

Interim condensed consolidated financial information and review report

Al-Deera Holding Company – KPSC and Subsidiaries

Kuwait

31 March 2019 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Al-Deera Holding Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Deera Holding Company - KPSC (“the Parent Company”) and its subsidiaries (“the Group”) as of 31 March 2019 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with 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, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2019 that might have had a material effect on the business or financial position of the Parent Company.

Anwar Y. Al-Qatami, F.C.C.A.
(Licence No. 50-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
15 May 2019

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
Revenue			
Change in fair value of investments at fair value through profit or loss		(132)	(1,486)
Gain on sale of investments at fair value through profit or loss		1,101	91
Share of results of associates	6	416,002	143,278
Interest and other income		106,380	70
		523,351	141,953
Expenses and other charges			
Staff costs		(34,011)	(34,978)
General, administrative and other expenses		(54,133)	(57,420)
Finance costs		(116,986)	(125,372)
		(205,130)	(217,770)
Profit / (loss) for the period		318,221	(75,817)
Attributable to:			
Shareholders of the Parent Company		318,811	(75,789)
Non-controlling interests		(590)	(28)
		318,221	(75,817)
Basic and diluted profit / (loss) per share attributable to the shareholders of the Parent Company	5	1.62 Fils	(0.38) Fils

The notes set out on pages 7 to 16 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 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
Profit / (loss) for the period	318,221	(75,817)
Other comprehensive loss:		
<i>Items that will be reclassified subsequently to consolidated statement of profit or loss:</i>		
Share of other comprehensive loss of associates (note 6)	(583,693)	(1,532,201)
Total other comprehensive loss that will be reclassified to consolidated statement of profit or loss in subsequent periods	(583,693)	(1,532,201)
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>		
<i>Equity investments at fair value through other comprehensive income</i>		
- Net change in fair value arising during the period (note 7)	(310,862)	(238,937)
Total other comprehensive loss that will not be reclassified to consolidated statement of profit or loss in subsequent periods	(310,862)	(238,937)
Total other comprehensive loss	(894,555)	(1,771,138)
Total comprehensive loss for the period	(576,334)	(1,846,955)
Attributable to:		
Shareholders of the Parent Company	(575,744)	(1,846,927)
Non-controlling interests	(590)	(28)
	(576,334)	(1,846,955)

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		12	12	12
Investment in associates	6	18,158,119	18,325,810	18,853,249
Investments at fair value through other comprehensive income	7	2,622,452	2,933,314	3,455,367
		20,780,583	21,259,136	22,308,628
Current assets				
Receivables and other assets – current portion		503,637	510,099	1,154,085
Investments at fair value through profit or loss		9,738	8,769	11,552
Balances with banks and other financial institutions		112,140	94,740	88,444
		625,515	613,608	1,254,081
Total assets		21,406,098	21,872,744	23,562,709
Equity and liabilities				
Equity				
Share capital		19,737,880	19,737,880	19,737,880
Other components of equity	8	(982,845)	(68,077)	106,390
Accumulated losses		(12,768,360)	(13,107,384)	(12,790,814)
Total equity attributable to the shareholders of the Parent Company		5,986,675	6,562,419	7,053,456
Non-controlling interests		331,337	331,927	364,857
Total equity		6,318,012	6,894,346	7,418,313
Liabilities				
Non-current liabilities				
Payables and other liabilities – non-current portion		10,162,645	10,172,338	11,291,135
Provision for employees' end of service benefits		142,365	137,866	284,069
		10,305,010	10,310,204	11,575,204
Current liabilities				
Payables and other liabilities – current portion		4,783,076	4,668,194	4,569,192
Total liabilities		15,088,086	14,978,398	16,144,396
Total equity and liabilities		21,406,098	21,872,744	23,562,709


Talal Bader Al-Bahar
Chairman

The notes set out on pages 7 to 16 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	Other components of equity (note 8) KD	Accumulated losses KD	Sub – total KD		
Balance at 31 December 2018 (Audited)	19,737,880	(68,077)	(13,107,384)	6,562,419	331,927	6,894,346
Profit for the period	-	-	318,811	318,811	(590)	318,221
Other comprehensive loss	-	(894,555)	-	(894,555)	-	(894,555)
Total comprehensive (loss) / income for the period	-	(894,555)	318,811	(575,744)	(590)	(576,334)
Realised profit on equity investments at FVOCI owned by the group	-	(852)	852	-	-	-
Share of realised profit on equity investments at FVOCI owned by an associate	-	(19,361)	19,361	-	-	-
Balance at 31 March 2019 (Unaudited)	19,737,880	(982,845)	(12,768,360)	5,986,675	331,337	6,318,012

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the parent company				Non-controlling interests		Total
	Share capital KD	Other components of equity (note 8) KD	Accumulated losses KD	Sub – total KD	KD	KD	
Balance at 31 December 2017 (Audited)	19,737,880	1,937,594	(10,975,063)	10,700,391	364,885	11,065,276	
Adjustments arising on adoption of IFRS 9 on 1 January 2018	-	-	(1,800,008)	(1,800,008)	-	(1,800,008)	
Share of adjustments arising on adoption of IFRS 9 on 1 January 2018 by an associate	-	(60,066)	60,066	-	-	-	
Balance as at 1 January 2018 (Restated)	19,737,880	1,877,528	(12,715,025)	8,900,383	364,885	9,265,268	
Loss for the period	-	-	(75,789)	(75,789)	(28)	(75,817)	
Other comprehensive loss for the period	-	(1,771,138)	-	(1,771,138)	-	(1,771,138)	
Total comprehensive loss for the period	-	(1,771,138)	(75,789)	(1,846,927)	(28)	(1,846,955)	
Balance at 31 March 2018 (Unaudited)	19,737,880	106,390	(12,790,814)	7,053,455	364,857	7,418,313	

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
OPERATING ACTIVITIES		
Profit / (loss) for the period	318,221	(75,817)
Adjustments:		
Interest and other income	(106,380)	(70)
Provision for employees' end of service benefits	4,499	9,476
Share of results of associates	(416,002)	(143,278)
Finance costs	116,986	125,372
	(82,676)	(84,317)
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	(969)	1,141
Receivables and other assets	6,462	(165,606)
Payables and other liabilities	(11,797)	251,296
Net cash (used in) / from operating activities	(88,980)	2,514
INVESTING ACTIVITIES		
Interest income received	-	70
Dividend income received	106,380	-
Net cash from investing activities	106,380	70
Net increase in cash and cash equivalents	17,400	2,584
Cash and cash equivalents at beginning of the period	94,740	85,860
Cash and cash equivalents at end of the period	112,140	88,444

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Al Deera Holding Company (“the Parent Company”) was established on 18 February 1998 as a Kuwaiti limited liability company. On 8 September 2005, the legal status of the Company was changed from a limited liability Company to a Kuwaiti public shareholding Company.

The extraordinary general assembly held on 26 June 2015 approved the amendment of the Parent Company’s objectives to become 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.

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 Parent Company’s shares are listed on Kuwait Stock Exchange. The group comprises the Parent Company and its subsidiaries.

The address of the Parent Company's registered offices is PO. Box 4839, Safat 13049 – Kuwait.

The interim condensed consolidated financial information of the group for the three-month period ended 31 March 2019 was authorized for issue by the directors of the Parent Company on 15 May 2019.

2 Basis of presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2019 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 financial statements of the Group for the year ended 31 December 2018, except for the changes described in note 3.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional currency of the Group.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

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.

Operating results for the three-month period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019. For further details, refer to the financial statements and its disclosures for the year ended 31 December 2018.

3 Changes in accounting policies

3.1 New and amended standards adopted by the group

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2019 which have been adopted by the group. Information on these new standards is presented below:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 16 Leases	1 January 2019
IAS 28 – Amendments	1 January 2019

IFRS 16 Leases

IFRS 16 replaced IAS 17 and the related Interpretations. IFRS 16 introduced new and amended requirements with respect to accounting for leases. As a result, lessee accounting is now significantly different and removes distinction between finance and operating leases. It now requires recognition of a right-of-use asset and lease liability at commencement date for all leases, except for short term leases and low value leases. However, the accounting by lessor has largely remained unchanged.

The adoption of this standard did not have a significant impact on this interim condensed consolidated financial information.

IAS 28 – Amendments

The amendments to IAS 28 clarify that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The adoption of these amendments did not result in any significant impact on the Group's financial statements.

3.2 IASB Standards issued but not yet effective

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

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

Notes to the interim condensed consolidated financial information (continued)

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 financial statements as at and for the year ended 31 December 2018 except for the changes arising from applying IFRS 16 as noted in 3 above. These include identification of whether a contract contains a lease, determine reasonable certainty of extension or termination of a lease, classification of leases, determining whether variable payments are in-substance fixed, establishing whether there are multiple leases in a single contract, determination of appropriate discount rate, and assessment of impairment

5 Basic and diluted earnings/(loss) per share attributable to the shareholders of the Parent Company

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

The Parent Company had no outstanding dilutive potential shares.

	Three months ended 31 March 2019 (Unaudited)	Three months ended 31 March 2018 (Unaudited)
Profit / (loss) for the period attributable to the shareholders of the parent company (KD)	318,811	(75,789)
Weighted average number of shares outstanding during the period (shares)	197,378,800	197,378,800
Basic and diluted profit / (loss) per share attributable to the shareholders of the parent company	1.62 Fils	(0.38) Fils

6 Investment in associates

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

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Balance at beginning of the period/year	18,325,810	20,242,172	20,242,172
Share of results	416,002	461,047	143,278
Share of other comprehensive loss of the associates	(583,693)	(1,948,949)	(1,532,201)
Share of adjustments arising on adoption of IFRS 9 on 1 January 2018 of an associate	-	(349,921)	-
Effect of the change in ownership percentage for a subsidiary of an associate	-	(78,539)	-
	18,158,119	18,325,810	18,853,249

- Investment in associates amounting to KD4,237,100 (31 December 2018: KD4,090,993 and 31 March 2018: KD1,396,670) is pledged against balances due to related parties (note 10).

Notes to the interim condensed consolidated financial information (continued)

7 Investments at fair value through other comprehensive income

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Investment portfolios	1,877,115	2,187,977	253,459
Quoted investments	-	-	1,357,244
Equity contributions	745,337	745,337	1,844,664
	2,622,452	2,933,314	3,455,367

Investments at fair value through other comprehensive income with a carrying value of KD1,877,115 (31 December 2018: KD2,025,701 and 31 March 2018: KD189,032) are pledged as security against balances due to related parties (note 10).

The change in fair value for the investments above amounted to a decline of KD310,862 for the period (31 December 2018: decline of 81,120 and 31 March 2018: decline of KD238,937)

8 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Total KD
Balance at 31 December 2018 (Audited)	(90,873)	22,796	(68,077)
Share of other comprehensive (loss) / profit of associates	(600,177)	16,484	(583,693)
Equity investments at fair value through other comprehensive income: - Net change in fair value arising during the period	(310,862)	-	(310,862)
Total other comprehensive (loss) / profit	(911,039)	16,484	(894,555)
Realised profit on equity investments at FVOCI owned by the group	(852)	-	(852)
Share of realised loss on equity investment at FVOCI owned by an associate	(19,361)	-	(19,361)
Balance at 31 March 2019 (Unaudited)	(1,022,125)	39,280	(982,845)
Balance at 31 December 2017 (Audited)	1,932,439	5,155	1,937,594
Adjustments arising on adoption of IFRS 9 on 1 January 2018 by an associate	(60,066)	-	(60,066)
Balance at 1 January 2018 (Restated)	1,872,373	5,155	1,877,528
Share of other comprehensive loss of associates	(1,510,673)	(21,528)	(1,532,201)
Equity investments at fair value through other comprehensive income: - Net change in fair value arising during the period	(238,937)	-	(238,937)
Total other comprehensive loss	(1,749,610)	(21,528)	(1,771,138)
Balance at 31 March 2018 (Unaudited)	122,763	(16,373)	106,390

Notes to the interim condensed consolidated financial information (continued)

9 Annual general assembly

The annual general assembly for the year ended in 31 December 2018 was not held until the date of approval of these interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended in 31 December 2018 were not approved yet. The interim condensed consolidated financial information for the three-month period ended 31 March 2019 do not include any adjustments that would be required in case the general assembly did not approve the consolidated financial statements for the year ended in 31 December 2018. The Parent Company's board of directors did not suggest to distribute any dividends for the year ended 31 December 2018.

10 Related party balances and transactions

Related parties represent major shareholders, subsidiaries and associates, directors and key management personnel of the group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the group's management. Transactions between the Parent company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

Details of significant related party balances and transactions are as follows:

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Due from related parties- net of provision (included in receivables and other assets)	42,652	42,117	677,012
Due from associates – net of provision (included in receivables and other assets)	1,015	1,015	1,015
Due to related parties – (included in payables and other liabilities)	12,528,140	12,362,650	12,931,798

Due to related parties include balances amounting to KD1,478,371 (31 December 2018: KD1,478,371 and 31 March 2018: KD1,478,371) which carry interest rate of 5 % (31 December 2018: 5% and 31 March 2018:5%) per annum are secured against investment in associates (note 6) and investments at fair value through other comprehensive income (note 7).

Due to related parties include balances amounting to KD 359,469 (31 December 2018: KD747,274 and 31 March 2018: KD954,308) which carry interest rate of Nil (31 December 2018: 4.5% to 4.75% and 31 March 2018: 5.25% to 5. 5%) and are secured against 5% of the share capital of Al-Deera International Communication Company: a subsidiary to the group.

Due to related parties includes a balance of KD5,633,702(31 December 2018: KD 5,633,702 and 31 March 2018: KD5,633,702) which carries interest rate of 7% (31 December 2018: 7% and 31 March 2018: 7%) and is secured against investment in associates (note 6), investments at fair value through other comprehensive income (note 7) and investments at fair value through profit or loss.

Notes to the interim condensed consolidated financial information (continued)

10 Related party balances and transactions (continued)

	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
Interim condensed consolidated statement of profit or loss:		
Advisory fees	24,000	40,250
Finance costs (other related parties)	116,986	125,372
Compensation of key management personnel:		
Salaries and other short term benefits	28,574	24,304
End of service benefits	3,206	2,930
	31,780	27,234

11 Segmental information

The group operates in one sector which is "investments". Most of the group's assets and operations are located inside Kuwait.

	Investments	
	31 March 2019 (Unaudited) KD	31 March 2018 (Unaudited) KD
Three months ended: Segment revenue	523,351	141,953
Profit/(loss) for the period	318,221	(75,817)
Total assets	21,406,098	23,562,709
Total liabilities	15,088,086	16,144,396

12 Fair value measurement

12.1 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 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: 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 (i.e. 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.

Notes to the interim condensed consolidated financial information (continued)

12 Fair value measurement (continued)

12.1 Fair value hierarchy (continued)

The financial assets 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:

31 March 2019 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss				
<i>Designated on initial recognition</i>				
Investment portfolios	9,738	-	-	9,738
Investments at fair value through other comprehensive income				
Investment portfolios	1,877,115	-	-	1,877,115
Equity participations	-	-	745,337	745,337
	1,886,853	-	745,337	2,632,190

31 December 2018 (Audited)

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss					
<i>Designated on initial recognition</i>					
Investment portfolios	b	8,769	-	-	8,769
Investments at FVTOCI					
Investment portfolios	b	2,187,977	-	-	2,187,977
Equity participations	c	-	-	745,337	745,337
Net fair value		2,196,746	-	745,337	2,942,083

31 March 2018 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through profit or loss				
<i>Designated on initial recognition</i>				
Investment portfolios	11,552	-	-	11,552
Investments at fair value through other comprehensive income				
Investment portfolios	253,459	-	-	253,459
Quoted investments	1,357,244	-	-	1,357,244
Equity participations	-	623,740	1,220,924	1,844,664
	1,622,255	623,740	1,220,924	3,466,919

There have been no transfers between levels 1 and 2 during the reporting period.

Notes to the interim condensed consolidated financial information (continued)

12 Fair value measurement (continued)

12.1 Fair value hierarchy (continued)

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Level 3 fair value measurements

The group's measurement of 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:

	(Unquoted securities)		
	(Investments at fair value through OCI) 31 March 2019 (Unaudited) KD	(Investments at fair value through OCI) 31 Dec. 2018 (Audited) KD	(Investments at fair value through OCI) 31 March 2018 (Unaudited) KD
Opening balance at the beginning of the period/year	745,337	1,177,625	1,177,625
Transfer during the period	-	43,299	43,299
Transferred to level 1 during the year	-	(404,856)	-
Disposals during the year	-	(47,375)	-
Change in fair value during the year	-	(23,286)	-
Closing balance at the end of period/year	745,337	745,337	1,220,924

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below:

The fair value of financial instruments that are not traded in an active market (e.g. local unquoted securities) is determined by using valuation techniques. Fair value for the underlying unquoted securities investments are approximately the summation of the estimated value of underlying investments as if realised on the reporting date.

The investment managers in determining the fair value of these investments use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Investment managers use techniques such as discounted cash flow analysis, recent transactions prices and market multiples to determine fair value.

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income, total assets, total liabilities or total equity.

Notes to the interim condensed consolidated financial information (continued)

12 Fair value measurement (continued)

12.2 Fair value measurement of financial instruments (continued)

Level 3 fair value measurements (continued)

The impact on interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

13 Financial risk management

All aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2018.