

Interim condensed consolidated financial information and review report

**Al-Nawadi Holding Company – KSC (Closed)**

**and Subsidiaries**

**Kuwait**

31 March 2017 (Unaudited)

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## Report on review of interim condensed consolidated financial information

To the board of directors of  
Al-Nawadi Holding Company – KSC (Closed)  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Nawadi Holding Company (Kuwaiti Shareholding Company Closed) (the "Parent Company") and its subsidiaries as of 31 March 2017 and the related interim condensed consolidated statements of profit or loss and 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*

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, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, 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 2017 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  
21 May 2017

## Interim condensed consolidated statement of profit or loss and comprehensive income

	Note	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
<b>Income</b>			
Net services income		1,143,784	1,222,577
Cost of services		(501,087)	(472,930)
Gross profit of services		642,697	749,648
Rental income		668,170	636,386
Loss from sale of investment property		-	-
Unrealised (loss)/gain from investments at fair value through statement of Income		35,454	(26,701)
Dividends income		-	5,610
Other income		24,255	2,924
		<b>1,370,576</b>	<b>1,367,867</b>
<b>Expenses and other charges</b>			
General and administrative expenses		(188,582)	(202,671)
Staff costs		(223,282)	(185,551)
Depreciation		(2,341)	(1,521)
Finance costs		(157,504)	(143,751)
		<b>(571,708)</b>	<b>(533,494)</b>
<b>Profit before provisions for contribution to KFAS, NLST, Zakat</b>		<b>798,868</b>	<b>834,373</b>
Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	(7,509)
Provision for contribution to National Labour Support Tax (NLST)		(20,234)	(21,122)
Provision for Zakat		(8,094)	(8,449)
<b>Profit for the period</b>		<b>770,540</b>	<b>797,293</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<b>770,540</b>	<b>797,293</b>
<b>Basic and diluted earnings per share</b>	4	<b>3.85 Fils</b>	<b>4.39 Fils</b>

*The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.*

## Interim condensed consolidated statement of financial position

	Notes	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	3,192,416	335,977	1,991,971
Investments at fair value through statement of income	7	538,059	502,605	415,850
Accounts receivable and other debit balances		2,634,345	1,930,725	2,005,587
Inventories		86,116	85,587	79,576
		<b>6,450,936</b>	<b>2,854,894</b>	<b>4,492,984</b>
<b>Non-current assets</b>				
Goodwill		1,897,335	1,897,335	1,897,335
Property, plant and equipment		798,968	872,830	1,038,692
Properties of health clubs and SPA's	8	46,791,532	45,901,604	41,341,756
		<b>49,487,835</b>	<b>48,671,569</b>	<b>44,277,783</b>
<b>Total assets</b>		<b>55,938,771</b>	<b>51,526,463</b>	<b>48,770,767</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Ijara and Tawarruq contracts facility	9	18,302,880	15,314,306	16,988,306
Accounts payable and other credit balances		4,752,571	4,116,766	3,419,223
		<b>23,055,451</b>	<b>19,431,072</b>	<b>20,407,529</b>
<b>Non-current liabilities</b>				
Provision for staff indemnity		388,454	371,065	316,681
		<b>388,454</b>	<b>371,065</b>	<b>316,681</b>
<b>Total liabilities</b>		<b>23,443,905</b>	<b>19,802,137</b>	<b>20,724,210</b>
<b>Equity</b>				
Share capital		20,001,733	20,001,733	15,183,394
Share premium		100,520	100,520	100,520
Legal reserve		2,084,054	2,084,054	1,623,746
Voluntary reserve		2,084,054	2,084,054	1,623,746
Retained earnings		8,224,505	7,453,965	6,515,151
<b>Total equity</b>		<b>32,494,866</b>	<b>31,724,326</b>	<b>28,046,557</b>
<b>Total liabilities and equity</b>		<b>55,938,771</b>	<b>51,526,463</b>	<b>48,770,767</b>

  
Nawaf Abdulrahman M. Rifae  
Chairman

  
شركة  
النوادي  
Holding Co.

The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.





## Interim condensed consolidated statement of changes in equity

	Share Capital KD	Share premium KD	Legal reserve KD	Voluntary reserve KD	Retained earnings KD	Total KD
Balance as at 1 January 2017	20,001,733	100,520	2,084,054	2,084,054	7,453,965	31,724,326
Profit for the period	-	-	-	-	770,540	770,540
Balance as at 31 March 2017 (Unaudited)	20,001,733	100,520	2,084,054	2,084,054	8,224,505	32,494,866
Balance as at 1 January 2016	18,183,394	100,520	1,623,746	1,623,746	5,717,264	27,249,264
Loss for the period	-	-	-	-	797,293	797,293
Balance as at 31 March 2016 (Unaudited)	18,183,394	100,520	1,623,746	1,623,746	6,515,151	28,046,557

The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2017 (Unaudited) KD	Three months ended 31 March 2016 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		770,540	797,293
<b>Adjustments:</b>			
Depreciation		62,483	83,584
Finance costs		157,504	143,751
Dividend income		-	(5,610)
Provision for staff indemnity		17,953	16,406
		1,008,480	1,035,424
<b>Changes in operating assets and liabilities:</b>			
Investments at fair value through statement of income		(35,454)	26,701
Accounts receivable and other debit balances		(703,620)	(69,562)
Inventories		(529)	(6,318)
Accounts payable and other credit balances		607,477	46,696
Staff indemnity paid		(564)	(2,387)
<b>Net cash from operating activities</b>		<b>904,118</b>	<b>1,030,554</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(17,904)	(57,048)
Net additions to properties of health clubs and SPA's		(889,928)	(606,756)
Net book value of property, plant and equipment disposed of		29,083	-
Paid for acquisition of newly subsidiary		-	(500,000)
Dividend income received		-	5,610
<b>Net cash used in investing activities</b>		<b>(878,749)</b>	<b>(1,158,194)</b>
<b>FINANCING ACTIVITIES</b>			
Net change in ijara and Tawarruq contracts facilities		2,988,574	(91,695)
Finance costs paid		(157,504)	(143,751)
<b>Net cash from/(used in) financing activities</b>		<b>2,831,070</b>	<b>(235,446)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>2,856,439</b>	<b>(383,086)</b>
Cash and cash equivalents at beginning of the period	6	335,977	2,355,057
<b>Cash and cash equivalents at end of the period</b>	6	<b>3,192,416</b>	<b>1,991,971</b>

The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.

## Notes to the interim condensed consolidated financial information

### 1 Incorporation of the parent company and its activities

The company was incorporated on 28 September 2004 in the name of Al-Thuraya International Holding Company - KSC (Closed). On 30 April 2006 the company's name was changed from Al-Thuraya International Holding Company - KSC (Closed) to Al-Nawadi Holding Company - KPSC. The Company's shares were listed in the Kuwait Stock Exchange on 31 May 2010 and was withdrawn their shares from Stock Exchange on 10 May 2016 and the parent company's shares are no longer traded on the Kuwait Stock Exchange. On 19 July 2016 the Company's Memorandum of Association and license was amended from Al-Nawadi Holding Company - KPSC to Al-Nawadi Holding Company - KSC (Closed).

Objectives of the parent company:

- Acquire shares in Kuwaiti or non-Kuwaiti companies and participate in the establishment of these companies.
- Participate in the management of the companies in which it has shares.
- Lend the companies in which it has shares and sponsor same with others.
- Acquire movables and real estate properties necessary to practice its activity within the limits permitted by the law.
- Acquire the industrial ownership rights such as patents, industrial trade marks, industrial fees or any other related rights and rent out them to other companies to utilize same inside or outside Kuwait.
- Utilize the financial surpluses available with the company by investing same in financial and real estate portfolios managed by specialized companies.

The address of the parent company is: P. O. Box 34107, Al-Adailiya 73252 - State of Kuwait.

The new Companies Law No. 1 of 2017 was issued on 24 January 2017 and published in the Official Gazette on 1 February 2017 in which they have cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012 and the executive regulations of Law No. 25 of 2012 will remain effective pending the issuance of the new Executive Regulations.

This interim condensed consolidated financial information for the three-month period ended 31 March 2017 was authorised for issue by the parent company's board of directors on 21 May 2017

### 2 Basis of presentation

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements of the group for the year ended 31 December 2016 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional currency of the group.

This 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 management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.



## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of presentation (continued)

Operating results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2016.

#### Basis of consolidation

The consolidated financial information includes the financial information of the parent company and its subsidiaries for the three-months period ended 31 March 2017 (Note 5). All material balances, transactions, realized and unrealized profits between companies are eliminated upon consolidation.

### 3 Significant accounting policies

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

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

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments	1 January 2017
IAS 1 Disclosure Initiative – Amendments	1 January 2017
IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments	1 January 2017
IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments	1 January 2017
IAS 27 Equity Method in Separate Financial Statements - Amendments	1 January 2017
IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – Amendments	1 January 2017
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2017

### 4 Basic and diluted earnings per share

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

	Three months ended 31 March 2017 (Unaudited)	Three months ended 31 March 2016 (Unaudited)
Profit for the period (KD)	770,540	797,293
Weighted average number of shares outstanding during the period (share)	200,017,330	181,833,940
<b>Basic and diluted earnings per share (Fils)</b>	<b>3.85</b>	<b>4.39</b>

## Notes to the interim condensed consolidated financial information (continued)

### 5 Subsidiary companies

The details of the consolidated subsidiaries which are incorporated in the State of Kuwait are as follows:

Name of company	Ownership %			Purpose
	31 March 2017 (Unaudited)	31 Dec. 2016 (Audited)	31 Marc 2016 (Unaudited)	
Al-Shyma for Medical Management and Care Co. – WLL	99	99	99	Preparing hospitals, clinic and medical laboratory, Presenting food meals
Platinum General Trading Co. – WLL	99	99	99	General trading
The Triple General Trading and Contracting Co. – WLL	99	99	99	General trading and contracting
Platinum sport for artistic production Co. –WLL	100	100	100	Artistic production – advertising
Platinum Kuwait for general contracting for building Co. – WLL	100	100	100	Building maintenance

### 6 Cash and cash equivalents

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Cash and bank balances	3,172,916	316,477	972,275
Term deposits (maturing within 3 months)	19,500	316,477	1,019,696
Cash and cash equivalents	3,192,416	335,977	1,991,971

### 7 Investments at fair value through statement of income

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Investments in quoted shares	382,190	324,443	278,681
Investments in unquoted shares	1,904	27,479	1,819
Investment funds	153,965	150,683	135,350
	538,059	502,605	415,850

### 8 Properties of health clubs and SPA's

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Fair value at the beginning of the period/year	45,901,604	40,735,000	40,735,000
Net additions during the period/year	889,928	5,193,492	606,756
Disposals during the period (sale of investment property) -	-	(405,000)	-
Change in fair value	-	378,112	-
Fair value at the end of the period/year	46,791,532	45,901,604	41,341,756

## Notes to the interim condensed consolidated financial information (continued)

### 8 Properties of health clubs and SPA's (continued)

The breakup of properties of health clubs and SPA's is as follows:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
<b>Completed properties of health clubs &amp; SPA's</b>			
Property of Platinum Health Institute – Mahboula	5,165,000	5,165,000	5,100,000
Property of Platinum Health Institute - Kifan	3,250,000	3,250,000	3,250,000
Property of 21C – Free Trade Zone	-	-	405,000
Property of Platinum Health Institute – Messilah - below (b)	10,002,000	9,952,000	9,922,442
Miral Commercial Tower – Al-Manqaf Sea area (Right of use)	4,480,000	4,480,000	4,337,015
Farwaniya properties – below (b) (c)	1,617,000	1,600,000	-
Commercial Tower – Salmiya – below (b)	6,531,500	6,490,000	6,364,570
<b>Total completed properties of health clubs &amp; SPA's</b>	<b>31,045,500</b>	<b>30,937,000</b>	<b>29,379,027</b>
<b>Properties of health clubs &amp; SPA's under construction</b>			
Al-Abdali land	56,161	-	-
Levels tower – Al-Salmiya (Marina) – below (a) (c)	14,924,661	14,290,000	11,962,729
Property of Sbah AL-Salem Health Institute	765,210	674,604	-
<b>Total properties of health clubs &amp; SPA's under construction</b>	<b>15,746,032</b>	<b>14,964,604</b>	<b>11,962,729</b>
<b>Total properties of health clubs &amp; SPA's</b>	<b>46,791,532</b>	<b>45,901,604</b>	<b>41,341,756</b>

- a) During 2015 the group started an investment project in the free hold land (Levels tower Salmiya - Marina) to build a commercial complex. The Free hold land and building valued at KD 11,440,000 was transferred to properties of health clubs & SPA's under construction.
- b) During the period the group starts work on expansion for property of Platinum Health Institute in Messilah area, property of commercial tower Salmiya and property of Farwaniya.
- c) During the period the group was mortgage a real estate valued of KD 16,541,661 against a Tawarruq contract from a local Islamic bank. Note (9.3).

### 9 Ijara and Tawarruq contracts facility

9.1 During the year 2016 the group rescheduled and reclassified its bank facilities granted by local Islamic bank as follows:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Ijara contracts facility – (9.2)	-	15,314,306	16,988,306
Tawarruq contracts facility – (9.3)	18,302,880	-	-
	<b>18,302,880</b>	<b>15,314,306</b>	<b>16,988,306</b>



## Notes to the interim condensed consolidated financial information (continued)

### 9 Ijara and Tawarruq contracts facility (continued)

#### 9.2 Ijara contracts facility

The movement on Ijara contracts facility during the period appear as follows:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Total Ijara contracts facility before combination	15,314,306	8,717,014	9,380,761
Transferred from Tawarruq contract facility resulting from combination	-	7,932,878	7,932,878
<b>Total Ijara contracts facility</b>	<b>15,314,306</b>	<b>16,649,892</b>	<b>17,313,639</b>
Less: Paid instalments	(263,054)	(1,488,000)	(188,700)
Less: Deferred finance costs	(108,946)	(152,414)	(136,633)
Less: Remaining payment of contract	14,942,306	-	-
<b>Net facilities at the end of the period / year</b>	<b>-</b>	<b>(152,414)</b>	<b>16,988,306</b>

On 27 March 2017 the Ijara contract was fully paid by new Tawarruq contract. Note (9.3)

On 14 March 2016 the group has merged Ijara and Tawarruq contracts to one contract and renewed it with amount of KD16,988,306 due in 12 equal monthly installments amounting to KD186,000 each starting on 14 April 2017 and the last installment amounting of KD14,942,306 matures on 14 March 2017 and It is renewable.

Ijara contracts facilities carry profit rates ranging between 3.8% - 4% per annum, Ijara contracts mature within one year and its all appear in current liabilities during the period.

#### 9.3 Tawarruq contracts facility

The movement on Tawarruq contracts facility during the year appear as follows:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Tawarruq (a)	15,690,380	8,362,987	8,362,987
Tawarruq (b)	2,612,500	-	-
<b>Total Tawarruq contracts facility</b>	<b>18,302,880</b>	<b>8,362,987</b>	<b>8,362,987</b>
Less: Paid instalments	-	(273,423)	(273,423)
Less: Deferred finance costs	-	(156,686)	(156,686)
Transferred to Ijara contract resulting from combination – (9.2)	-	(7,932,878)	(7,932,878)
<b>Net Tawarruq contract facility at the end of the period</b>	<b>18,302,880</b>	<b>-</b>	<b>-</b>

- On 27 March 2017 the Ijara contract was fully paid - note (9.1), by new Tawarruq contract amounting to KD15,690,380 in equal monthly instalments of 12 instalments in the amount of KD186,000 per premium, commencing on 20 April 2017 and the last instalment of KD13,644,380 is due on 20 March 2018. It is renewable.
- On March 27, 2017 an additional Tawarruq contract amount of KD2,612,500 will pay for quarterly instalments of KD28,125, beginning on 27 June 2017 and the last instalment of KD2,528,125 due on 27 March 2018 and they can renewable the contract.

Tawarruq contracts facilities carry profit rates ranging 4.5% per annum, Tawarruq contracts mature within one year and its all appear in current liabilities during the period.



## Notes to the interim condensed consolidated financial information (continued)

### 10 Annual general assembly

The Annual General Assembly for the year ended 31 December 2016 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the financial statements for the year ended 31 December 2016 have not yet been approved. The interim condensed financial information for the three-month period ended 31 March 2017 does not include any adjustments, which might have been required, had the General Assembly not approved the financial statements for the year ended 31 December 2016.

The ordinary general assembly of shareholders held on 24 May 2016 approved the financial statements for the year ended 31 December 2015 and the directors' proposal to distribute bonus shares at the rate of 10% of the paid-up share capital, equivalent to KD1,818,339.

### 11 Related party transactions

These represent transactions with certain related parties (directors and executive officers of the group and their related concerns) entered into by the group in the ordinary course of business and they appear as follows:

	31 March 2017 (Unaudited) KD	31 Dec. 2016 (Audited) KD	31 March 2016 (Unaudited) KD
Key management compensation			
Salaries and other short term benefits	52,659	186,635	43,659
Employee end of service benefits	4,288	11,000	2,750
	<b>56,947</b>	<b>197,635</b>	<b>46,409</b>

### 12 Segmental information

The group activities are concentrated in three main segments: services, investments and real estate. The segments' results are reported to the higher management in the group. The segments results, assets and liabilities are not reported based on the geographic locations as all the assets and liabilities are within the State of Kuwait.

The following is the segments information, which conforms to the internal reporting presented to management:

	Three month-period ended 31 March 2017 (Unaudited)				
	Services	Investments	Real estate	Unallocated	Total
	KD	KD	KD	KD	KD
Gross income/(loss)	642,697	35,521	668,170	24,188	1,370,576
Expenses and other charges	(383,127)	-	-	(216,910)	(600,036)
<b>Profit/(loss) for the period</b>	<b>259,571</b>	<b>35,521</b>	<b>668,170</b>	<b>(179,678)</b>	<b>770,540</b>
Assets	53,479,577	557,559	56,161	1,897,335	55,934,471
Liabilities	(23,027,128)	-	-	(388,454)	(23,415,577)
<b>Net assets</b>	<b>30,452,449</b>	<b>557,559</b>	<b>56,161</b>	<b>1,508,881</b>	<b>32,518,894</b>

## Notes to the interim condensed consolidated financial information (continued)

### 12 Segmental information (continued)

	Three month-period ended 31 March 2016 (Unaudited)				
	Services KD	Investments KD	Real estate KD	Unallocated KD	Total KD
Gross income	749,648	(17,320)	636,386	(847)	1,367,867
Expenses and other charges	(330,823)	-	-	(239,751)	(570,573)
<b>Profit/(loss) for the period</b>	<b>418,825</b>	<b>(17,320)</b>	<b>636,386</b>	<b>(240,598)</b>	<b>797,293</b>
Assets	45,029,486	1,435,546	405,000	1,897,335	48,767,367
Liabilities	(20,407,29)	-	-	(316,681)	(20,724,210)
<b>Net assets</b>	<b>24,621,957</b>	<b>1,435,546</b>	<b>405,000</b>	<b>1,580,654</b>	<b>28,043,157</b>

### 13 Summary 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 are as follows:

	31 March 2017 (Unaudited)		31 March 2016 (Unaudited)	
	Nominal amount KD	Fair Value KD	Nominal amount KD	Fair value KD
Cash and cash equivalents	3,192,416	-	1,991,971	-
Investments at fair value through statement of income	-	538,059	-	415,850
Accounts receivable and other debit balances	2,634,345	-	2,005,587	-
Due on sale of investment property	-	-	-	-
	<b>5,826,761</b>	<b>538,059</b>	<b>3,977,558</b>	<b>415,850</b>
Ijara and Tawarraq payables	18,302,880	-	16,986,306	-
Accounts payable and credit balances	4,762,571	-	3,419,223	-
	<b>23,055,451</b>	<b>-</b>	<b>20,407,529</b>	<b>-</b>

The fair value represents the amount through which asset can be exchange or liability settled as is customary. In the opinion of the group's management the carrying values of financial assets and liabilities as at 31 March 2017 approximate their fair values.

### 14 Fair value measurement

#### Fair Value hierarchy for financial instruments measured at fair value

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.

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. 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 the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the interim condensed consolidated financial information (continued)

### 14 Fair value measurement (continued)

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

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

#### 31 March 2017 (Unaudited)

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>Assets at fair value</b>					
<i>Investments at fair value through statement of income:</i>					
Local quoted shares	a	382,190	-	-	382,190
Local unquoted shares	b	-	-	153,965	153,965
Investment funds	c	-	1,904	-	1,904
		382,190	1,904	153,965	538,059

#### 31 March 2016 (Unaudited)

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>Assets at fair value</b>					
<i>Investments at fair value through statement of income:</i>					
Local quoted shares	a	278,681	-	-	278,681
Local unquoted shares	b	-	-	1,819	1,819
Investment funds	c	-	135,350	-	135,350
		278,681	135,350	1,819	415,850

There have been no 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 shares

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 shares

The financial statements include investments in unlisted securities which are measured at fair value. Fair value is estimated using last traded prices for those investments.

#### c) Investment funds

The underlying investments in investment funds primarily comprise of portfolio investments where fair values have been determined by reference the net assets values reported by fund managers.



## Notes to the interim condensed consolidated financial information (continued)

### **15 Financial risk management**

All aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

### **16 Capital commitments**

Capital commitments as at the interim condensed consolidated statement of financial position date amounted to KD5,920,348 (31 December 2016 amounted to KD5,234,181 and 31 March 2016 amounted to KD1,442,955) represent the amounts resulted from the properties under construction.