

THE SECURITIES HOUSE K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)
31 March 2021

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**The Securities House K.S.C.P.
Kuwait**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C.P (the Parent Company) and its subsidiaries (together called "the Group") as at 31 March 2021 and the related interim condensed consolidated statements of income, 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 the basis of presentation set out in Note 2. 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 basis of presentation set out in Note 2.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any 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, during the three-month period ended 31 March 2021 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, and the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the three-month period 31 March 2021 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.



**Talal Y. Al-Muzaini
License No. 209A
Deloitte & Touche
Al-Wazzan & Co.**

5 May 2021
Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)
For the period ended 31 March 2021

	Notes	Kuwaiti Dinars	
		Three months ended	
		31 March	
		2021	2020
INCOME			
From advisory and investment activities			
Management fee income	10	4,306,759	382,851
Advisory fee income		37,328	63,819
Dividend income		88,116	85,635
Realised (loss)/gain on sale of investments at fair value through profit or loss		(7,621)	76,508
Unrealised gain/(loss) on investments at fair value through profit or loss		29,219	(271,310)
Income from advisory and investment activities		4,453,801	337,503
From commercial activities			
Sales of goods and services		360,845	573,493
Operating costs		(504,499)	(740,623)
Operating loss from commercial activities		(143,654)	(167,130)
Other (loss) / income		(10,068)	17,672
Total income		4,300,079	188,045
EXPENSES			
Staff costs		915,736	382,703
General and administration expenses		257,435	201,932
Depreciation		122,929	64,758
Total expenses		1,296,100	649,393
Profit/(loss) before share of results, amortisation, finance cost and taxation		3,003,979	(461,348)
Share in results of associates	5	203,960	144,402
Share in results of a joint venture	6	(75,411)	(69,576)
Amortisation of intangibles		(50,000)	(88,380)
Finance cost on lease liabilities		(4,615)	(1,625)
National labor support tax		(69,900)	-
Zakat		(30,725)	-
Profit /(loss) for the period		2,977,288	(476,527)
Attributable to:			
Equity holders of the Parent Company		3,008,432	(97,340)
Non-controlling interests		(31,144)	(379,187)
		2,977,288	(476,527)
Basic and diluted earnings/(loss) per share attributable to equity holders of the Parent Company	4	5.4 Fils	(0.2) Fils

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The Securities House K.S.C.P. and Subsidiaries
Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the period ended 31 March 2021

	Kuwaiti Dinars	
	Three months ended 31 March	
Note	2021	2020
Profit /(loss) for the period	2,977,288	(476,527)
Other comprehensive income /(loss):		
<i>Other comprehensive income /(loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Foreign currency translation adjustment	40,279	(1,107,910)
<i>Items that will not be reclassified to interim condensed consolidated statement of income:</i>		
Cumulative changes in fair value of investments through other comprehensive income	-	(433,426)
Share in other comprehensive income / (loss) of associates	5 71,272	(12,998)
Other comprehensive income / (loss) for the period	111,551	(1,554,334)
Total comprehensive income / (loss) for the period	3,088,839	(2,030,861)
Attributable to:		
Equity holders of the Parent Company	3,119,983	(1,651,674)
Non-controlling interests	(31,144)	(379,187)
	3,088,839	(2,030,861)

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 31 March 2021

	Notes	Kuwaiti Dinars		
		31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
ASSETS				
Bank balances and cash	4	630,336	2,525,991	5,623,322
Accounts receivable and prepayments	10	5,891,046	893,784	901,046
Investments at fair value through profit or loss		7,604,566	6,835,818	3,791,178
Investments at fair value through other comprehensive income		2,579,827	2,579,827	3,513,984
Investment in associates	5	25,588,464	25,273,157	31,226,390
Investment in a joint venture	6	1,444,154	1,519,565	1,702,861
Right of use assets		1,040,005	505,746	895,618
Furniture and equipment		267,999	383,950	490,137
Intangible assets	7	3,550,000	3,600,000	3,750,000
Goodwill	7	2,400,000	2,400,000	2,600,000
TOTAL ASSETS		50,996,397	46,517,838	54,494,536
LIABILITIES				
Accounts payable and accruals		4,072,429	3,193,909	3,750,687
Lease liabilities		1,067,965	541,124	951,306
Employees' end of service benefits		1,034,206	1,049,847	985,573
TOTAL LIABILITIES		6,174,600	4,784,880	5,687,566
EQUITY				
Share capital	8	55,500,000	55,500,000	55,500,000
Statutory reserve		101,480	101,480	101,480
Fair value reserve		-	-	(1,450,769)
Foreign currency translation reserve		(2,420,822)	(2,461,101)	(4,059,596)
Cumulative changes in equity of associates		(521,948)	(593,220)	(526,818)
Accumulated losses		(7,593,048)	(10,601,480)	(581,550)
Equity attributable to equity holders of the Parent Company		45,065,662	41,945,679	48,982,747
Non-controlling interests		(243,865)	(212,721)	(175,777)
TOTAL EQUITY		44,821,797	41,732,958	48,806,970
TOTAL LIABILITIES AND EQUITY		50,996,397	46,517,838	54,494,536

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Ibrahim Youssef Al Ghanim
Chairman


Fahed Faisal Boodai
Vice Chairman and Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the period ended 31 March 2021

	Notes	Kuwaiti Dinars	
		Three months ended 31 March	
		2021	2020
OPERATING ACTIVITIES			
Profit /(loss) for the period		2,977,288	(476,527)
Adjustments for:			
Realised loss (gain) on sale of investments at fair value through profit or loss		7,621	(76,508)
Dividend income		(88,116)	(85,635)
Unrealised (gain) loss on investments at fair value through profit or loss		(29,219)	271,310
Share in results of associates	5	(203,960)	(144,402)
Share in results of a joint venture	6	75,411	69,576
Amortization of intangibles		50,000	88,380
Depreciation		212,743	153,245
Finance cost on lease liabilities		16,646	14,498
Provision for employees' end of service benefits		-	48,611
		3,018,414	(137,452)
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(5,015,612)	93,051
Investments at fair value through profit or loss		(747,150)	1,439,185
Accounts payable and accruals		896,870	(205,464)
		(1,847,478)	1,189,320
Employees' end of service benefits paid		(15,641)	-
Net cash flows (used in) / from operating activities		(1,863,119)	1,189,320
INVESTING ACTIVITIES			
Purchase of investments at fair value through other comprehensive income		-	(305,000)
Dividend income		88,116	85,635
Dividend received from an associate	5	-	22,901
Net cash flows from / (used in) investing activities		88,116	(196,464)
FINANCING ACTIVITIES			
Payment of lease liabilities		(104,210)	(86,832)
Finance cost on lease liabilities paid		(16,646)	(14,498)
Net cash flows used in financing activities		(120,856)	(101,330)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,895,859)	891,526
Net foreign exchange difference		204	(2,229)
Cash and cash equivalents at 1 January		2,525,991	4,734,025
CASH AND CASH EQUIVALENTS AT 31 MARCH	4	630,336	5,623,322

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The Securities House K.S.C.P. and Subsidiaries
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the period ended 31 March 2021

	Kuwaiti Dinars							Non- controlling interests	Total equity
	Attributable to equity holders of the Parent Company								
	Share capital	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Cumulative changes in equity of associates	Accumulate d losses /Retained earnings	Sub total		
Balance as at 1 January 2021	55,500,000	101,480	-	(2,461,101)	(593,220)	(10,601,480)	41,945,679	(212,721)	41,732,958
Profit/(loss) for the period	-	-	-	-	-	3,008,432	3,008,432	(31,144)	2,977,288
Other comprehensive income	-	-	-	40,279	71,272	-	111,551	-	111,551
Total comprehensive income/(loss) for the period	-	-	-	40,279	71,272	3,008,432	3,119,983	(31,144)	3,088,839
As at 31 March 2021	55,500,000	101,480	-	(2,420,822)	(521,948)	(7,593,048)	45,065,662	(243,865)	44,821,797
Balance as at 1 January 2020	45,000,000	101,480	(1,426,886)	(2,951,686)	(513,820)	409,853	40,618,941	10,218,890	50,837,831
Loss for the period	-	-	-	-	-	(97,340)	(97,340)	(379,187)	(476,527)
Other comprehensive loss	-	-	(23,883)	(1,107,910)	(12,998)	(409,543)	(1,554,334)	-	(1,554,334)
Total comprehensive loss for the period	-	-	(23,883)	(1,107,910)	(12,998)	(506,883)	(1,651,674)	(379,187)	(2,030,861)
Share swap with non-controlling interests (Note 8)	10,500,000	-	-	-	-	(484,520)	10,015,480	(10,015,480)	-
As at 31 March 2020	55,500,000	101,480	(1,450,769)	(4,059,596)	(526,818)	(581,550)	48,982,747	(175,777)	48,806,970

The accompanying notes form an integral part of this interim condensed consolidated financial information.

1. Corporate information

The interim condensed consolidated financial information of The Securities House K.S.C.P. (the “Parent Company”) and subsidiaries (collectively the “Group”) for the three months ended 31 March 2021 were authorised for issue by the Board of Directors on 5 May 2021.

The Parent Company is a Kuwaiti public shareholding company incorporated in Kuwait on 28 March 1982 and is regulated by the Capital Market Authorities as a licensed person to engage in the securities activities of portfolio management on behalf of third parties, providing financial advisory and research services, establishing and managing funds and collective investment schemes on behalf of third parties, and placement agency. The Parent Company is also engaged in dealing in securities on its behalf and investment in real estate and other economic sectors. The Parent Company performs its activities in accordance with Shariah principles.

The Parent Company’s principal place of business and registered address is 18th floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P. O. Box 26972 Safat, 13130, Kuwait.

2. Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2021 has been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting, except as noted below.

The annual consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (“CBK”) in the State of Kuwait. These regulations require expected credit loss (“ECL”) to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instruction; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”) (collectively referred to as IFRS, as adopted for use by the State of Kuwait).

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the three months ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional currency of the Parent Company.

The Annual General Assembly for the year ended 31 December 2020 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the opening balance for the year are subject to shareholders approval.

Changes in accounting policy and disclosures

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020.

The amendments and annual improvements to IFRSs, relevant which are effective for annual reporting period starting from 1 January 2021 did not result in any material impact on the Group’s accounting policies, interim consolidated financial position or performance.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2021

3. Basic and diluted earnings /(loss) per share attributable to equity holders of the Parent Company

Basic and diluted earnings/(loss) per share is computed by dividing profit /(loss) attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	Kuwaiti Dinars	
	Three months ended	
	31 March	
	2021	2020
Profit/(loss) for the period attributable to equity holders of the Parent Company	3,008,432	(97,340)
	Shares	
Weighted average number of shares outstanding for the period	555,000,000	450,000,000
Basic and diluted earning/(loss) per share attributable to the equity holders of the parent company	5.4 Fils	(0.2) fils

4. Cash and cash equivalents

Cash and cash equivalents as shown in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	Kuwaiti Dinars		
	31 March	31 December	31 March
	2021	2020	2020
	(Unaudited)	(Audited)	(Unaudited)
Bank balances and cash	481,566	2,492,559	5,460,096
Balances with custodians	148,770	33,432	163,226
	630,336	2,525,991	5,623,322

5. Investment in associates

	Kuwaiti Dinars		
	31 March	31 December	31 March
	2021	2020	2020
	(Unaudited)	(Audited)	(Unaudited)
At the beginning of the period/year	25,273,157	32,232,006	32,232,006
Acquisitions	-	39,964	-
Share in results	203,960	168,331	144,402
Share in other comprehensive income/(loss)	71,272	(79,400)	(12,998)
Foreign currency translation adjustment	40,075	483,456	(1,114,119)
Dividend received	-	(146,200)	(22,901)
Impairment of Goodwill	-	(7,425,000)	-
At the end of the period/year	25,588,464	25,273,157	31,226,390

This represents the Group's share of its investments in Gatehouse Financial Group Limited, Saudi Projects Holding Group, Wareef Al Jubail and in Madrono Capital, LLC.

The Group's share in results for all the associates for the three-month period ended 31 March 2021 are based on its management accounts.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2021

6. Investment in a joint venture

	Kuwaiti Dinars		
	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
At the beginning of the period/year	1,519,565	1,772,437	1,772,437
Share of results	(75,411)	(252,872)	(69,576)
At the end of the period/year	1,444,154	1,519,565	1,702,861

The Group's share in results of First Kuwaiti for Education Holding Company WLL for the three-month period ended 31 March 2021 is based on its management accounts.

7. Intangible assets and goodwill

	Kuwaiti Dinars		
	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Intangible assets			
Asset management agreements	3,550,000	3,600,000	3,750,000
	3,550,000	3,600,000	3,750,000
Goodwill - Manarat Educational Services Company W.L. L	900,000	900,000	1,000,000
Goodwill - Juzur Canary Restaurant Company W.L.L	1,500,000	1,500,000	1,600,000
Total Goodwill	2,400,000	2,400,000	2,600,000

8. Share capital

The authorised, issued and fully paid up share capital of the Parent Company is KD 55,500,000 (31 December 2020: KD 55,500,000; 31 March 2020: KD 55,500,000) comprising of 555,000,000 shares (31 December 2020: 555,000,000; 31 March 2020: 555,000,000) of 100 fils each.

In March 2020, the merger between the Parent Company and Al Aman Investment Company KSCP (Al Aman), a subsidiary, was completed with a share swap ratio of 1.40252722315358 shares of the Parent Company for 1 share of Al Aman, and the Parent Company issued 105,000,000 shares of 100 fils each to the shareholders of Al Aman to acquire the non-controlling interests.

The Board of directors of the Parent Company resolved and proposed the following to the Parent Company's shareholders on record as of the eligibility date as will be announced by the Board of Directors:

- Reducing the share capital against writing-off the accumulated losses balance as of 31 December 2020.

This proposal is subject to the approval of the Capital Markets Authority and the general assembly of the shareholders of the Parent Company.

9. Related party transactions

Related parties represent major shareholders, directors and executive officers of the Parent Company, close members of their families and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Related party transactions consist of the following:

	Kuwaiti Dinars	
	Three months ended 31 March	
	2021	2020
Key management compensation:		
Salaries and other short term benefits	168,852	257,842
Employees' end of services	(4,332)	12,039
	164,520	269,881

10. Segmental analysis

For management purposes the Group is organised into three major business segments:

- Proprietary investment management : Investing of Group's funds in securities and real estate, and managing the Group's liquidity requirements.
- Asset management and advisory services : Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related investment services.
- Commercial activities : Commercial activities include food and education sectors.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2021

The following table presents information regarding the Group's business segment:

	Proprietary investment		Asset management and advisory services		Food		Education		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Kuwaiti Dinars									
Segment (loss) revenue	99,646	(91,495)	4,344,087	446,670	732,995	372,150	(372,150)	201,343	4,804,578	928,668
Segment results	(872,429)	(578,540)	4,020,062	284,322	(119,507)	(87,881)	(24,147)	(79,249)	3,003,979	(461,348)
Share in results of associates	203,960	144,402	-	-	-	-	(75,411)	(69,576)	128,549	74,826
Amortization of intangibles	-	-	(50,000)	(88,380)	-	-	-	-	(50,000)	(88,380)
Finance cost on lease liabilities	(4,615)	(1,625)	-	-	-	-	-	-	(4,615)	(1,625)
NLST and Zakat taxes	(100,625)	-	-	-	-	-	-	-	(100,625)	-
Profit/ (loss) for the period									2,977,288	(476,527)

Revenue of the asset management and advisory services includes incentive fees amounting to KD 3,910,924 (31 March 2020: Nil) that arises mostly in the first quarter, as it is based on 31 March year end annual performance of the assets managed under the fiduciary activities. This fee is included in 'Accounts receivable and prepayments' and was collected subsequently.

	Proprietary investment management		Asset management and advisory services		Food		Education		Total	
	31 March		31 March		31 March		31 March		31 March	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Kuwaiti Dinars									
Assets										
Segment assets	10,347,785	6,441,620	4,454,346	439,107	771,160	593,749	502,148	731,732	16,075,439	8,206,208
Investment in associates and a joint venture	25,588,464	31,226,390	-	-	-	-	1,444,154	1,702,861	27,032,618	32,929,251
Others	4,147,034	9,423,184	3,550,000	3,750,000	155,454	40,798	35,852	145,095	7,888,340	13,359,077
	40,083,283	47,091,194	8,004,346	4,189,107	926,614	634,547	1,982,154	2,579,688	50,996,397	54,494,536
Liabilities:										
Account payable and accruals	3,334,342	2,909,348	-	-	510,995	347,772	227,092	493,567	4,072,429	3,750,687
Lease liabilities	312,019	468,927	-	-	408,884	240,289	347,062	242,090	1,067,965	951,306
Employees' end of service benefits	806,084	763,218	-	-	150,930	145,571	77,192	76,784	1,034,206	985,573
	4,452,445	4,141,493	-	-	1,070,809	733,632	651,346	812,441	6,174,600	5,687,566

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2021

11. Contingent Liabilities

	Kuwaiti Dinars		
	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Guarantee provided for murabaha payable of joint venture	10,530,000	10,530,000	10,800,000

For the murabaha payable availed by the jointly controlled entity (refer note 6), the Group, the co-investee in the jointly controlled entity, have given a joint and several guarantee to the lending by local Shariah-compliant financial institution.

12. Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in an active market for identical assets and liabilities:

Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 : inputs are unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 March 2021	Kuwaiti Dinars		
	Level 1	Level 3	Total
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	2,214,968	-	2,214,968
Unquoted equity securities	-	5,389,598	5,389,598
	<u>2,214,968</u>	<u>5,389,598</u>	<u>7,604,566</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	2,579,827	2,579,827
	<u>-</u>	<u>2,579,827</u>	<u>2,579,827</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2021

31 March 2020	Kuwaiti Dinars		
	Level 1	Level 3	Total
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	2,786,224	-	2,786,224
Unquoted equity securities	-	1,004,954	1,004,954
	<u>2,786,224</u>	<u>1,004,954</u>	<u>3,791,178</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	3,513,984	3,513,984
	<u>-</u>	<u>3,513,984</u>	<u>3,513,984</u>

Measurement at fair value

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

The following table shows a reconciliation of the opening and closing amount of level 3 financial instruments which are recorded at fair value.

	Kuwaiti Dinars				As at 31 March 2021
	As at 1 January 2021	Gain recorded in the consolidated statement of income	Loss recorded in other comprehensive income	Net purchases, sales and settlements	
Financial assets at fair value					
<i>Unquoted equity securities</i>	7,645,711	60,303	-	263,411	7,969,425

	Kuwaiti Dinars				As at 31 March 2020
	As at 1 January 2020	Gain recorded in the consolidated statement of income	Loss recorded in other comprehensive income	Net purchases, sales and settlements	
Financial assets at fair value					
<i>Unquoted equity securities</i>	6,592,534	388,906	(309,152)	(2,153,350)	4,518,938

During the period ended 31 March 2021, there were no transfers between the hierarchies.

13. IMPACT OF COVID-19

The outbreak of Novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities.

The Group is continually monitoring its impact, while working closely with the local regulatory authorities, to manage the potential business disruption COVID-19 outbreak.

In light of the rapidly escalating COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the interim consolidated financial statements. Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing a material adjustments to the condensed interim consolidated financial information:

Impairment of non-financial assets

The Group has performed a qualitative assessment for its investment in associates and, in CGUs considering the impact of COVID-19 on entities operating in education and restaurant sector, and compared the actual results for period against the budget and industry benchmarks to conclude the impairment assessment as at 31 December 2020 remains largely unchanged.

The Group has also considered any impairment indicators arising and any significant uncertainties around its right-of-use assets especially arising from any change in lease terms and concluded there is no material impact of COVID-19.

Fair valuation of financial assets

The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of fair value of unquoted financial assets at FVTPL and FVOCI.

The Group has determined the fair value of its equity securities and managed funds based on most recent market information relating to the respective investments and recognized resulting unrealized loss in this interim condensed consolidated financial information.

Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments.

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 projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.