9,367	28,208
Realised loss on financial assets at fair value through profit or loss		(644,448)	(261,679)
Share of results of associates	9	843,877	179,208
Income from joint operations		217,264	-
Profit from saving deposits		28,569	12,849
(Impairment)/reversal of provision for impairment of investment in associates	9	(770,465)	307,437
Dividend income		407,666	-
Other income		29,107	44,909
		699,897	707,189
Expenses and other charges			
General, administrative and other expenses		(222,163)	(66,736)
Staff costs		(307,789)	(170,311)
Provision for Impairment in value of accounts receivable and other assets		-	(5,140)
Selling and distribution expenses		(196,285)	(247,739)
Foreign exchange loss		151	(122,177)
		(726,086)	(612,103)
(Loss)/profit before contribution to, Kuwait Foundation for the Advancement of Sciences ("KFAS"), Zakat and National Labour Support Tax (NLST)		(26,189)	95,086
Provision for KFAS		-	(4,169)
Provision for Zakat		-	(3,323)
Provision for NLST		-	(10,224)
(Loss)/profit for the period		(26,189)	77,370
(Loss)/profit for the period attributable to:			
Owners of the Parent Company		8,634	73,977
Non-controlling interest		(34,823)	3,393
		(26,189)	77,370
Basic and diluted earnings per share attributable to the owners of the Parent Company (Fils)	5	0.02	0.18

The notes set out on pages 7 to 15 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 2023 (Unaudited) KD	Three months ended 31 March 2022 (Unaudited) KD
(Loss)/profit for the period	(26,189)	77,370
Other comprehensive (loss)/income:		
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	(35,293)	52,217
Total other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	(35,293)	52,217
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>		
Net changes in fair value of investments in equity instruments designated at FVOCI	109,350	10,113
Share of other comprehensive income of associates	336,490	-
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods	445,840	10,113
Total other comprehensive income for the period	410,547	62,330
Total comprehensive income for the period	384,358	139,700
Total comprehensive income attributable to:		
Owners of the Parent Company	439,898	133,530
Non-controlling interests	(55,540)	6,170
	384,358	139,700

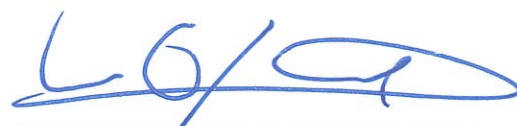
The notes set out on pages 7 to 15 an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	31 Mar. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 Mar. 2022 (Unaudited) KD
Assets				
Cash and bank balances	6	3,719,161	6,897,574	6,719,021
Short-term deposits	6	3,555,000	2,265,000	10,150,000
Financial assets at fair value through profit or loss	7	16,558,375	17,268,772	12,033,551
Financial assets at fair value through other comprehensive income		857,039	901,403	1,335,414
Inventories		610,446	974,005	378,470
Investment in joint operations		498,063		
Accounts receivables and other assets	8	4,518,731	2,717,169	3,598,387
Investment in associates	9	18,499,965	17,819,575	14,550,996
Investment properties		759,063	753,509	821,538
Property, plant and equipment		1,665,207	1,505,321	716,273
Right of use of assets		1,562,158	1,589,564	-
Intangible assets		601,889	608,257	617,305
Goodwill		356,017	356,017	356,017
Total assets		53,761,114	53,656,166	51,276,972
Liabilities and equity				
Liabilities				
Trade payables and other liabilities		2,024,829	2,181,742	2,206,369
Lease liabilities		1,572,433	1,564,806	-
Total liabilities		3,597,262	3,746,548	2,206,369
Equity				
Share capital	10	40,649,566	40,649,566	40,649,566
Statutory reserve		186,519	186,519	100,144
Cumulative changes in fair value		199,747	(849,456)	(552,641)
Foreign currency translation reserve		319,279	333,855	440,066
Retained earnings		1,942,020	2,536,749	1,913,149
Equity attributable to the owners of the Parent Company		43,297,131	42,857,233	42,550,284
Non-controlling interests		6,866,721	7,052,385	6,520,319
Total equity		50,163,852	49,909,618	49,070,603
Total liabilities and equity		53,761,114	53,656,166	51,276,972



Abdulaziz A. Alsanad
Chairman



Mohammad S. AlAyoub
Chief Executive Officer

The notes set out on pages 7 to 15 an integral part of this interim condensed consolidated financial information.




Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							
	Share Capital KD	Statutory Reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-Total KD	Non-controlling interests KD	Total equity KD
Balance as at 1 January 2023	40,649,566	186,519	(849,456)	333,855	2,536,749	42,857,233	7,052,385	49,909,618
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	(3,770)	(3,770)
Other adjustments to NCI	-	-	-	-	-	-	(126,354)	(126,354)
Transaction with owners	-	-	-	-	-	-	(130,124)	(130,124)
Profit/(loss) for the period	-	-	-	-	8,634	8,634	(34,823)	(26,189)
Total other comprehensive income/(loss) for the period	-	-	445,840	(14,576)	-	431,264	(20,717)	410,547
Total comprehensive income/(loss) for the period	-	-	445,840	(14,576)	8,634	439,898	(55,540)	384,358
Unrealized loss on Financial assets at fair value through other comprehensive income	-	-	603,363	-	(503,363)	-	-	-
Balance as at 31 March 2023	40,649,566	186,519	199,747	319,279	1,942,020	43,297,131	6,866,721	50,163,852
Balance as at 1 January 2022	40,649,566	100,144	(562,754)	390,626	1,549,191	42,126,773	7,851,251	49,978,024
Acquisition of additional shares in subsidiary	-	-	-	-	289,981	289,981	(1,337,102)	(1,047,121)
Transaction with owners	-	-	-	-	289,981	289,981	(1,337,102)	(1,047,121)
Profit for the period	-	-	-	-	73,977	73,977	3,393	77,370
Total other comprehensive income for the period	-	-	10,113	49,440	-	59,553	2,777	62,330
Total comprehensive income for the period	-	-	10,113	49,440	73,977	133,530	6,170	139,700
Balance as at 31 March 2022	40,649,566	100,144	(552,641)	440,066	1,913,149	42,550,284	6,520,319	49,070,603

The notes set out on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2023 (Unaudited) KD	Three months ended 31 March 2022 (Unaudited) KD
OPERATING ACTIVITIES			
(Loss)/profit before KFAS, Zakat and NLST		(29,480)	95,086
Adjustments:			
Depreciation		92,068	31,798
Profit from saving deposits		(28,569)	(12,849)
Share of results of associates	9	(843,877)	(179,208)
Impairment/(reversal) of provision for impairment of investment in an associate	9	770,465	(307,437)
Reversal of the liabilities which are no longer required		-	185
Dividend income		(407,666)	-
Provision for employees end of service benefits		34,649	21,308
		(412,410)	(351,117)
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		710,398	(1,326,157)
Accounts receivables and other assets		(1,568,533)	(815,163)
Investment in joint operations		(498,063)	-
Inventories		363,559	127,678
Trade payables and other liabilities		61,572	(112,755)
Cash from operations		(1,343,477)	(2,477,514)
Employee end of service benefits paid		(495)	(815)
Net cash used in operating activities		(1,343,972)	(2,478,329)
INVESTING ACTIVITIES			
Acquisition of property and equipment		(216,303)	(62,815)
Addition in right of use of assest and intangible asstes		-	(9,000)
Net cash flow from acquisition of subsidiary		(32,467)	(1,023,092)
Additions of investments in associates	9	(324,240)	(79,621)
Profit received from saving deposits		28,569	12,849
Redemption proceeds received from financial assets at fair value through other comprehensive income		-	-
Net cash used in investing activities		(544,441)	(1,161,679)
FINANCING ACTIVITIES			
Net movement in restricted bank accounts		366	708
Net cash from financing activities		366	708
Net decrease in cash and cash equivalents		(1,888,047)	(3,639,300)
Cash and cash equivalents at beginning of the period		9,034,950	20,380,086
Cash and cash equivalents at end of the period	6	7,146,903	16,740,786

The notes set out on pages 7 to 15 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

This interim condensed consolidated financial information of Gulf Investment House - K.P.S.C (the “Parent Company”) and its subsidiaries (collectively the “Group”) for the period ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2023.

The Parent Company is a Kuwaiti shareholding company registered and incorporated in the State of Kuwait on 8 September 1998 under the Commercial Companies Law. The Parent Company is registered with the Central Bank of Kuwait as a finance company. The Parent Company’s shares are traded on the Kuwait Stock Exchange and Abu Dhabi Securities Exchange.

The Parent Company is a subsidiary of GIH Financing Ltd. (The Ultimate Parent Company).

The Parent Company was registered with the Capital Market Authority (“CMA”) as an investment company. However, during 2018, the Parent Company has been removed from the registry of the CMA and hence is no longer registered as a licensed investment company with CMA as at 31 December 2018.

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee’a, as approved by the Parent Company’s Fatwa and Sharee’a Supervisory Board.

The Parent Company’s registered head office is at Dar Al-Awadi Tower, Sharq, Kuwait City, P.O. Box 28808, 13149 Safat, Kuwait.

The annual consolidated financial statements for the year ended 31 December 2022 were authorised for issuance by the Board of Directors on 28 March 2023 and to be approved by the shareholders at the forthcoming Annual General Meeting which is scheduled to be held on 28 May 2023.

2 Basis of preparation and presentation

This interim condensed consolidated financial information of the Group for the three-months period ended 31 March 2023 has been prepared in accordance with IAS 34, Interim Financial Reporting.

The annual consolidated financial statements for the year ended 31 December 2022 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 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 three-months period ended 31 March 2023 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 2022.

3 Changes in accounting policies

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 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group

The following new amendments or 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 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023

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.

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

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.

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

3.2 New accounting policy adopted by the Group

Investment in joint operation

A joint arrangement is a contractual arrangement that gives two or more parties joint control. Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities required unanimous consent of parties sharing control. A joint operation is a joint arrangement which by the parties that have the joint control of the arrangement have rights to the net assets of the arrangement. The Group recognises its interests in joint operation as an investment and accounts for it using the equity method.

4 Judgement 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 2022.

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	Three months ended	
	31 March 2023 (Unaudited)	31 March 2022 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD)	8,634	73,977
Weighted average number of shares outstanding during the period	406,495,660	406,495,660
Basic and diluted earnings per share (Fils)	0.02	0.18

6 Cash and cash equivalents

Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

	31 March 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
Cash and bank balances	3,719,161	6,897,574	6,719,021
Short term deposits	3,555,000	2,265,000	10,150,000
	7,274,161	9,162,574	16,869,021
Less: Dividend restricted bank accounts*	(127,258)	(127,624)	(128,235)
Cash and cash equivalents as per the statement of cash flows	7,146,903	9,034,950	16,740,786

The short terms deposits have original maturity of three months or less and carry profit in the range of 5% to 5.3% (31 December 2022: 2% to 5% and 31 March 2022: 2%) per annum.

*Relates to amount set apart to meet unclaimed dividend balances, as and when they are claimed by the shareholders. An amount of KD366 (31 December 2022: KD1,319 and 31 March 2022: KD708) was paid during the current period, out of dividend payable which relates to dividend for prior years.

7 Financial assets at fair value through profit or loss

	31 March 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
Quoted securities	8,572,108	9,320,257	5,662,836
Unquoted securities	7,971,135	7,933,396	6,331,968
Unquoted funds managed by external fund managers	15,132	15,119	38,747
	16,558,375	17,268,772	12,033,551

Fair values of unquoted securities and unquoted funds managed by external fund managers are determined using valuation techniques that are not based on observable market prices or rates (Note 13.2).

Notes to the interim condensed consolidated financial information (continued)

8 Accounts receivable and other assets

	31 March 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
Trade receivable	1,603,347	1,652,968	1,546,598
Provision for doubtful debts	(204,707)	(204,707)	(204,707)
	1,398,640	1,448,261	1,341,891
Staff receivables	20,824	17,212	24,195
Dividends receivable	407,666	-	-
Refundable deposits	53,283	49,923	31,567
Prepaid expenses	157,563	225,075	30,592
Advance to suppliers	18,537	-	-
Due from associate	546,413	296,288	194,831
Other receivables	863,887	254,352	726,675
Projects under progress	1,051,918	426,058	248,636
Advance payment for the purchase of investments	-	-	1,000,000
	4,518,731	2,717,169	3,598,387

9 Investment in associates

The movement of investment in associates is as follows:

	31 March 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
Carrying value as at beginning of the year	17,819,575	13,947,672	13,947,672
Additions during the period/year	324,240	2,843,973	79,621
Share of results	68,754	442,375	179,208
Gain on bargain purchase of an associate (note 9a)	775,123	1,355,484	-
Disposals during the period	-	(465,150)	-
Partial disposal during the period	-	(43,632)	-
(Impairment)/reversal of impairment for investment in associates (note 9b)	(770,465)	(392,169)	307,437
Share of foreign currency translation reserve	(40,847)	227,507	-
Other comprehensive income	323,585	1,682	-
Dividend received	-	(81,966)	-
Other adjustments	-	-	(16,201)
Foreign currency translation adjustments	-	(16,201)	53,259
	18,499,965	17,819,575	14,550,996

- a) During the period, the Parent Company has acquired an additional 8.5% equity interest in Majan Development Company – Joint Stock (Closed), for a consideration of KD254,541. The addition has resulted in a net bargain purchase of KD775,123, which has been recorded as part of the share of result of associates during the current period in the interim condensed consolidated statement of profit or loss. Consequently at 31 March 2023, the Group ownership in this associate increased to 29.83%.

Notes to the interim condensed consolidated financial information (continued)

9 Investment in associates (continued)

- b) The carrying value of investment in associates is tested for impairment by estimating the recoverable amount using fair value approach. The fair value calculation uses adjusted net assets values of investees and market observable data which includes price to book value multiples and price to earnings multiples of comparable companies. As a result, during the period, the Parent Company has made impairment provisions aggregating KD770,465 against two of its associates, based on the impairment assessment carried out (31 March 2022: reversal of impairment KD307,437).

10 Share Capital

The authorised, issued and paid up capital of the Parent Company amounts to KD40,649,566 (31 December 2022 and 31 March 2022: KD40,649,566) distributed over 406,495,660 shares (31 December 2022 and 31 March 2022: 406,495,660) with 100 Fils par value.

11 Segment analysis

The Group activities are concentrated in three main segments: Investments and Real Estate and manufacturing. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment. Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

	Investments KD	Real estate KD	Manufacturing KD	Unallocated KD	Total KD
Three months ended 31 March 2023 (Unaudited)					
Segment income	120,935	-	2,067,149	105,525	2,293,609
Segment result	120,935	-	476,611	(623,735)	(26,189)
Total assets	43,189,540	759,063	6,224,220	3,588,291	53,761,114
Total liabilities	-	-	1,092,097	2,505,165	3,597,262
As at 31 December 2022 (Audited)					
Total assets	45,152,324	753,509	6,272,525	1,477,808	53,656,166
Total liabilities	-	-	1,217,455	2,529,093	3,746,548
Net assets	45,152,324	753,509	5,055,070	(1,051,285)	49,909,618
Three months ended 31 March 2022 (Unaudited)					
Segment income	266,023	-	1,555,781	44,909	1,866,713
Segment result	260,808	-	148,518	(331,956)	77,370
Total assets	44,788,983	821,538	1,351,792	4,314,659	51,276,972
Total liabilities	-	-	-	2,206,369	2,206,369

Notes to the interim condensed consolidated financial information (continued)

12 Related party transactions

Related parties represent the associates, major shareholders, directors and key management personnel of the Group, and other related parties and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party transactions are as follows:

	31 March 2023 (Unaudited) KD	31 March 2022 (Unaudited) KD
Balance included in the consolidated statement of finance position:		
Due from related parties (included in accounts receivables and other assets)		
- Dividends distribution from associate	296,288	296,288
- Due from an associate	250,125	194,830
	Three months ended 31 March 2023 (Unaudited) KD	Three months ended 31 March 2022 (Unaudited) KD
Compensation of key management personnel of the Group		
Salaries and other short-term benefits	65,086	50,643
Terminal benefits	11,269	5,172
Consultancy fees paid	9,000	-
	85,355	55,815

Notes to the interim condensed consolidated financial information (continued)

13 Summary of financial assets and liabilities by category and fair value measurement

13.1 Categories of financial assets and liabilities

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 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
At amortised cost:			
• Bank balances and short term deposits	7,274,161	9,162,574	16,869,021
• Accounts receivables and other assets	3,466,813	2,291,111	3,349,751
	10,740,974	11,453,685	20,218,772
Financial assets at fair value through profit or loss:			
• Quoted securities	8,572,108	9,320,257	5,662,836
• Unquoted securities	7,971,135	7,933,396	6,331,968
• Unquoted funds managed by external fund managers	15,132	15,119	38,747
	16,558,375	17,268,772	12,033,551
Financial assets at fair value through other comprehensive income			
• Quoted equity securities	-	320	181,324
• Unquoted equity securities	79,629	813,505	1,013,942
• Unquoted funds managed by external fund managers	777,410	87,578	140,148
	857,039	901,403	1,335,414
Total financial assets	28,156,388	29,623,860	33,587,737
Financial liabilities (at amortised costs) :			
• Other liabilities	2,024,829	2,181,742	2,206,369
• Lease liabilities	1,572,433	1,564,806	-
	3,597,262	3,746,548	2,206,369

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. The Group measures financial instruments such as transaction amount at fair value through profit or loss and financial asset at fair value through other comprehensive income at fair value and measurement details are disclosed in Note 13.2 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

13.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

Notes to the interim condensed consolidated financial information (continued)

13 Summary of financial assets and liabilities by category and fair value measurement (continued)

13.2 Fair value hierarchy for financial instruments measured at fair value (continued)

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

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

The financial assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

31 March 2023	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through profit or loss				
• Quoted securities	8,572,108	-	-	8,572,108
• Unquoted securities	-	-	7,971,135	7,971,135
• Unquoted funds managed by external fund managers	-	-	15,132	15,132
Financial assets at fair value through other comprehensive income				
• Managed funds	-	-	79,629	79,629
• Unquoted equity securities	-	-	777,410	777,410
Total financial assets at fair value	8,572,108	-	8,843,306	17,415,414

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Financial assets at fair value:

Financial assets at fair value through profit or loss				
• Quoted securities	9,320,257	-	-	9,320,257
• Unquoted securities	-	-	7,933,396	7,933,396
• Unquoted funds managed by external fund managers	-	-	15,119	15,119
Financial assets at fair value through other comprehensive income				
• Quoted securities	320	-	-	320
• Unquoted equity securities	-	-	813,505	813,505
• Managed funds	-	-	87,578	87,578
Total financial assets at fair value	9,320,577	-	8,849,598	18,170,175

Notes to the interim condensed consolidated financial information (continued)

13 Summary of financial assets and liabilities by category and fair value measurement (continued)

13.2 Fair value hierarchy for financial instruments measured at fair value (continued)

31 March 2023	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
31 March 2022				
Financial assets at fair value through profit or loss				
• Quoted securities	5,662,836	-	-	5,662,836
• Unquoted securities	-	-	6,331,968	6,331,968
• Unquoted funds managed by external fund managers		-	38,747	38,747
Financial assets at fair value through other comprehensive income				
• Quoted securities	181,324	-	-	181,324
• Unquoted equity securities	-	-	140,148	140,148
• Managed funds	-	-	1,013,942	1,013,942
Total financial assets at fair value	5,844,160	-	7,524,805	13,368,965

The methods and valuation techniques used for measuring fair values are unchanged compared to the previous reporting year/period.

Level 3 Fair value measurements

The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques 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 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	31 March 2022 (Unaudited) KD
Balance at the beginning of the period/year	8,849,598	6,962,203	6,962,203
Net change in fair value recognised in profit or loss	37,751	720,988	555,237
Net change in fair value recognised in other comprehensive income	(44,043)	(110,269)	17,942
Transferred from investment in associate	-	-	-
Addition during the period/year	-	1,276,676	(10,577)
Balance at the end of the period/year	8,843,306	8,849,598	7,524,805

14 Dividend distribution

Subject to the requisite consent of the relevant authorities and approval from general assembly, the Parent Company's Board of Directors propose not to make any distributions (31 December 2021: Nil).

15 Comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net increase in cash and cash equivalents.

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