

**COAST INVESTMENT & DEVELOPMENT  
COMPANY K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 2017**



Ernst & Young  
Al Aiban, Al Osaimi & Partners  
P.O. Box 74  
18-21st Floor, Baitak Tower  
Ahmed Al Jaber Street  
Safat Square 13001, Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
kuwait@kw.ey.com  
ey.com/mena



Audit, tax and consulting  
P.O.Box 1486 Safat 13015  
Kuwait

T: +965 1 88 77 99  
F: +965 2294 2651

info@bakertillykuwait.com  
www.bakertillykuwait.com

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COAST INVESTMENT & DEVELOPMENT COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Coast Investment & Development Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively "the Group") as at 30 September 2017, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Financial Reporting Standard, IAS 34: Interim Financial Reporting ("IAS 34"). 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 the 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 IAS 34.



**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COAST INVESTMENT & DEVELOPMENT COMPANY K.S.C.P. (continued)**

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the 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, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2017 that might have had a material effect on the business of the Parent Company or on its 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 organisation of banking business, and its related regulations and Law No.7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

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BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN AL OSAIMI & PARTNERS

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MOHAMMED HAMED AL SULTAN  
LICENCE NO. 100 A  
AL SULTAN AND PARTNERS  
MEMBER OF BAKER TILLY INTERNATIONAL

30 October 2017  
Kuwait

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**(UNAUDITED)**

For the nine months ended 30 September 2017

	<i>Note</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2017 KD '000</i>	<i>2016 KD '000</i>	<i>2017 KD '000</i>	<i>2016 KD '000</i>
Net investment income		109	645	480	1,009
Management fees		112	84	470	281
Other income		30	16	75	46
Share of results of associates		361	899	391	626
Impairment loss on financial assets available for sale		(46)	-	(57)	-
Impairment loss on accounts receivable		-	-	-	(4)
General and administrative expenses		(266)	(241)	(984)	(935)
Depreciation		(2)	(3)	(6)	(7)
Loss on liquidation of subsidiary		-	-	-	(2)
Foreign exchange gain		71	41	322	97
<b>Profit for the period before tax</b>		<b>369</b>	<b>1,441</b>	<b>691</b>	<b>1,111</b>
NLST		(10)	-	(19)	-
Zakat		(3)	-	(7)	-
<b>Profit for the period</b>		<b>356</b>	<b>1,441</b>	<b>665</b>	<b>1,111</b>
<b>Basic and diluted earnings per share attributable to shareholders of the Parent Company</b>	<b>3</b>	<b>1 fils</b>	<b>3 fils</b>	<b>1 fils</b>	<b>2 fils</b>

The attached notes 1 to 9 form part of the interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
 INCOME (UNAUDITED)**

For the nine months ended 30 September 2017


	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2017 KD '000</i>	<i>2016 KD '000</i>	<i>2017 KD '000</i>	<i>2016 KD '000</i>
<b>Profit for the period</b>	<b>356</b>	<b>1,441</b>	<b>665</b>	<b>1,111</b>
<b>Other comprehensive income (loss):</b>				
<i>Items that are or may be subsequently reclassified to interim condensed statement of income in subsequent periods:</i>				
Financial assets available for sale:				
- Net loss arising during the period	(80)	(535)	(239)	(549)
- Transferred to interim condensed consolidated statement of income on disposal/impairment	46	-	13	-
Share of other comprehensive income of associates	321	(59)	532	148
Exchange differences on translation of foreign operations	491	291	1,824	31
<b>Net other comprehensive income (loss) that are or may be reclassified to interim condensed consolidated statement of income in subsequent periods</b>	<b>778</b>	<b>(303)</b>	<b>2,130</b>	<b>(370)</b>
<i>Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>				
Share of other comprehensive income of associates	8	-	873	-
<b>Net other comprehensive income (loss) that will not be reclassified to statement of income in subsequent periods</b>	<b>786</b>	<b>(303)</b>	<b>3,003</b>	<b>(370)</b>
<b>Other comprehensive income for the period</b>	<b>786</b>	<b>1,138</b>	<b>3,003</b>	<b>741</b>
<b>Total comprehensive income for the period</b>	<b>1,142</b>	<b>1,138</b>	<b>3,668</b>	<b>741</b>

The attached notes 1 to 9 form part of the interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(UNAUDITED)**

As at 30 September 2017

		(Audited)	
	30 September	31 December	30 September
	2017	2016	2016
	Notes	KD '000	KD '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,080	1,070
Investment property		151	153
Investment in associates	4	36,353	34,067
Financial assets available for sale		13,187	13,891
Other assets		2,909	3,178
		<u>53,680</u>	<u>52,359</u>
<b>Current assets</b>			
Financial assets at fair value through statement of income		220	2
Prepayment and other assets		394	373
Cash and cash equivalents		3,783	1,545
		<u>4,397</u>	<u>1,920</u>
		<u>58,077</u>	<u>55,139</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		62,529	62,529
Statutory reserve		11,647	11,647
Voluntary reserve		1,991	1,991
Treasury shares	5	(4,776)	(5,215)
Treasury shares reserve		26	236
Other reserves		269	(604)
Foreign currency translation reserve		1,726	(630)
Available-for-sale reserve		1,065	1,291
Accumulated losses		(18,195)	(19,818)
		<u>56,282</u>	<u>52,385</u>
<b>Equity attributable to shareholders of the Parent Company</b>		<b>56,282</b>	<b>52,385</b>
Non-controlling interests		32	32
		<u>56,314</u>	<u>52,417</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
End of service benefits		244	184
		<u>244</u>	<u>184</u>
<b>Current liabilities</b>			
Other liabilities		1,519	1,678
		<u>1,519</u>	<u>1,678</u>
<b>TOTAL LIABILITIES</b>		<b>1,763</b>	<b>1,862</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,077</b>	<b>55,139</b>

  
 Anwar Jasim Al-Kharafi  
 Chairman

  
 Thamer Nabeel Al Neseef  
 Chief Executive Officer

The attached notes 1 to 9 form part of the interim condensed consolidated financial information.

Coast Investment & Development Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30 September 2017

	Attributable to shareholders of the Parent Company										Total KD '000
	Share capital KD '000	Statutory reserve KD '000	Voluntary reserve KD '000	Treasury shares KD '000	Other reserve KD '000	Foreign currency translation reserve KD '000	Available-for- sale reserve KD '000	Accumulated losses KD '000	Sub-total KD '000	Non- controlling interests KD '000	
As at 1 January 2017 (Audited)	62,529	11,647	1,991	(5,215)	(604)	(630)	1,291	(18,860)	52,385	32	52,417
Profit for the period	-	-	-	-	-	-	-	665	665	-	665
Other comprehensive income (loss) for the period	-	-	-	-	873	2,356	(226)	-	3,003	-	3,003
Total comprehensive income (loss) for the period	-	-	-	-	873	2,356	(226)	665	3,668	-	3,668
Sale of treasury shares	-	-	-	439	-	-	-	-	229	-	229
As at 30 September 2017	62,529	11,647	1,991	(4,776)	269	1,726	1,065	(18,195)	56,282	32	56,314
As at 1 January 2016 (Audited)	62,529	11,647	1,991	(5,215)	-	(14)	2,227	(20,929)	52,472	32	52,504
Profit for the period	-	-	-	-	-	-	-	1,111	1,111	-	1,111
Other comprehensive income (loss) for the period	-	-	-	-	-	179	(549)	-	(370)	-	(370)
Total comprehensive income (loss) for the period	-	-	-	-	-	179	(549)	1,111	741	-	741
As at 30 September 2016	62,529	11,647	1,991	(5,215)	-	165	1,678	(19,818)	53,213	32	53,245

The attached notes 1 to 9 form part of the interim condensed consolidated financial information.

**Coast Investment & Development Company K.S.C.P. and Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the nine months ended 30 September 2017

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD '000</i>	<i>KD '000</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period before tax	691	1,111
Adjustments for:		
Net gain on sale of financial assets available for sale	(44)	-
Other income	-	(46)
Impairment loss on accounts receivable	-	4
Impairment on financial assets available for sale	57	-
Depreciation	6	7
Finance costs	3	13
Share of results of associates	(391)	(626)
Loss on liquidation of subsidiary	-	2
Tax expense	(26)	-
End of service benefits	73	75
	<u>369</u>	<u>540</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through statement of income	(218)	-
Prepayments and other assets	1	616
Other liabilities	(159)	(372)
	<u>(7)</u>	<u>784</u>
Cash (used) from operations	(7)	784
End of service benefits paid	(13)	(1,118)
	<u>(20)</u>	<u>(334)</u>
<b>Net cash used in operating activities</b>	<b>(20)</b>	<b>(334)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16)	(4)
Proceeds from disposals and redemptions of financial assets available for sale	963	423
Purchase of financial assets available for sale	(498)	(485)
Proceeds on capital redemption from an associate	1,182	1,559
Placement in other assets	247	-
Finance costs paid	(3)	-
	<u>1,875</u>	<u>1,493</u>
<b>Net cash from investing activities</b>	<b>1,875</b>	<b>1,493</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of amounts due to related party	-	(1,500)
Proceeds from sale of treasury shares	229	-
	<u>229</u>	<u>(1,500)</u>
<b>Net cash from (used in) financing activities</b>	<b>229</b>	<b>(1,500)</b>
Net foreign exchange difference	154	(1)
	<u>2,238</u>	<u>(342)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,238</b>	<b>(342)</b>
Cash and cash equivalents at the beginning of the period	1,545	2,066
	<u>3,783</u>	<u>1,724</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>3,783</b>	<b>1,724</b>

The attached notes 1 to 9 form part of the interim condensed consolidated financial information.



Coast Investment & Development Company K.S.C.P. and Subsidiaries  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at 30 September 2017

**1 INCORPORATION AND ACTIVITIES**

Coast Investment & Development Company K.S.C.P. (the "Parent Company") is a public shareholding company incorporated in Kuwait on 29 July 1975. The Parent Company and its subsidiaries (collectively, the "Group") are engaged in various types of investment management activities such as private equity, asset management and real estate investments in local and international markets. The Parent Company's registered office is at P.O. Box 26755, Safat 13128, State of Kuwait.

The Parent Company's shares are listed on the Kuwait Stock Exchange and regulated by Capital Markets Authority ("CMA"). The Parent Company is primarily engaged in investing activities as disclosed in Note 7.

The principal activities of the Parent Company are as follows:

- a) To carry out all operations relating to securities, including sale and purchase of shares and bonds of companies, governmental and semi-governmental corporations, for its own account or for the account of others.
- b) Management of financial portfolios and investment and development of its customers' funds by deployment of their funds in investment fields locally and internationally.
- c) To carry out all financial transactions including borrowing and lending, guarantees and issuing bonds of all types with or without security in the local and international markets.
- d) To establish and manage investment funds for its own account and for the account of others, offering its units for subscription and undertaking the functions of the investment custodian or investment manager for investment funds inside and outside the country in accordance with the laws and resolutions applicable in the state.
- e) To carry out the duties related to the functions of lead managers and investment custodians of bonds issued by companies or authorities.

The interim condensed consolidated financial information of the Group for the period ended 30 September 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 30 October 2017.

The Annual General Assembly of the shareholders of the Parent Company for the year ended 31 December 2016 held on 10 May 2017 approved the consolidated financial statements, for the year ended 31 December 2016 and the proposal made by Parent Company's Board of Directors on not distributing any dividends or bonus shares.

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (IAS 34) *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

The accounting policies adopted in the preparation of the 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 2016 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2017 and did not result in any material impact on the accounting policies, financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 30 September 2017

**3 BASIC AND DILUTED EARNINGS PER SHARE**

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

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2017 KD '000</i>	<i>2016 KD '000</i>	<i>2017 KD '000</i>	<i>2016 KD '000</i>
Profit for the period attributable to shareholders of the Parent Company	356	1,441	665	1,111
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of outstanding shares	625,293,152	625,293,152	625,293,152	625,293,152
Less: weighted average number of treasury shares	(40,820,086)	(44,570,086)	(41,204,701)	(44,570,086)
Weighted average number of shares	584,473,066	580,723,066	584,088,451	580,723,066
Basic and diluted earnings per share attributable to shareholders of the Parent Company	1 fils	3 fils	1 fils	2 fils

As there are no outstanding dilutive instruments outstanding hence, basic and diluted earnings per share are identical.

**4 INVESTMENT IN ASSOCIATES**

Details of associates are set out below:

Name	Country of incorporation	Interest in equity %			Principal activity	Carrying value		
		30 September 2017	31 December 2016 (Audited)	30 September 2016		30 September 2017 KD '000	31 December 2016 (Audited) KD '000	30 September 2016 KD '000
Rico GmbH	Germany	23.73	23.73	23.73	Manufacturing	2,598	2,412	2,466
Kuwaiti German Holding Company K.S.C. (Closed) ("KGH")	Kuwait	23.41	23.41	23.41	Investing activities	17,079	16,884	16,930
Weinig International A.G. ("Weinig")	Germany	12.37	12.37	12.37	Manufacturing	16,676	14,771	14,817
						36,353	34,067	34,213

KGH has a direct ownership of 52% in Weinig.

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 30 September 2017

5 TREASURY SHARES

	30 September 2017	(Audited) 31 December 2016	30 September 2016
Number of treasury shares	40,820,086	44,570,086	44,570,086
Percentage of capital	6.53 %	7.13%	7.13%
Market value (KD '000)	1,829	1,694	1,894
Cost (KD '000)	4,776	5,215	5,215
Weighted average market price per share (fils)	46	39	39

An amount equivalent to the cost of purchase of the treasury shares have been earmarked as non-distributable from voluntary reserve and a portion of the statutory reserve throughout the holding period of treasury shares. The treasury shares are not mortgaged.

6 RELATED PARTY DISCLOSURES

These represent transactions with related parties, i.e. major shareholders, subsidiaries, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out on terms approved by the Parent Company's management.

The related party balances and transactions included in the interim condensed consolidated financial information are as follows:

	Associates KD '000	Others KD '000	30 September 2017 KD '000	(Audited) 31 December 2016 KD '000	30 September 2016 KD '000
<i>Included in the interim condensed consolidated statement of financial position:</i>					
Promissory note - non-current assets (included in other assets)	2,662	-	2,662	3,178	3,350

Promissory note are to be settled in cash, bears an average interest rate of 1.17% (31 December 2016: 1.26%, 30 September 2016: 1.26%) per annum and is receivable after one year from the reporting date. The balance is not secured.

	Three months ended 30 September		Nine months ended 30 September	
	2017 KD '000	2016 KD '000	2017 KD '000	2016 KD '000
<i>Included in the interim condensed consolidated statement of income:</i>				
Management fees	100	73	440	228
Interest income (included in net investment income)	8	9	24	25
Finance costs (included in general and administrative expenses)	-	-	-	6

*Key management compensation:*

The remuneration of key management personnel of the Group during the period was as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017 KD '000	2016 KD '000	2017 KD '000	2016 KD '000
Salaries and other short term benefits	31	53	133	221
Terminal benefits	5	2	13	6
	<u>36</u>	<u>55</u>	<u>146</u>	<u>227</u>

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 30 September 2017

**7 SEGMENT INFORMATION**

For management purposes, the Group is organised into two main business segments based on internal reporting provided to the chief operating decision maker:

Investments - represents Group's investment activities and other related services.

Others - represents other activities undertaken by the Group which includes management consultancy services.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investment.

The following table present information relating to the revenue and loss before taxation of the Group's operating segments for the nine months ended 30 September 2017 and 30 September 2016, respectively:

	<i>Investments</i> <i>KD '000</i>	<i>Unallocated</i> <i>KD '000</i>	<i>Total</i> <i>KD '000</i>
<i>Nine months ended 30 September 2017</i>			
Segment revenue from operations	1,341	-	1,341
Other income	75	-	75
	<u>1,341</u>	<u>-</u>	<u>1,341</u>
<b>Segment results</b>			
Profit before tax	691	-	691
	<u>691</u>	<u>-</u>	<u>691</u>
<i>Nine months ended 30 September 2016</i>			
Segment revenue from operations	1,916	-	1,916
Other income	46	-	46
	<u>1,916</u>	<u>-</u>	<u>1,916</u>
<b>Segment results</b>			
Profit before tax	1,111	-	1,111
	<u>1,111</u>	<u>-</u>	<u>1,111</u>

The following table presents segment assets and liabilities of the Group's operating segments as at 30 September 2017, 31 December 2016 and 30 September 2016:

	<i>Investments</i> <i>KD '000</i>	<i>Others</i> <i>KD '000</i>	<i>Total</i> <i>KD '000</i>
<i>As at 30 September 2017</i>			
<b>Total assets</b>	57,868	209	58,077
	<u>57,868</u>	<u>209</u>	<u>58,077</u>
<b>Total liabilities</b>	1,760	3	1,763
	<u>1,760</u>	<u>3</u>	<u>1,763</u>
<i>As at 31 December 2016 (Audited)</i>			
Total assets	54,061	218	54,279
	<u>54,061</u>	<u>218</u>	<u>54,279</u>
Total liabilities	1,858	4	1,862
	<u>1,858</u>	<u>4</u>	<u>1,862</u>
<i>As at 30 September 2016</i>			
Total assets	54,925	214	55,139
	<u>54,925</u>	<u>214</u>	<u>55,139</u>
Total liabilities	1,891	3	1,894
	<u>1,891</u>	<u>3</u>	<u>1,894</u>

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 30 September 2017

**8 CAPITAL COMMITMENTS**

At the reporting date, the Group had capital commitments of KD 566 thousand (31 December 2016: KD 700 thousand and 30 September 2016: KD 816 thousand) related to the Group's available-for-sale investments.

**9 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

Fair value is 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. The fair values of financial instruments, with the exception of certain financial assets available for sale carried at cost are not materially different from their carrying values.

**Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group held the following classes of financial instruments measured at fair value:

Financial assets measured at fair value	Total KD '000	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000
<b>30 September 2017</b>				
Financial assets available for sale	8,446	578	-	7,868
Financial assets at fair value through statement of income	220	219	1	-
<b>31 December 2016 (Audited)</b>				
Financial assets available for sale	9,150	568	-	8,582
Financial assets at fair value through statement of income	2	1	1	-
<b>30 September 2016</b>				
Financial assets available for sale	9,336	485	-	8,851
Financial assets at fair value through statement of income	2	1	1	-

During the nine months period ended 30 September 2017, there were no transfers between hierarchies.

The management assessed that financial assets and financial liabilities other than those disclosed above approximate their carrying amounts largely due to the short-term maturities of those instruments except for financial assets available for sale carried at cost less impairment amounting to KD 4,741 thousand (31 December 2016: KD 4,741 thousand and 30 September 2016: KD 4,834 thousand), for which no reliable fair value measure is available.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of comprehensive income would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

Coast Investment & Development Company K.S.C.P. and Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at 30 September 2017

9 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

	<i>At the beginning of the period/ year KD '000</i>	<i>Loss recorded in other comprehensive income KD '000</i>	<i>Net purchases, transfer, sales and settlements KD '000</i>	<i>Impairment loss KD '000</i>	<i>At the end of the period/ year KD '000</i>
<b>30 September 2017</b>					
Financial assets available for sale	8,582	(212)	(445)	(57)	7,868
<b>31 December 2016 (Audited)</b>					
Financial assets available for sale	9,789	(931)	(276)	-	8,582
<b>30 September 2016</b>					
Financial assets available for sale	9,789	(547)	(391)	-	8,851