

**Interim Condensed Consolidated  
Financial Information and Review Report  
Gulf North Africa 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  
Gulf North Africa Holding Company – KPSC  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf North Africa Holding Company (Kuwaiti Public Shareholding Company) (the "Parent Company") and its subsidiaries (collectively the "Group") as of 31 March 2019 and the interim condensed consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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*

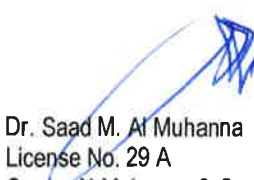
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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, 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 2019 that might have had a material effect on the business or financial position of the Parent Company.



Dr. Saad M. Al Muhanna  
License No. 29 A  
Crowe Al-Muhanna & Co.

Kuwait  
21 April 2019

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Financial Position as at**  
**31 March 2019 (Unaudited)**

	Notes	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	5,465,714	5,518,859	13,136
Intangible assets		600,694	611,111	-
Goodwill		535,850	535,850	-
Investment properties	7	6,414,947	5,564,307	7,107,990
Properties under development	8	1,752,050	2,806,428	9,253,877
Financial assets at fair value through other comprehensive income		1,113,231	1,715,267	3,033,712
Investment in associates	9	840,878	624,057	836,396
Advance for purchase of investment property		365,153	365,153	364,178
		<u>17,088,517</u>	<u>17,741,032</u>	<u>20,609,289</u>
<b>Current assets</b>				
Non-current assets held for sale	10	-	5,860,000	-
Accounts receivable and other assets	11	769,222	75,862	125,468
Financial assets at fair value through profit or loss		2,988	2,988	593,886
Cash and cash equivalents	12	1,800,554	648,452	366,036
		<u>2,572,764</u>	<u>6,587,302</u>	<u>1,085,390</u>
<b>Total assets</b>		<u>19,661,281</u>	<u>24,328,334</u>	<u>21,694,679</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		15,000,000	15,000,000	15,000,000
Treasury shares		-	-	(337,694)
Statutory reserve		751,821	751,821	751,821
Voluntary reserve		751,821	751,821	751,821
Foreign currency translation reserve		1,435,522	1,430,734	1,416,901
Fair value reserve		(1,166,163)	(1,811,770)	(1,013,325)
Accumulated losses		(6,381,733)	(5,845,874)	(3,061,276)
Total equity attributable to the owners of the parent company		<u>10,391,268</u>	<u>10,276,732</u>	<u>13,508,248</u>
Non-controlling interests		5,206,052	6,109,851	4,261,081
<b>Total equity</b>		<u>15,597,320</u>	<u>16,386,583</u>	<u>17,769,329</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	13	1,295,750	1,425,250	-
Ijara financing		-	-	1,512,081
Provision for employees' end of service benefits		105,593	97,260	78,748
		<u>1,401,343</u>	<u>1,522,510</u>	<u>1,590,829</u>
<b>Current liabilities</b>				
Liabilities related to non-current assets held for sale	10	-	3,556,131	-
Borrowings – current portion	13	1,518,250	1,518,249	-
Current portion of ijara financing		-	-	2,111,265
Accounts payable and other liabilities	14	1,144,368	1,344,861	223,256
		<u>2,662,618</u>	<u>6,419,241</u>	<u>2,334,521</u>
<b>Total liabilities</b>		<u>4,063,961</u>	<u>7,941,751</u>	<u>3,925,350</u>
<b>Total equity and liabilities</b>		<u>19,661,281</u>	<u>24,328,334</u>	<u>21,694,679</u>

  
 Saleh M K H Alroomi  
 Chairman

  
 Hamad Q S Alduwairi  
 Vice Chairman

The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Profit or Loss for the period ended 31**  
**March 2019 (Unaudited)**

	Notes	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
<b>Continuing operations</b>			
<b>Revenue</b>			
Tuition fees and related income		431,768	-
Management fees		17,500	2,417
Change in fair value of investment properties		109,891	-
Gain on sale of financial assets at fair value through profit or loss		-	4,081
Change in fair value of financial assets at fair value through profit or loss		-	4,288
Share of results of associate		(2,636)	2,251
Dividend income		10,079	7,588
Foreign exchange gain/(loss)		2,999	(5,931)
Other income		8,762	393
		<u>578,363</u>	<u>15,087</u>
<b>Expenses and other charges</b>			
Staff costs – related to tuition fees and related income		(173,750)	-
General and administrative expenses		(134,689)	(92,801)
Depreciation		(111,731)	(1,129)
Amortisation of intangible assets		(10,417)	-
Finance costs		(34,623)	-
		<u>(465,210)</u>	<u>(93,930)</u>
<b>Profit for the year continuing operation</b>		<b>113,153</b>	<b>(78,843)</b>
(Loss)/profit from discontinued operation	10	(405)	50,617
<b>Profit before ZAKAT</b>		<b>112,748</b>	<b>(28,226)</b>
Provision for Zakat		(841)	-
<b>Profit/(loss) for the period</b>		<b>111,907</b>	<b>(28,226)</b>
<b>Attributable to :</b>			
Owners of the parent company		74,910	(22,502)
Non-controlling interests		36,997	(5,724)
<b>Profit/(loss) for the period</b>		<b>111,907</b>	<b>(28,226)</b>
<b>Basic and diluted earnings/(loss) per share attributable to the owners of the parent company</b>	15	<b>0.50 Fils</b>	<b>(0.15) Fils</b>

The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Profit or Loss and Other**  
**Comprehensive Income for the period ended 31 March 2019 (Unaudited)**

	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
Profit/(loss) for the period	111,907	(28,226)
<i>Other comprehensive income:</i>		
<i>Items that will be reclassified subsequently to statement of profit or loss:</i>		
Exchange differences arising on translation of foreign operations	2,787	8,912
Total other comprehensive income for the period	2,787	8,912
<b>Total comprehensive income/(loss) for the period</b>	<b>114,694</b>	<b>(19,314)</b>
Total comprehensive income/(loss) attributable to:		
Owners of the parent company	79,698	(30,294)
Non-controlling interests	34,996	10,980
<b>Total comprehensive income/(loss) for the period</b>	<b>114,694</b>	<b>(19,314)</b>

The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2019 (Unaudited)**

	Equity attributable to the owners of the Parent Company										
	Share capital KD	Treasury shares KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve		Fair value reserve KD	Accumulated losses KD	Sub-total KD	Non-controlling interests KD	Total KD
					reserve KD	reserve KD					
<b>Balance at 1 January 2019</b>	15,000,000	-	751,821	751,821	1,430,734	(1,811,770)	(5,845,874)	10,276,732	6,109,851	16,386,583	
Profit for the period	-	-	-	-	-	-	74,910	74,910	36,997	111,907	
Other comprehensive income:	-	-	-	-	4,788	-	-	4,788	(2,001)	2,787	
Total comprehensive income for the period	-	-	-	-	4,788	-	74,910	79,698	34,996	114,694	
Transfer upon de-recognition of FVOCI investments	-	-	-	-	-	645,607	(645,607)	-	-	-	
Acquisition of minority interest (note 5)	-	-	-	-	-	-	34,838	34,838	(938,795)	(903,957)	
<b>Balance at 31 March 2019</b>	15,000,000	-	751,821	751,821	1,435,522	(1,166,163)	(6,381,733)	10,391,268	5,206,052	15,597,320	
<b>Balance at 1 January 2018</b>	15,000,000	(337,694)	751,821	751,821	1,424,693	(285,417)	(3,766,682)	13,538,542	4,250,101	17,788,643	
Impact of adopting IFRS 9	-	-	-	-	-	(727,908)	727,908	-	-	-	
<b>Balance at 1 January 2018 (Restated)</b>	15,000,000	(337,694)	751,821	751,821	1,424,693	(1,013,325)	(3,038,774)	13,538,542	4,250,101	17,788,643	
Loss for the year	-	-	-	-	-	-	(22,502)	(22,502)	(5,724)	(28,226)	
Other comprehensive (loss)/ income:	-	-	-	-	(7,792)	-	-	(7,792)	16,704	8,912	
Total comprehensive loss for the period	-	-	-	-	(7,792)	-	(22,502)	(30,294)	10,980	(19,314)	
<b>Balance at 31 March 2018</b>	15,000,000	(337,694)	751,821	751,821	1,416,901	(1,013,325)	(3,061,276)	13,508,248	4,261,081	17,769,329	

The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Cash Flow for the period ended**  
**31 March 2019 (Unaudited)**

Note	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>		
<b>Profit/(loss) for the period</b>	111,907	(28,226)
Adjustments for:		
Depreciation	111,731	1,129
Amortisation of intangible assets	10,417	-
Gain on sale of financial assets at fair value through profit or loss	-	(4,081)
Change in fair value of financial assets at fair value through profit or loss	-	(4,288)
Change in fair value of investment properties	(109,891)	-
Share of results of associate	2,636	(2,251)
Dividend income	(10,079)	(7,588)
Finance costs	69,060	51,182
Provision for employees' end of service benefits	15,744	4,468
	<u>201,525</u>	<u>10,345</u>
Changes in operating assets and liabilities:		
Accounts receivable and other assets	(683,281)	(5,594)
Accounts payable and other liabilities	111,380	2,711
Cash from operations	<u>(370,376)</u>	<u>7,462</u>
Employees' end of service benefits paid	(7,411)	(183)
<b>Net cash (used in)/from operating activities</b>	<u>(377,787)</u>	<u>7,279</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of non-current assets held for sale	5,381,000	-
Payment for investment properties	(32,398)	-
Proceeds from sale of investment properties	158,395	-
Net purchase of financial assets at fair value through profit or loss	-	(125,957)
Addition to properties under development	-	(104,745)
Return of advance for purchase of investment property	-	9,399
Purchase of equipment	(58,586)	-
Payment for business combination	(161,873)	-
Dividend income received	-	11,588
Investment in associate- return of capital	-	79,812
<b>Net cash from/(used in) investing activities</b>	<u>5,286,538</u>	<u>(129,903)</u>
<b>FINANCING ACTIVITIES</b>		
Movement in Ijara financing	-	(23,305)
Repayment of borrowings	(129,499)	-
Settlement of liabilities related to non-current assets held for sale	(3,556,131)	-
Finance costs paid	(69,060)	(51,182)
<b>Net cash used in financing activities</b>	<u>(3,754,690)</u>	<u>(74,487)</u>
Net impact of foreign currency translation adjustments	(1,959)	56,360
Increase/(decrease) in cash and cash equivalents	1,152,102	(140,751)
Cash and cash equivalents at the beginning of the period	648,452	506,787
<b>Cash and cash equivalents at the end of the period</b>	<u>1,800,554</u>	<u>366,036</u>

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The notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.



**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Note to the Interim Condensed Consolidated Financial Information for the period ended**  
**31 March 2019 (Unaudited)**

**1 Incorporation and activities**

Gulf North Africa Holding Co. – KPSC (the Parent Company) was incorporated on 3 December 2005 as a Kuwaiti Public Shareholding Company. The General Assembly meeting for establishment of the Parent Company was held at the Ministry of Commerce and Industry on 14 December 2005. The Parent Company's shares were listed on the Kuwait Stock Exchange on 23 March 2010.

The main objectives of the parent company are as follows:

- 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 trade marks or royalties and any other property related thereto, and renting such properties to the others whether inside Kuwait or abroad.
- Acquisition of properties and buildings necessary to carry out the business activities as allowable by the law.
- Ownership of shares in Kuwaiti and foreign shareholding companies in addition to ownership of shares in Kuwaiti and foreign limited liability companies and the participation in the share capital of both types of companies including management, lending and guaranteeing against third parties.
- Utilizing excess funds through investing in financial portfolios managed by specialized companies and institutions.

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.

In all cases, the Parent Company is governed in all its activities by Islamic Sharia'a and all activities which are in compliance of Islamic Sharia'a board are obligatory to the Parent Company.

The address of the Parent Company's registered office is PO Box 4425, Safat 13045, State of Kuwait.

The interim condensed consolidated financial information of the group for the period ended 31 March 2019 was authorised for issue by the parent company's board of directors on 21 April 2019.

**2 Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the changes described below arising from the adoption of IFRS 16 'Leases' effective from 1 January 2019.

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

Operating results for the three months 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 consolidated financial statements and its related disclosures for the year ended 31 December 2018.

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

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Note to the Interim Condensed Consolidated Financial Information for the period ended**  
**31 March 2019 (Unaudited)**

**3 Changes in accounting policies and disclosures**

**IFRS 16 'Leases'**

IFRS 16 was effective for annual periods beginning on or after 1 January 2019. IFRS 16 does not significantly change the accounting for leases for lessors. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The Group, as a lessee, has adopted the following accounting policy in respect of its leases:

At inception of a contract, the Group assesses whether the contract is a lease. A contract is a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. If the contract is identified as a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method. The adoption of IFRS 16 did not have any material impact on the Group's interim condensed consolidated financial information.

**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 2018.

**5 Subsidiaries**

During the period the Group acquired additional ownership interest in Casablanca Real Estate Co. Ltd and Dream Real Estate Co. Ltd. Set out below details of the subsidiaries held by the Group:

	Country of incorporation	Voting capital held			Activities
		31 March 2019	31 Dec. 2018	31 March 2018	
Morocco Mediterranean General Trading WLL	Kuwait	99%	99%	99%	Real estate
Al-Janzour Real Estate Company WLL	Kuwait	99%	99%	99%	Real estate
Gulf Morocco Co. W.L.L.	Saudi Arabia	100%	100%	100%	Real estate
Casablanca Real Estate Co. Ltd	Cayman Islands	48.29%	26.98%	26.98%	Real estate
Dream Real Estate Co. Ltd	Cayman Islands	47.29%	30.81%	30.81%	Real estate
SARL EL Awras El Khalijia Promotion Immo	Algeria	100%	100%	100%	Real estate
Morocco North Africa Holding Company Ltd.	Morocco	100%	100%	100%	Real estate
Al-Siraj Group Holding Company – KSCC	Kuwait	42.29%	42.29%	-	Education

**6 Property, plant and equipment**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
At 1 January	5,518,859	14,265	14,265
Additions arising on acquisition	-	5,508,894	-
Additions	58,586	150	-
Depreciation	(111,731)	(4,450)	(1,129)
	<u>5,465,714</u>	<u>5,518,859</u>	<u>13,136</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Note to the Interim Condensed Consolidated Financial Information for the period ended**  
**31 March 2019 (Unaudited)**

**7 Investment properties**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
At 1 January	5,564,307	7,107,990	7,107,990
Transfer to non-current assets held for sale	-	(6,890,000)	-
Transfer from properties under development	1,040,000	4,346,978	-
Additions	32,398	-	-
Disposals	(350,675)	-	-
Change in fair value	109,891	999,339	-
Foreign currency translation change	19,026	-	-
	<u>6,414,947</u>	<u>5,564,307</u>	<u>7,107,990</u>

**8 Properties under development**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Properties in Saudi Arabia	-	1,040,000	1,400,163
Properties in Syria	-	-	4,303,300
Properties in Morocco	1,752,050	1,766,428	3,550,414
	<u>1,752,050</u>	<u>2,806,428</u>	<u>9,253,877</u>

The movements in properties under development are as follows:

At 1 January	2,806,428	9,196,580	9,196,580
Additions/foreign currency translation change	(14,378)	81,451	57,297
Impairment of property under development	-	(2,124,625)	-
Transfer to investment properties	(1,040,000)	(4,346,978)	-
	<u>1,752,050</u>	<u>2,806,428</u>	<u>9,253,877</u>

**9 Investment in associate**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
At 1 January	624,057	913,957	913,957
Additions	219,457	7,759	-
Amount received on reduction of capital	-	(79,812)	(79,812)
Share of results of associates	(2,636)	(72,484)	2,251
Impairment loss on investment in associates	-	(145,363)	-
	<u>840,878</u>	<u>624,057</u>	<u>836,396</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Note to the Interim Condensed Consolidated Financial Information for the period ended**  
**31 March 2019 (Unaudited)**

**10 Non-current assets held for sale**

Non-current assets held for sale consisted of four properties inside the State of Kuwait for which the sale was completed and the liabilities related to these properties were settled during the period.

**Discontinued operation**

The Group considers the above non-current assets held for sale as a component of the Group which comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. The following are the analysis of revenue, expenses, other related details and net cash flows of discontinued operation:

	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
Rental income-net	34,032	101,799
Finance costs	(34,437)	(51,182)
<b>Loss from discontinued operation</b>	<b>(405)</b>	<b>50,617</b>
Cash flows from operating activities	34,032	101,799
Cash flows used in financing activities	(34,437)	(51,182)
<b>Net cash (outflows)/inflows from discontinued operation</b>	<b>(405)</b>	<b>50,617</b>

**11 Accounts receivables and other assets**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Accounts receivable	643,606	48,715	-
Accrued revenue	10,079	-	12,000
Prepaid expenses	88,214	14,993	19,707
Other receivables	27,323	12,154	93,761
	<b>769,222</b>	<b>75,862</b>	<b>125,468</b>

**12 Cash and cash equivalents**

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise of the following:

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Saving accounts	7,779	7,780	12,395
Cash in hand	7,723	1,356	595
Bank balances	483,116	638,790	335,405
Bank deposits	1,300,000	-	-
Balance in investment portfolio account	1,936	526	17,641
	<b>1,800,554</b>	<b>648,452</b>	<b>366,036</b>

**13 Borrowings**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Murabaha and wakala facilities	2,814,000	2,943,499	-
Less: current portion	(1,518,250)	(1,518,249)	-
Murabaha and wakala facilities – non-current portion	<b>1,295,750</b>	<b>1,425,250</b>	<b>-</b>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**14 Accounts payable and other liabilities**

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
Accounts payable and accruals	894,988	784,160	57,896
Advance received for sale of non-current assets held for sale	-	150,000	-
Payable for business combination	-	161,873	-
Due to related parties (note : 16)	196,007	200,650	112,849
Staff leave provision	44,423	39,228	43,536
Dividend payable	8,950	8,950	8,975
	<u>1,144,368</u>	<u>1,344,861</u>	<u>223,256</u>

**15 Basic and diluted earnings/(loss) per share**

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/loss for the period by the weighted average number of shares in issue excluding treasury shares.

	Three months ended 31 March 2019 (Unaudited)	Three months ended 31 March 2018 (Unaudited)
Profit/(loss) for the period attributable to the owners of the parent company (KD)	74,910	(22,502)
Weighted average number of shares (excluding treasury shares)	150,000,000	145,413,548
Basic and diluted earnings/(loss) per share	<u>0.50 Fils</u>	<u>(0.15) Fils</u>

**16 Related party transactions**

These represent transactions with certain related parties (directors and executive officers of the parent company and their related concerns) entered into by the group in the ordinary course of business and key management compensation. Details of significant related party transactions and balances are as follows:

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
<b>Included in the interim condensed consolidated financial position:</b>			
<b>Due to related parties (note 14)</b>			
Due to associate	87,117	90,867	-
Due to minority shareholder of a subsidiary	108,890	109,783	112,849
	<u>196,007</u>	<u>200,650</u>	<u>112,849</u>

	Three months ended 31 March 2019 (Unaudited) KD	Three months ended 31 March 2018 (Unaudited) KD
<b>Transaction included in the interim condensed consolidated statement of profit or loss:</b>		
Management fees	17,500	2,417
<b>Key management compensation:</b>		
Salaries and other short term benefits	7,500	38,038
End of service benefits	967	3,248
	<u>8,467</u>	<u>41,286</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**17 Segmental analysis**

	Local KD	International KD	Total KD
<b>Three months ended 31 March 2019 (Unaudited)</b>			
Revenue	464,102	111,262	575,364
Segment profit	15,670	93,237	108,907
Foreign exchange gain			2,999
Profit for the period			111,907
Total assets	9,897,291	9,763,990	19,661,281
Total liabilities	3,935,673	128,288	4,063,961
	Local KD	International KD	Total KD
<b>Three months ended 31 March 2018 (Unaudited)</b>			
Revenue	115,230	7,588	122,818
Segment loss	(20,662)	(1,633)	(22,295)
Foreign exchange loss			(5,931)
Loss for the period			(28,226)
Total assets	9,280,512	12,414,167	21,694,679
Total liabilities	3,794,748	130,602	3,925,350

**18 General assembly**

The Annual General Assembly for the year ended 31 December 2018 has not been held until the date of approval of this interim condensed financial information. Accordingly, the financial statements for the year ended 31 December 2018 have not yet been approved. The interim condensed financial information for the three month period ended 31 March 2019 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 2018. The directors did not propose any dividends for the year ended 31 December 2018.

**19 Fair value measurement**

**19.1 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 statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**31 March 2019 (Unaudited)**

**19 Fair value measurement (continued)**

**19.2 Fair value measurement of financial instruments**

The carrying amounts of the group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	31 March 2019 (Unaudited) KD	31 Dec. 2018 (Audited) KD	31 March 2018 (Unaudited) KD
<b>Financial assets:</b>			
<b>Amortised cost:</b>			
Cash and cash equivalents	1,800,554	648,452	366,036
Accounts receivable and other assets	681,008	60,869	105,761
<b>Fair value through profit or loss:</b>			
Financial assets at fair value through profit or loss	2,988	2,988	593,886
<b>Fair value through other comprehensive income:</b>			
Financial assets at fair value through other comprehensive income	1,113,231	1,715,267	3,033,712
	<u>3,597,781</u>	<u>2,427,576</u>	<u>4,099,395</u>
<b>Financial liabilities:</b>			
<b>Financial liabilities at amortised cost:</b>			
Accounts payable and other liabilities	1,144,368	1,194,861	223,256
Liabilities related to non-current assets held for sale/ijara financing	-	3,556,131	3,623,346
Borrowings	2,814,000	2,943,499	-
	<u>3,958,368</u>	<u>7,694,491</u>	<u>3,846,602</u>

Management considers that the carrying amounts of the financial assets and all financial liabilities, which are stated at amortised cost, approximate their fair values. 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 on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>31 March 2019 (Unaudited)</b>				
<b>Financial assets at FVTPL</b>				
Local Managed funds (b)	-	2,988	-	2,988
<b>Financial assets at FVOCI</b>				
Unquoted securities (c)	-	-	1,113,231	1,113,231
	<u>-</u>	<u>2,988</u>	<u>1,113,231</u>	<u>1,116,219</u>
<b>31 December 2018 (Audited)</b>				
<b>Financial assets at FVTPL</b>				
Local managed funds (b)	-	2,988	-	2,988
<b>Financial assets at FVOCI</b>				
Unquoted securities (c)	-	-	1,715,267	1,715,267
	<u>-</u>	<u>2,988</u>	<u>1,715,267</u>	<u>1,718,255</u>
<b>31 March 2018 (Unaudited)</b>				
<b>Financial assets at FVTPL</b>				
Quoted securities (a)	586,992	-	-	586,992
Local Managed funds (b)	-	6,894	-	6,894
<b>Financial assets at FVOCI</b>				
Unquoted securities (c)	-	-	3,033,712	3,033,712
	<u>586,992</u>	<u>6,894</u>	<u>3,033,712</u>	<u>3,627,598</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**31 March 2019 (Unaudited)**

**19 Fair value measurement (continued)**

**19.2 Fair value measurement of financial instruments (continued)**

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

**Measurement at fair value**

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

**a) Quoted securities**

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

**b) Local managed funds**

The underlying investments in local managed funds primarily comprise of local quoted securities whose fair values has been determined by reference to their quoted bid prices at the reporting date.

**c) Unquoted securities**

Unlisted securities are measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates.

**d) Financial liabilities**

The group does not have any financial liabilities at fair value.

**Level 3 fair value measurements**

The group's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	Unquoted Equity investments at FVOCI		
	31 March 2019 KD	31 Dec. 2018 KD	31 March 2018 KD
Opening balances	1,715,267	-	-
Equity investments at FVOCI recognised under IFRS 9 on initial application	-	3,033,712	3,033,712
Disposals	(602,036)	(39,984)	-
Losses recognised in:			
- Other comprehensive income	-	(1,278,461)	-
Closing balance	<u>1,113,231</u>	<u>1,715,267</u>	<u>3,033,712</u>

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

**20 Capital commitments**

At 31 March 2019 the group was committed to purchase investments amounting to KD Nil (31 December 2018: KD Nil and 31 March 2018: KD50,837).