

**Interim Condensed Consolidated
Financial Information and Review Report
Rasiyat Holding Company - KPSC
and Subsidiaries
Kuwait
31 March 2022 (Unaudited)**

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Report on review of interim condensed consolidated financial information

To the Board of Directors
Rasiyat Holding Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Rasiyat Holding Company (Kuwait Public Shareholding Company) (the "Parent Company") and its subsidiaries (collectively the "Group") as of 31 March 2022 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 2022 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations, during the three month period ended 31 March 2022 that might have had material effect on the business of the Parent Company or on its financial position.



Rabea Saad Al-Muhanna
License No. 152 A
Crowe Al-Muhanna & Co

Kuwait
17 April 2022

Rasiyat Holding Company–KPSC and Subsidiaries
Interim Condensed Consolidated Statement of Financial Position as at
31 March 2022 (Unaudited)

	Notes	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment	5	8,198,381	8,275,813	8,446,601
Intangible assets		475,694	486,111	517,361
Investment properties	6	7,165,007	7,192,172	7,261,429
Financial assets at fair value through other comprehensive income		421,772	421,772	544,672
Investment in associate	7	17,922	18,514	9,563
Advance for purchase of investment property		-	-	315,153
Total non-current assets		16,278,776	16,394,382	17,094,779
Current assets				
Accounts receivable and other assets	8	1,579,060	1,383,484	1,248,319
Cash and cash equivalents	9	824,426	654,116	1,188,534
Total current assets		2,403,486	2,037,600	2,436,853
Total assets		18,682,262	18,431,982	19,531,632
Equity and liabilities				
Equity				
Share capital		15,000,000	15,000,000	15,000,000
Statutory reserve	16	-	751,821	751,821
Voluntary reserve	16	-	751,821	751,821
Foreign currency translation reserve		1,489,722	1,493,489	1,486,232
Fair value reserve		(1,092,117)	(1,391,150)	(1,300,219)
Accumulated losses		(3,982,720)	(5,247,030)	(5,915,115)
Total equity attributable to the owners of the parent company		11,414,885	11,358,951	10,774,540
Non-controlling interests		3,378,356	3,397,568	5,916,697
Total equity		14,793,241	14,756,519	16,691,237
Liabilities				
Non-current liabilities				
Borrowings	10	1,897,700	2,033,250	447,500
Accounts payable and other liabilities – non-current portion	11	362,657	370,576	397,499
Provision for employees' end of service benefits		163,259	152,485	116,687
Total non-current liabilities		2,423,616	2,556,311	961,686
Current liabilities				
Borrowings – current portion	10	542,200	542,200	518,000
Accounts payable and other liabilities	11	923,205	576,952	1,360,709
Total current liabilities		1,465,405	1,119,152	1,878,709
Total liabilities		3,889,021	3,675,463	2,840,395
Total equity and liabilities		18,682,262	18,431,982	19,531,632

Mishari Ayman Boodai
Chairman

Saleh Mohammad Alroomi
General Manager

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

Rasiyat Holding Company-KPSC and Subsidiaries
Interim Condensed Consolidated Statement of Profit or Loss for the period ended
31 March 2022 (Unaudited)

	Notes	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Continuing operations			
Revenue			
Tuition fees and related income		593,247	664,666
Management fees		2,250	2,250
Realised gain on disposal of investments at fair value through profit or loss		-	273
Share of results of associate		(592)	(586)
Foreign exchange gain		-	49
Lease rent concession		-	11,525
Other income	13	142,910	5,371
		<u>737,815</u>	<u>683,548</u>
Expenses and other charges			
Direct cost of tuition fees and related income		(440,252)	(402,722)
General and administrative expenses		(112,043)	(73,883)
Depreciation		(119,082)	(106,340)
Amortisation of intangible assets		(10,417)	(10,417)
Finance costs		(37,376)	(20,087)
		<u>(719,170)</u>	<u>(613,449)</u>
Profit for the period from continuing operations		18,645	70,099
Profit from discontinued operation		-	35,484
Profit before NLST and ZAKAT		18,645	105,583
Provision for NLST		(750)	(2,077)
Provision for Zakat		(300)	(831)
Profit for the period		17,595	102,675
Attributable to :			
Owners of the parent company		18,160	62,046
Non-controlling interests		(565)	40,629
Profit for the period		17,595	102,675
Basic and diluted earnings per share attributable to the owners of the parent company	12	0.12 Fils	0.41 Fils

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

Rasiyat Holding Company–KPSC and Subsidiaries
Interim Condensed Consolidated Statement of Profit or Loss and Other
Comprehensive Income for the period ended 31 March 2022 (Unaudited)

	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Profit for the period	17,595	102,675
Other comprehensive income/(loss):		
Items that will not be reclassified subsequently to statement of profit or loss:		
<i>Changes in fair value of investments at fair value through other comprehensive income (FVOCI)</i>	41,541	-
Items that will be reclassified subsequently to statement of profit or loss:		
Exchange differences arising on translation of foreign operations	(22,414)	(46,926)
Exchange difference arising on translation of foreign operation transferred to profit & loss	-	(19,782)
Total other comprehensive income/(loss) for the period	19,127	(66,708)
Total comprehensive income for the period	36,722	35,967
Total comprehensive income attributable to:		
Owners of the parent company	55,934	18,057
Non-controlling interests	(19,212)	17,910
Total comprehensive income for the period	36,722	35,967

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

Rasiyat Holding Company – KPSC and Subsidiaries
Interim Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2022 (Unaudited)

	Equity attributable to the owners of the Parent Company										
	Share capital 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	
				KD							
Balance at 1 January 2022	15,000,000	751,821	751,821	1,493,489	(1,391,150)	(5,247,030)	11,358,951	3,397,568	14,756,519		
Profit for the period	-	-	-	-	-	18,160	18,160	(565)	17,595		
Other comprehensive (loss)/income:											
Total comprehensive (loss)/income for the period	-	-	-	(3,767)	41,541	-	37,774	(18,647)	19,127		
Transfer of reserves to accumulated losses (note 16)	-	(751,821)	(751,821)	(3,767)	41,541	18,160	55,934	(19,212)	36,722		
Transfer upon derecognition of FVOCI investments	-	-	-	-	-	1,503,642	-	-	-		
Balance at 31 March 2022	15,000,000	-	-	1,489,722	(1,092,117)	(3,982,720)	11,414,885	3,378,356	14,793,241		
Balance at 1 January 2021	15,000,000	751,821	751,821	1,530,221	(1,300,219)	(5,979,714)	10,753,930	5,912,352	16,666,282		
Profit for the period	-	-	-	-	-	62,046	62,046	40,629	102,675		
Other comprehensive loss:											
Total comprehensive (loss)/income for the period	-	-	-	(43,989)	-	-	(43,989)	(22,719)	(66,708)		
Acquisition of minority interest from existing subsidiaries	-	-	-	(43,989)	-	62,046	18,057	17,910	35,967		
Balance at 31 March 2021	15,000,000	751,821	751,821	1,486,232	(1,300,219)	(5,915,115)	10,774,540	5,916,697	16,691,237		

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information

Rasiyat Holding Company – KPSC and Subsidiaries
Interim Condensed Consolidated Statement of Cash Flows for the period ended
31 March 2022 (Unaudited)

	Note	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		17,595	102,675
Adjustments for:			
Depreciation	5	119,082	106,340
Amortisation of intangible assets		10,417	10,417
Realised gain on disposal of investment at fair value through profit or loss		-	(273)
Share of results of associate		592	586
Finance costs		37,376	20,087
Provision for employees' end of service benefits		11,525	19,434
		<u>196,587</u>	<u>259,266</u>
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(162,344)	140,372
Accounts payable and other liabilities		332,710	304,954
Cash from operations		<u>366,953</u>	<u>704,592</u>
Employees' end of service benefits paid		(751)	(1,291)
Net cash from operating activities		<u>366,202</u>	<u>703,301</u>
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		-	3,261
Proceeds from disposal of financial assets at fair value through other comprehensive income		8,309	-
Purchase of equipment	5	(41,650)	(15,854)
Payment for acquisition of minority interest		-	(11,012)
Net cash used in investing activities		<u>(33,341)</u>	<u>(23,605)</u>
FINANCING ACTIVITIES			
Repayment of borrowings		(135,550)	(250,143)
Finance costs paid		(31,752)	(24,587)
Net cash used in financing activities		<u>(167,302)</u>	<u>(274,730)</u>
Net impact of foreign currency translation adjustments		4,751	(16,741)
Increase in cash and cash equivalents		170,310	388,225
Cash and cash equivalents at the beginning of the period		654,116	800,309
Cash and cash equivalents at the end of the period	9	<u>824,426</u>	<u>1,188,534</u>

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

1 Incorporation and activities

Rasiyat Holding Company – KPSC (the Parent Company) was incorporated on 3 December 2005 as a Kuwaiti 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 Boursa Kuwait Securities Company on 23 March 2010. The name of the Parent Company is changed from "Gulf North Africa Holding Company–KPSC" to "Rasiyat Holding Company–KPSC" during the period (refer note 16).

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 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 2022 was authorised for issue by the parent company's board of directors on 17 April 2022.

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 2021.

New standards, interpretations and amendments

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed consolidated interim financial statements.

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 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2021.

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

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

3 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 expenses. 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 2021.

4 Subsidiaries

Composition of the Group

Set out below details of the subsidiaries held by the Group:

	Country of incorporation	Voting capital held			Activities
		31 March 2022	31 Dec. 2021	31 March 2021	
Al-Janzour Real Estate Company S.P.C.	Kuwait	100%	100%	100%	Real estate
Casablanca Real Estate Co. Ltd	Cayman Islands	48.29%	48.29%	48.29%	Real estate
Dream Real Estate Co. Ltd	Cayman Islands	47.09%	47.09%	47.09%	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	93.10%	93.10%	63.45%	Education
Rawaj Holding Company K.S.C.(Closed)	Kuwait	54.49%	54.49%	54.49%	Real estate

5 Property, plant and equipment

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
At 1 January	8,275,813	8,537,087	8,537,087
Additions	41,650	211,862	15,854
Depreciation	(119,082)	(443,099)	(106,340)
Impairment loss	-	(30,000)	-
Disposals	-	(37)	-
	<u>8,198,381</u>	<u>8,275,813</u>	<u>8,446,601</u>

6 Investment properties

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
At 1 January	7,192,172	7,311,396	7,311,396
Change in fair value	-	(46,652)	-
Foreign currency translation change	(27,165)	(72,572)	(49,967)
	<u>7,165,007</u>	<u>7,192,172</u>	<u>7,261,429</u>

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

7 Investment in associate

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
At 1 January	18,514	10,149	10,149
Share of results of associates	(592)	8,365	(586)
	<u>17,922</u>	<u>18,514</u>	<u>9,563</u>

8 Accounts receivables and other assets

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Accounts receivable	1,055,654	1,001,059	1,168,249
Letter of guarantee deposit	256,310	256,310	-
Prepayments and prepaid expenses	227,971	88,476	12,850
Other receivables	39,104	37,639	67,220
Due from related party (note : 14)	21	-	-
	<u>1,579,060</u>	<u>1,383,484</u>	<u>1,248,319</u>

9 Cash and cash equivalents

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

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Saving accounts	9,533	9,533	8,426
Cash in hand	3,658	3,472	6,224
Bank balances	810,821	640,697	1,173,469
Balance in investment portfolio account	414	414	415
	<u>824,426</u>	<u>654,116</u>	<u>1,188,534</u>

10 Borrowings

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Murabaha and wakala facilities	-	-	965,500
Tawarruq financing	2,439,900	2,575,450	-
Less: current portion	(542,200)	(542,200)	(518,000)
Murabaha and wakala facilities – non-current portion	<u>1,897,700</u>	<u>2,033,250</u>	<u>447,500</u>

11 Accounts payable and other liabilities

	31 March 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Accounts payable and accruals	686,905	332,475	1,185,067
Lease liabilities	405,606	399,981	402,583
Due to related parties (note : 14)	108,866	143,173	115,133
Staff leave provision	75,935	63,349	46,875
Dividend payable	8,550	8,550	8,550
	<u>1,285,862</u>	<u>947,528</u>	<u>1,758,208</u>
Amount due after one year	<u>(362,657)</u>	<u>(370,576)</u>	<u>(397,499)</u>
	<u>923,205</u>	<u>576,952</u>	<u>1,360,709</u>

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

12 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 in issue excluding treasury shares.

	Three months ended 31 March 2022 (Unaudited)	Three months ended 31 March 2021 (Unaudited)
Profit for the period attributable to the owners of the parent company (KD)	18,160	62,046
Weighted average number of shares	150,000,000	150,000,000
Basic and diluted earnings per share	0.12 Fils	0.41 Fils

13 Other income

Other income includes write back of provisions and payables recognised during the previous years amounting KD131,927 which are no longer liabilities of the Group.

14 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 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Included in the interim condensed consolidated financial position:			
Due from related parties (note 8)			
Due from associate	21	-	-
Due to related parties (note 11)			
Due to associate	-	30,000	-
Due to minority shareholder of a subsidiary	108,866	113,173	115,133
	<u>108,866</u>	<u>143,173</u>	<u>115,133</u>

	Three months ended 31 March 2022 (Unaudited) KD	Three months ended 31 March 2021 (Unaudited) KD
Transaction included in the interim condensed consolidated statement of profit or loss:		
Management fees	2,250	2,250
Key management compensation:		
Salaries and other short term benefits	30,119	20,528
End of service benefits	2,456	504
	<u>32,575</u>	<u>21,032</u>

15 Segmental analysis

	Local KD	International KD	Total KD
Three months ended 31 March 2022 (Unaudited)			
Revenue	737,815	-	737,815
Segment profit	22,894	(5,299)	17,595
Foreign exchange gain			-
Profit for the period			17,595
Total assets	11,043,335	7,638,927	18,682,262
Total liabilities	3,773,909	115,112	3,889,021

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

15 Segmental analysis (continued)

	Local KD	International KD	Total KD
Three months ended 31 March 2021 (Unaudited)			
Revenue	683,499	-	683,499
Segment profit	72,109	30,517	102,626
Foreign exchange gain			49
Profit for the period			102,675
Total assets	11,357,903	8,173,729	19,531,632
Total liabilities	2,718,135	122,260	2,840,395

16 General assembly and extra ordinary assembly

The Annual General Assembly of shareholders held on 22 February 2022, approved the consolidated financial statements for the year ended 31 December 2021 and the directors' proposal not to distribute any dividends for the year then ended. The Annual General Assembly approved the transfer of balances in statutory reserve KD 751,821 and voluntary reserve KD 751,821 to accumulated losses, and after the transfer the remaining balance of accumulated losses was KD 3,743,388.

Further the extra ordinary assembly of shareholders held on the above date decided and approved to change the name of the Parent Company from "Gulf North Africa Holding Company–KPSC" to "Rasiyat Holding Company–KPSC", and the name change was registered with the Ministry.

17 Fair value measurement

17.1 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).

17.2 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 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	31 March 2021 (Unaudited) KD
Financial assets:			
Amortised cost:			
Cash and cash equivalents	824,426	654,116	1,188,534
Accounts receivable and other assets	1,351,089	1,295,008	1,235,469
Fair value through other comprehensive income:			
Financial assets at fair value through other comprehensive income	421,772	421,772	544,672
	<u>2,597,287</u>	<u>2,370,896</u>	<u>2,968,675</u>
Financial liabilities:			
Financial liabilities at amortised cost:			
Accounts payable and other liabilities	1,285,862	947,528	1,758,208
Borrowings	2,439,900	2,575,450	965,500
	<u>3,725,762</u>	<u>3,522,978</u>	<u>2,723,708</u>

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
ended 31 March 2022 (Unaudited)

17 Fair value measurement (continued)

17.2 Fair value measurement of financial instruments (continued)

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
31 March 2022 (Unaudited)					
Financial assets at FVOCI					
Unquoted securities	(c)	-	-	421,772	421,772
		-	-	421,772	421,772
31 December 2021 (Audited)					
Financial assets at FVOCI					
Unquoted securities	(c)	-	-	421,772	421,772
		-	-	421,772	421,772
31 March 2021 (Unaudited)					
Financial assets at FVOCI					
Unquoted securities	(c)	-	-	544,672	544,672
		-	-	544,672	544,672

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.

Rasiyat Holding Company – KPSC and Subsidiaries
Notes to the Interim Condensed Consolidated Financial Information for the period
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17 Fair value measurement (continued)

17.2 Fair value measurement of financial instruments (continued)

Level 3 fair value measurements

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

	Unquoted Equity investments at FVOCI		
	31 March 2022 KD	31 Dec. 2021 KD	31 March 2021 KD
Opening balances	421,772	544,672	544,672
Additions	235,408	-	-
Disposals	(276,949)	(157)	-
Income/(loss) recognised in:			
- Other comprehensive income/(loss)	41,541	(122,743)	-
Closing balance	421,772	421,772	544,672

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%.

18 Impact of Covid-19

The outbreak of the Covid-19 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities. The Group is continually monitoring its impact to manage the potential disruption. The Group's main revenue generating activity is providing education services. In response to the situation the Group used online learning (or e-learning) facilities to reach learners remotely and limit the disruption of education services. The Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial information. Below are the key assumptions about the future and other key source of estimation that may have a significant risk of causing material adjustment to the condensed consolidated interim financial information:

Impairment of non-financial assets including fair valuation of investment properties

The Group has considered any impairment indicators arising due to the above situation and any significant uncertainties around its property, plant and equipment, intangible assets, other non-financial assets and fair valuation of investment properties arising due to disruption to business and concluded that there is no material impact due to Covid-19 during the period.

Impairment of financial assets

The Group has assessed its financial assets for any indicators of impairment and concluded there is no material impact on account of Covid-19 during the period.

Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions with a view of potential increase in contingent liabilities and commitments and no major impact was identified during the period.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The Group has concluded that it has enough resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2021. As a result, this condensed consolidated interim financial information has been prepared on a going concern basis.