

**Al Soor Fuel Marketing Company K.S.C.P.
and its Subsidiary**

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

30 SEPTEMBER 2018

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL SOOR FUEL MARKETING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Soor Fuel Marketing Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively the "Group") as at 30 September 2018 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 cash flows and interim condensed consolidated statement of changes in equity 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 Accounting Standard 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

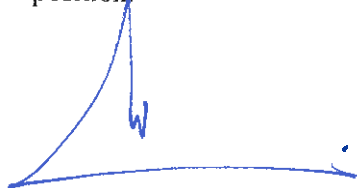
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 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, as amended, 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 2018 that might have had a material effect on the business of the Parent Company or on its financial position.



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

14 November 2018
Kuwait

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 30 September 2018

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2018	Restated*	2018	Restated*
		KD	KD	KD	KD
Sales		39,001,235	36,298,391	115,576,987	110,839,586
Cost of sales	10	(35,827,983)	(33,327,923)	(106,054,624)	(101,652,767)
Operating expenses		(2,631,956)	(2,235,092)	(7,174,899)	(6,372,883)
Gross profit		541,296	735,376	2,347,464	2,813,936
Other income		781,104	686,880	2,595,857	2,153,713
Rental income		91,820	66,780	260,880	201,065
Net investment income	3	14,960	203,619	406,926	433,399
Administrative expenses		(572,987)	(813,684)	(1,920,270)	(2,166,674)
Share of results of associates		(338,593)	(264,779)	(338,593)	(327,779)
Gain from sale of an associate	5	518,858	-	518,858	-
(Provision for) reversal of impairment of receivables		(318,557)	4,473	(635,282)	4,473
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), PROVISION FOR NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		717,901	618,665	3,235,840	3,112,133
Contribution to KFAS		(6,461)	(5,850)	(29,122)	(28,364)
NLST		(19,947)	(16,250)	(82,896)	(78,790)
Zakat		(9,179)	(6,500)	(34,358)	(31,516)
PROFIT FOR THE PERIOD		682,314	590,065	3,089,464	2,973,463
BASIC AND DILUTED EARNINGS PER SHARE	4	1.7 Fils	1.47 Fils	7.7 Fils	7.42 Fils

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 September 2017 and reflect adjustments made as detailed in Note 14.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 September 2018

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2018 KD</i>	<i>Restated* 2017 KD</i>	<i>2018 KD</i>	<i>Restated* 2017 KD</i>
Profit for the period	682,314	590,065	3,089,464	2,973,463
Other comprehensive income for the period:				
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</i>				
Net fair value gain on financial assets at fair value through other comprehensive income	2,276,280	168,994	3,082,971	1,423,149
Other comprehensive income for the period	2,276,280	168,994	3,082,971	1,423,149
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,958,594	759,059	6,172,435	4,396,612

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 September 2017 and reflect adjustments made as detailed in Note 14.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

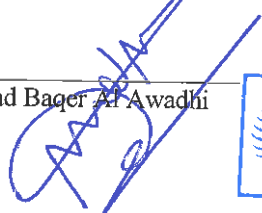
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2018

	Notes	30 September 2018 KD	(Audited) 31 December 2017 KD	Restated* 30 September 2017 KD
ASSETS				
Non-current assets				
Property and equipment		21,925,250	19,410,690	18,799,256
Intangible assets		12,409,176	12,929,500	13,102,942
Investment properties		4,572,384	4,392,672	4,400,222
Investment in associates	5	-	1,927,375	1,700,008
Financial assets at fair value through other comprehensive income	6	26,790,517	21,590,352	21,911,596
		<u>65,697,327</u>	<u>60,250,589</u>	<u>59,914,024</u>
Current assets				
Inventories		630,272	725,189	659,364
Accounts receivable and prepayments		7,449,307	9,795,752	10,030,448
Cash, bank balances and term deposits	7	18,189,142	28,039,213	23,281,921
		<u>26,268,721</u>	<u>38,560,154</u>	<u>33,971,733</u>
TOTAL ASSETS		<u>91,966,048</u>	<u>98,810,743</u>	<u>93,885,757</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		40,470,758	40,470,758	40,470,758
Statutory reserve		4,616,484	4,616,484	4,248,824
Voluntary reserve		4,616,484	4,616,484	4,248,824
Treasury shares	8	(760,279)	(760,279)	(760,279)
Cumulative changes in fair values reserve		7,140,159	6,103,229	6,463,243
Retained earnings		14,341,003	11,210,189	11,459,176
TOTAL EQUITY		<u>70,424,609</u>	<u>66,256,865</u>	<u>66,130,546</u>
LIABILITIES				
Non-current liability				
Employees' end of service benefits		821,743	760,442	726,805
Current liabilities				
Accounts payable and accruals		20,719,696	13,971,951	19,040,281
Term loan		-	17,821,485	7,988,125
		<u>20,719,696</u>	<u>31,793,436</u>	<u>27,028,406</u>
TOTAL LIABILITIES		<u>21,541,439</u>	<u>32,553,878</u>	<u>27,755,211</u>
TOTAL EQUITY AND LIABILITIES		<u>91,966,048</u>	<u>98,810,743</u>	<u>93,885,757</u>

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 September 2017 and reflect adjustments made as detailed in Note 14.

Turaif Mohammad Baqer Al Awadhi
(Chairman)




Talal Ahmad Al-Khars
(Vice Chairman & CEO)

The attached notes 1 to 14 form part of these interim condensed consolidated financial information.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2018

	Share capital KD	Statutory reserve KD	Voluntary Reserve KD	Treasury shares KD	Cumulative changes in fair value reserve KD	Retained earnings KD	Total KD
Balance at 1 January 2018 (Audited)	40,470,758	4,616,484	4,616,484	(760,279)	6,103,229	11,210,189	66,256,865
Profit for the period	-	-	-	-	-	3,089,464	3,089,464
Other comprehensive income for the period	-	-	-	-	3,082,971	-	3,082,971
Total comprehensive income for the period	-	-	-	-	3,082,971	3,089,464	6,172,435
Net realized gain transferred to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(2,046,041)	2,046,041	-
Dividends declared (Note 12)	-	-	-	-	-	(2,004,691)	(2,004,691)
Balance at 30 September 2018	40,470,758	4,616,484	4,616,484	(760,279)	7,140,159	14,341,003	70,424,609
Balance at 1 January 2017 (Audited)	40,470,758	4,248,824	4,248,824	(760,279)	429,074	10,526,717	59,263,918
Transition adjustment on early adoption of IFRS 9	-	-	-	-	4,637,050	(162,343)	4,474,707
Restated balance at 1 January 2017	40,470,758	4,248,824	4,248,824	(760,279)	5,066,124	10,464,374	63,738,625
Profit for the period	-	-	-	-	-	2,973,463	2,973,463
Other comprehensive income for the period	-	-	-	-	1,423,149	-	1,423,149
Total comprehensive income for the period	-	-	-	-	1,423,149	2,973,463	4,396,612
Net realized gain transferred to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(26,030)	26,030	-
Dividends declared (Note 12)	-	-	-	-	-	(2,004,691)	(2,004,691)
Balance at 30 September 2017	40,470,758	4,248,824	4,248,824	(760,279)	6,463,243	11,459,176	66,130,546

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 September 2017 and reflect adjustments made as detailed in Note 14.

The attached notes 1 to 14 form part of these interim condensed consolidated financial information.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For period ended 30 September 2018

	Notes	Nine months ended 30 September	
		2018 KD	Restated* 2017 KD
OPERATING ACTIVITIES			
Profit for the period before KFAS, NLST and Zakat		3,235,840	3,112,133
Non-cash adjustments to reconcile profit for the period to net cash flows:			
Net investment income	3	(406,926)	(433,399)
Share of results of an associate		338,593	327,779
Gain from sale of investment in an associate	5	(518,858)	-
Depreciation and amortization		1,510,583	1,351,304
Provision for employees' end of service benefits		116,353	104,559
Provision for (reversal of) impairment of receivables		635,282	(4,473)
		<u>4,910,867</u>	<u>4,457,903</u>
Changes in the working capital:			
Inventories		94,917	(3,110)
Accounts receivable and prepayments		1,711,163	(3,240,718)
Accounts payable and accruals		5,828,967	5,191,701
		<u>12,545,914</u>	<u>6,405,776</u>
Cash flows from operations		12,545,914	6,405,776
Employees' end of service benefits paid		(55,052)	(14,293)
		<u>12,490,862</u>	<u>6,391,483</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(3,476,442)	(2,238,438)
Purchase of investment properties		(208,088)	-
Purchase of financial assets at fair value through other comprehensive income		(6,658,940)	(784,764)
Proceeds from sale of financial assets at fair value through other comprehensive income		4,541,745	654,014
Proceeds from sale of investment in an associate	5	2,107,640	-
Term deposits placed		-	(1,000,000)
Term deposits matured		1,000,000	-
Interest income received		113,872	158,730
Dividend income received		293,054	274,668
		<u>(2,287,159)</u>	<u>(2,935,790)</u>
Net cash flows used in investing activities		(2,287,159)	(2,935,790)
FINANCING ACTIVITIES			
Term loans obtained		-	11,737,034
Repayment of term loan		(17,821,485)	(3,748,909)
Dividends paid		(1,232,289)	(1,183,970)
		<u>(19,053,774)</u>	<u>6,804,155</u>
Net cash flows (used in) from financing activities		(19,053,774)	6,804,155
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		19,039,213	4,022,073
		<u>19,039,213</u>	<u>4,022,073</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	<u>10,189,142</u>	<u>14,281,921</u>

* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 September 2017 and reflect adjustments made as detailed in Note 14.

The attached notes 1 to 14 form part of these interim condensed consolidated financial information.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2018

1 CORPORATE INFORMATION

This interim condensed consolidated financial information of Al Soor Fuel Marketing Company K.S.C.P. (the "Parent Company") and its Subsidiary (collectively the "Group") for the period ended 30 September 2018 were authorised for issue by the Board of Directors of the Parent Company on 11 November 2018.

The Parent Company is a Kuwaiti shareholding company and was incorporated on 20 March 2006 and commenced its operations on 9 May 2006. The Parent Company's shares were listed on the Kuwait Stock Exchange on 30 September 2008.

The Group conducts the following activities as set forth in Article No. 5 of the Parent Company's Articles of Association:

- Acquisition, establishment, leasing, operating, and maintenance of petrol stations;
- Establishing, developing, operating and maintaining customer service centers at petrol stations, to provide all automobile services including the changing of oil, car wash, maintenance workshop services and technical check-ups;
- The ability to fill and store fuel;
- To ship and trade in petroleum products in bulk or retail;
- The purchase, lease, acquisition, and sale of land and real estate in different locations for the purpose of carrying out the above operations.;

The head office of the Parent Company is P.O. Box 28396, Safat 13144, State of Kuwait.

The Parent Company is a subsidiary of Alfa Energy Company K.S.C. (Closed) (the "Ultimate Parent Company").

2 BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The interim condensed consolidated financial information is prepared under the historical cost convention modified to include the measurement at fair value of financial assets at fair value through other comprehensive income.

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

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2017. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the nine month period ended 30 September 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

New standards, interpretations and amendments adopted by the Parent Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018 as below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and is effective for annual periods commencing on or after 1 January 2018. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes previous revenue guidances. It established a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has applied IFRS 15 using the modified retrospective application. The Group concluded that it has no impact from the application of IFRS 15.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2018

3 NET INVESTMENT INCOME

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2018 KD</i>	<i>Restated 2017 KD</i>	<i>2018 KD</i>	<i>Restated 2017 KD</i>
Interest income	14,960	51,154	113,872	158,731
Dividend income	-	152,465	293,054	274,668
	14,960	203,619	406,926	433,399

4 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares).

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding, less treasury shares, during the period is as follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2018</i>	<i>Restated 2017</i>	<i>2018</i>	<i>Restated 2017</i>
Profit for the period (KD)	682,314	590,065	3,089,464	2,973,463
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	400,991,834	400,991,834	400,991,834	400,991,834
Basic and diluted earnings per share	1.7 fils	1.47 fils	7.7 fils	7.42 fils

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

5 INVESTMENT IN AN ASSOCIATE

During the period ended 30 September 2018, the Group disposed its shares in United Foodstuff Industries Group Company K.S.C. (Closed) to a related party for a consideration of KD 2,107,640. Accordingly, the Group has recognized a gain from sale of the associate of KD 518,858 in the interim condensed consolidated statement of income (Note 10).

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>30 September 2018 KD</i>	<i>(Audited) 31 December 2017 KD</i>	<i>Restated 30 September 2017 KD</i>
Local unquoted securities	7,273,366	6,457,161	6,896,136
Managed portfolio (local quoted equity securities)	1,978,208	125,863	2,290,366
Managed portfolio (local unquoted equity securities)	17,538,943	15,007,328	12,725,094
	26,790,517	21,590,352	21,911,596

As at 30 September 2018, financial assets at fair value through other comprehensive income amounting to KD 19,517,151 (31 December 2017: KD 15,133,191 and 30 September 2017: KD 15,015,460) are managed by a related party (Note 10).

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2018

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

As at 30 September 2018, financial assets at fair value through other comprehensive income amounting to KD 20,222,254 (31 December 2017: KD 18,454,810 and 30 September 2017: KD 17,715,378) are in related party entities (Note 10).

Hierarchy for determining and disclosing the fair values of financial instruments by valuation technique are presented in Note 13.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following interim condensed consolidated statement of financial position amounts:

	<i>30 September</i> <i>2018</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2017</i> <i>KD</i>
Cash	4,292	2,093	69,057
Bank balances	8,184,850	3,987,120	7,662,864
Term deposits	10,000,000	24,050,000	15,550,000
	<u>18,189,142</u>	<u>28,039,213</u>	<u>23,281,921</u>
Term deposits (maturity after 3 months from the placement date)	<u>(8,000,000)</u>	<u>(9,000,000)</u>	<u>(9,000,000)</u>
	<u>10,189,142</u>	<u>19,039,213</u>	<u>14,281,921</u>

Term deposits placed with local banks are denominated in KD and carry an average effective interest rate of 2.22 % (31 December 2017: 1.85 % and 30 September 2017: 1.95%) per annum.

8 TREASURY SHARES

	<i>30 September</i> <i>2018</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2017</i> <i>KD</i>
Number of treasury shares	3,715,747	3,715,747	3,715,747
Percentage of ownership	0.92%	0.92%	0.92%
Market value (KD)	442,173	408,732	483,047

Reserves equivalent to the cost of the treasury shares held are not available for distribution.

9 CONTINGENCIES AND COMMITMENTS

	<i>30 September</i> <i>2018</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2017</i> <i>KD</i>
Letters of guarantee	5,671,220	5,435,223	5,271,218
Capital commitments	1,934,684	2,587,114	2,940,928

As at the reporting date, the management of the Parent Company does not anticipate any material liabilities to arise from these letters of guarantee.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2018

10 RELATED PARTY TRANSACTIONS

These represents transactions with major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management and board of directors.

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	Nine months ended 30 September					
	Entities under common control KD	Major Shareholder KD	2018 Total KD	Entities under common control KD	Major shareholder KD	2017 Total KD
Cost of sales	-	106,054,624	106,054,624	-	101,652,767	101,652,767
Operating expenses	715,748	-	715,748	712,908	-	712,908
Administrative expenses	586,879	-	586,879	698,663	-	698,663
Gain from sale of an associate	518,858	-	518,858	-	-	-

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	30 September 2018			31 December 2017			Restated 30 September 2017 Total KD
	Entities under common control KD	Major shareholder KD	Total KD	Entities under common control KD	Major shareholder KD	Total KD	
Financial assets at fair value through other comprehensive income (Note 6)	20,222,254	-	20,222,254	18,454,810	-	18,454,810	17,715,378
Accounts receivable and prepayments*	1,093,435	-	1,093,435	4,150,716	-	4,150,716	2,764,854
Accounts payable and accruals*	-	15,249,243	15,249,243	-	8,667,009	8,667,009	13,529,830

Investment properties with total amount of KD 2,399,746 (31 December 2017: KD 2,661,473 and 30 September 2017: KD 2,669,473) is registered by the name of a related party, which confirmed in writing that the Group has the beneficial ownership of those properties.

As at 30 September 2018, financial assets at fair value through other comprehensive income amounting to KD 19,517,151 (31 December 2017: KD 15,133,191 and 30 September 2017: KD 15,015,460) are managed by a related party (Note 6).

* Amounts due from/to entities under common control are interest free and due on demand.

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at and for the period ended 30 September 2018

10 RELATED PARTY TRANSACTIONS (continued)

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2018</i> <i>KD</i>	<i>2017</i> <i>KD</i>	<i>2018</i> <i>KD</i>	<i>2017</i> <i>KD</i>
<i>Key management compensation</i>				
Salaries and short-term benefits	94,692	133,886	259,634	359,148
Employees' end of service benefits	7,272	7,380	21,815	25,771
	<u>101,964</u>	<u>141,266</u>	<u>281,449</u>	<u>384,919</u>

11 SEGMENTAL INFORMATION

For management purposes, the Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- Fuel marketing and other related services – represents the sale of fuel and other related services arising from fuel stations.
- Investment operations – represents investment in managed portfolio, short-term money market placements and real estate.

<i>Period ended 30 September 2018</i>	<i>Fuel marketing and other related services</i> <i>KD</i>	<i>Investment operations</i> <i>KD</i>	<i>Unallocated</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Segment revenue	118,172,844	848,071	-	119,020,915
Depreciation and amortization	1,475,082	28,377	7,124	1,510,583
Segment results	3,023,052	848,070	(781,658)	3,089,464
<i>As at 30 September 2018</i>				
Segment assets	50,603,150	41,362,898	-	91,966,048
Segment liabilities	20,540,223	-	1,001,216	21,541,439
<i>Period ended 30 September 2017</i>	<i>Fuel marketing and other related services</i> <i>KD</i>	<i>Investment operations</i> <i>KD</i>	<i>Unallocated</i> <i>KD</i>	<i>Restated Total</i> <i>KD</i>
Segment revenue	112,993,299	306,685	-	113,299,984
Depreciation and amortization	1,271,563	36,456	43,285	1,351,304
Segment results	2,805,448	306,685	(138,670)	2,973,463
<i>As at 30 September 2017</i>				
Segment assets	50,323,931	43,561,826	-	93,885,757
Segment liabilities	19,040,281	7,988,125	726,805	27,755,211

12 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the Parent Company for the year ended 31 December 2017 was held on 22 April of 2018. Accordingly, the consolidated financial statements for the year ended 31 December 2017 have been approved by the shareholders of the Parent Company.

The shareholders at the Ordinary Annual General Assembly approved a cash dividend of 5 fils per share for the year ended 31 December 2017 (31 December 2016: distribution of 5 fils per share) and Board of Directors' remuneration of KD 55,000 (31 December 2016: KD 50,000).

Al Soor Fuel Marketing Company K.S.C.P. and its Subsidiary
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and liabilities.

Financial assets consist of cash and cash equivalents, financial assets at fair value through other comprehensive income and accounts receivable and prepayments.

Financial liabilities consist of accounts payable and accruals.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 (unadjusted) market prices in active markets 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.

30 September 2018	Level 1 KD	Level 3 KD	Total KD
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>			
Local unquoted securities	-	7,273,366	7,273,366
Managed portfolio (local quoted equity securities)	1,978,208	-	1,978,208
Managed portfolio (local unquoted equity securities)	-	17,538,943	17,538,943
	<u>1,978,208</u>	<u>24,812,309</u>	<u>26,790,517</u>
	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
<i>31 December 2017</i>			
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>			
Local unquoted securities	-	6,457,161	6,457,161
Managed portfolio (local quoted equity securities)	125,863	-	125,863
Managed portfolio (local unquoted equity securities)	-	15,007,328	15,007,328
	<u>125,863</u>	<u>21,464,489</u>	<u>21,590,352</u>
	<i>Level 1 KD</i>	<i>Level 3 KD</i>	<i>Restated Total KD</i>
<i>30 September 2017</i>			
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>			
Local unquoted securities	-	6,896,136	6,896,136
Managed portfolio (local quoted equity securities)	2,290,366	-	2,290,366
Managed portfolio (local unquoted equity securities)	-	12,725,094	12,725,094
	<u>2,290,366</u>	<u>19,621,230</u>	<u>21,911,596</u>

There were no transfers between level 1 and level 2 fair value measurements and no transfer into and out of level 3 fair value measurements.

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13 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

	<i>As at 1 January 2018 KD</i>	<i>Gain (loss) recorded in other comprehensive income KD</i>	<i>Net purchases, (sales) and settlements KD</i>	<i>As at 30 September 2018 KD</i>
30 September 2018				
<i>Financial assets at fair value through other comprehensive income</i>				
Local unquoted securities	6,457,161	1,506,578	(690,373)	7,273,366
Managed portfolio (local unquoted equity securities)	15,007,328	(142,385)	2,674,000	17,538,943
	<u>21,464,489</u>	<u>1,364,193</u>	<u>1,983,627</u>	<u>24,812,309</u>

	<i>As at 1 January 2017 KD</i>	<i>Reclassification due to early adoption of IFRS 9 KD</i>	<i>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, (sales) and settlements KD</i>	<i>Transfer from Level 1* KD</i>	<i>As at 31 December 2017 KD</i>
31 December 2017						
<i>Financial assets at fair value through other comprehensive income</i>						
Local unquoted securities	-	5,810,911	646,250	-	-	6,457,161
Managed portfolio (local unquoted equity securities)	-	13,270,828	412,473	152,499	1,171,528	15,007,328
	<u>-</u>	<u>19,081,739</u>	<u>1,058,723</u>	<u>152,499</u>	<u>1,171,528</u>	<u>21,464,489</u>

	<i>As at 1 January 2017 KD</i>	<i>Reclassification due to early adoption of IFRS 9 KD</i>	<i>Gain (loss) recorded in other comprehensive income KD</i>	<i>Net purchases, (sales) and settlements KD</i>	<i>Restated As at 30 September 2017 KD</i>
30 September 2017					
Local unquoted securities	-	5,810,911	396,862	688,363	6,896,136
Managed portfolio (local unquoted equity securities)	-	13,270,828	(213,928)	(331,806)	12,725,094
	<u>-</u>	<u>19,081,739</u>	<u>182,934</u>	<u>356,557</u>	<u>19,621,230</u>

* On 28 September 2017, Kuwait Boursa announced delisting of one of the equity securities from the Kuwait stock exchange. Accordingly, the Group transferred the equity investment of KD 1,171,528 from level 1 to level 3.

14 COMPARATIVE INFORMATION

The comparative figures in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the nine month period ended 30 September 2017, have been restated as below since the Group early adopted IFRS 9 on the audited consolidated financial statements for the year ended 31 December 2017, with a date of initial application of 1 January 2017. Further, no impact on the consolidated financial statements for the year ended 31 December 2017.

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14 COMPARATIVE INFORMATION (continued)

At 30 September 2017

	<i>As previously reported KD</i>	<i>Effect of restatement KD</i>	<i>Restated KD</i>
<i>Interim condensed consolidated statement of financial position</i>			
Assets			
Financial assets available for sale	16,084,429	(16,084,429)	-
Financial assets at fair value through profit or loss	78,720	(78,720)	-
Financial assets at fair value through other comprehensive income	-	21,911,596	21,911,596
Accounts receivable and prepayments	10,192,791	(162,343)	10,030,448
Equity			
Cumulative change in fair values reserve	701,356	5,761,887	6,463,243
Retained earnings	11,634,959	(175,783)	11,459,176
<i>Interim condensed consolidated statement of income</i>			
Net investment income	472,869	(39,470)	433,399
Profit for the period	3,012,933	(39,470)	2,973,463
Basic and diluted earnings per share	7.51 fils	(0.10 fils)	7.42 fils