

**NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW**

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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(UNAUDITED)
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
National Consumer Holding Company – K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Consumer Holding Company – K.S.C. (Public) “the Parent Company” and its subsidiaries “the Group” as of September 30, 2021 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three months and nine months periods then ended, and changes in equity and cash flows interim condensed consolidated statements for the nine months period then ended. The Parent Company’s 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 condensed consolidated 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.

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 for 2016, its Executive Regulation or of the Parent Company’s Memorandum of Incorporation and Articles of Association during the nine months period ended September 30, 2021 that might have had a material effect on the Parent Company’s financial position or results of its operations.

We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010, as amended, relating to the Capital Markets Authority and its related regulations during the period ended September 30, 2021 that might have had a material effect on the Parent Company’s financial position or results of its operations.

State of Kuwait
November 14, 2021



Nayef M. Al Bazie
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NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS OF SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Non-current assets:				
Goodwill		-	-	43,098
Property, plant and equipment		923,490	967,832	1,151,012
Right of use assets		71,534	78,649	96,540
Total non-current assets		<u>995,024</u>	<u>1,046,481</u>	<u>1,290,650</u>
Current assets:				
Financial assets at fair value through profit or loss		2,182,879	2,328,019	2,597,555
Inventories		236,155	162,306	207,024
Due from related party	4	480	480	5,000
Accounts receivable and other debit balances		344,677	271,019	344,005
Cash and cash equivalents	5	3,812,178	3,941,338	3,895,220
Total current assets		<u>6,576,369</u>	<u>6,703,162</u>	<u>7,048,804</u>
Total assets		<u>7,571,393</u>	<u>7,749,643</u>	<u>8,339,454</u>
<u>EQUITY AND LIABILITIES</u>				
Equity:				
Capital		9,000,000	9,000,000	9,000,000
Statutory reserve		667,745	667,745	667,745
Foreign currency translation reserve		(10,973)	(14,583)	(8,960)
Accumulated losses		(2,585,968)	(2,221,944)	(1,658,654)
Equity attributable to shareholders of the Parent Company		<u>7,070,804</u>	<u>7,431,218</u>	<u>8,000,131</u>
Non-controlling interests		5,330	5,377	2,631
Total equity		<u>7,076,134</u>	<u>7,436,595</u>	<u>8,002,762</u>
Non-current liabilities:				
Lease liabilities – non-current portion	6	63,104	66,765	71,000
Provision for end of service indemnity		48,420	45,682	42,248
Total non-current liabilities		<u>111,524</u>	<u>112,447</u>	<u>113,248</u>
Current liabilities:				
Lease liabilities – current portion	6	7,011	8,362	7,889
Accounts payable and other credit balances		376,724	192,239	215,555
Total current liabilities		<u>383,735</u>	<u>200,601</u>	<u>223,444</u>
Total liabilities		<u>495,259</u>	<u>313,048</u>	<u>336,692</u>
Total equity and liabilities		<u>7,571,393</u>	<u>7,749,643</u>	<u>8,339,454</u>

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information



 Sheikh Ahmad Alí Jarrah Alsabah
 Chairman

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Continuing operations:					
Sales		254,886	225,685	712,669	851,516
Cost of sales		(245,246)	(194,979)	(661,550)	(709,041)
Gross profit		9,640	30,706	51,119	142,475
General and administrative expenses		(73,685)	(256,426)	(224,934)	(629,147)
Selling and marketing expenses		(21,000)	(19,001)	(59,401)	(56,865)
Depreciation and amortization		(15,992)	(12,766)	(53,321)	(53,215)
Loss from continued operations		(101,037)	(257,487)	(286,537)	(596,752)
Unrealized losses from changes in the fair value of financial assets at fair value through profit or loss		-	-	(145,140)	-
Provision for expected credit losses		-	-	-	(34,299)
Impairment losses on property, plant and equipment		-	-	-	(38,022)
Income from Wakala investments and short term deposits		11,304	13,786	36,361	19,088
Finance costs		(933)	(1,047)	(2,764)	(3,149)
Other income		7,904	13,445	27,127	24,094
Foreign exchange (loss) gain		(13,109)	(7,834)	6,882	10,336
Loss for the period from continuing operations before discontinued operations, National Labor Support Tax and Contribution to Zakat		(95,871)	(239,137)	(364,071)	(618,704)
Discontinued operations:					
Profit for the period from discontinued operations	3	-	-	-	467,955
Loss for the period before the National Labor Support Tax and Contribution to Zakat		(95,871)	(239,137)	(364,071)	(150,749)
National Labor Support Tax (NLST)		-	2,219	-	-
Contribution to Zakat		-	888	-	-
Loss for the period		(95,871)	(236,030)	(364,071)	(150,749)
Attributable to:					
Shareholders of the Parent Company		(95,856)	(236,000)	(364,024)	(150,631)
Non-controlling interests		(15)	(30)	(47)	(118)
Loss for the period		(95,871)	(236,030)	(364,071)	(150,749)
Loss per share attributable to shareholders of the Parent Company					
		Fils	Fils	Fils	Fils
Basic loss per share from continued operations	7	(1.07)	(2.62)	(4.04)	(6.87)
Basic earnings per share from discontinued operations	7	-	-	-	5.2
Basic loss per share attributable to shareholders of the Parent Company	7	(1.07)	(2.62)	(4.04)	(1.67)

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period	<u>(95,871)</u>	<u>(236,030)</u>	<u>(364,071)</u>	<u>(150,749)</u>
Other comprehensive income (loss):				
<u>Items to be reclassified subsequently to profit or loss</u>				
Exchange differences on translating foreign operations	<u>458</u>	<u>(14,904)</u>	<u>3,610</u>	<u>(16,608)</u>
Other comprehensive income (loss) for the period	<u>458</u>	<u>(14,904)</u>	<u>3,610</u>	<u>(16,608)</u>
Total comprehensive loss for the period	<u>(95,413)</u>	<u>(250,934)</u>	<u>(360,461)</u>	<u>(167,357)</u>
Attributable to:				
Shareholders of the Parent Company	<u>(95,398)</u>	<u>(250,904)</u>	<u>(360,414)</u>	<u>(167,239)</u>
Non-controlling interests	<u>(15)</u>	<u>(30)</u>	<u>(47)</u>	<u>(118)</u>
Total comprehensive loss for the period	<u>(95,413)</u>	<u>(250,934)</u>	<u>(360,461)</u>	<u>(167,357)</u>

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

	Equity Attributable to Shareholders of the Parent Company						Non - controlling Interests	Total equity
	Share capital	Statutory reserve	Foreign currency translation reserve	Revaluation surplus	Accumulated losses	Sub-total		
Balance at January 1, 2021	9,000,000	667,745	(14,583)	-	(2,221,944)	7,431,218	5,377	7,436,595
Loss for the period	-	-	-	-	(364,024)	(364,024)	(47)	(364,071)
Other comprehensive income for the period	-	-	3,610	-	-	3,610	-	3,610
Total comprehensive income (loss) for the period	-	-	3,610	-	(364,024)	(360,414)	(47)	(360,461)
Balance at September 30, 2021	9,000,000	667,745	(10,973)	-	(2,585,968)	7,070,804	5,330	7,076,134
Balance at January 1, 2020	9,000,000	667,745	7,648	526,444	(2,081,028)	8,120,809	20,967	8,141,776
Loss for the period	-	-	-	-	(150,631)	(150,631)	(118)	(150,749)
Other comprehensive loss for the period	-	-	(16,608)	-	-	(16,608)	-	(16,608)
Total comprehensive loss for the period	-	-	(16,608)	-	(150,631)	(167,239)	(118)	(167,357)
Revaluation surplus amortization	-	-	-	(5,163)	5,163	-	-	-
Effect of disposal of a subsidiary	-	-	-	(521,281)	567,842	46,561	(18,218)	28,343
Balance at September 30, 2020	9,000,000	667,745	(8,960)	-	(1,658,654)	8,000,131	2,631	8,002,762

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	2021	2020
Cash flows from operating activities:		
Loss for the period from continuing operations before discontinued operations, National Labor Support Tax and Contribution to Zakat	(364,071)	(618,704)
Profit for the period from discontinued operations	-	467,955
Adjustments:		
Depreciation and amortization	53,321	53,215
Provision for end of service indemnity	12,317	152,355
Provision for expected credit losses	-	34,299
Impairment losses on property, plant and equipment	-	38,022
Finance costs	2,764	3,149
Unrealized losses from changes in the fair value of financial assets at fair value through profit or loss	145,140	-
Income from Wakala investments and short term deposits	(36,361)	(19,088)
	<u>(186,890)</u>	<u>111,203</u>
Change in operating assets and liabilities:		
Inventories	(73,849)	(23,375)
Accounts receivable and other debit balances	(73,658)	728,220
Accounts payable and other credit balances	189,433	(128,344)
Net cash flows (used in) generated from operating activities	<u>(144,964)</u>	<u>687,704</u>
Payment for end of service indemnity	(9,726)	(231,841)
Net cash flows (used in) generated from operating activities	<u>(154,690)</u>	<u>455,863</u>
Cash flows from investing activities:		
Paid for purchase of property, plant and equipment	(20,621)	(2,708)
Proceeds from sale of property, plant and equipment	9,790	-
Proceeds from sale of a subsidiary	-	2,149,206
Income received from Wakala investment and short term deposits	36,361	19,088
Net cash flows generated from investing activities	<u>25,530</u>	<u>2,165,586</u>
Net (decrease) increase in cash and cash equivalents	(129,160)	3,582,621
Cash and cash equivalents related to discontinued operations (Note 3)	-	(961,172)
Cash and cash equivalents at beginning of the period	<u>3,941,338</u>	<u>1,273,771</u>
Cash and cash equivalents at end of the period (Note 5)	<u>3,812,178</u>	<u>3,895,220</u>

The accompanying notes from (1) to (11) form an integral part of the interim condensed consolidated financial information

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

1- Parent Company's incorporation and objectives

National Consumer Holding Company – K.S.C (Public) “the Parent Company” (formerly known as the National Company for Consumer Industries) is a Kuwaiti shareholding company (Public) registered in the State of Kuwait. The Company was incorporated pursuant to Amiri decree issued on September 5, 1996 and Memorandum of Incorporation of a Kuwaiti Shareholding Company (Closed), authenticated at Ministry of Justice – Real Estate Authentication and Registration Department – State of Kuwait, under Ref. No.1025 / Vol.1 dated September 5, 1996, and its and its subsequent amendments which the latest was pursuant to disclosing on Commercial Register under Ref. No.11/2 dated November 3, 2019. “The Parent Company” is listed on the Kuwait Stock Exchange.

The Parent Company's purposes are as follows:

- Owning Shares of Kuwaiti and foreign Shareholding Companies, as well as shares and stakes of Kuwaiti and foreign Limited Liability Companies and participating in incorporating, managing, lending and guaranteeing both types of companies for others.
- Lending companies in which it owns shares given that percentage of the holding company participation in the borrowing company's capital should not be less than 20%.
- Owning industrial property rights such as patents, industrial trademarks, industrial fees and other related rights and leasing those rights to other companies for use inside or outside State of Kuwait.
- Owning movables and real estate is necessary for conducting its operations.
- Utilizing the Parent Company's excess funds through investing in financial portfolios managed by specialized companies and parties.

The Parent Company is registered in the commercial register under Ref. No.71953 dated December 21, 1997.

The Parent Company's registered address is P.O. Box 3767, Safat, postal code 13038, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on November 14, 2021.

2- Significant accounting policies

The interim consolidated financial information are presented in Kuwaiti Dinars which is the functional currency of the Parent Company.

The interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended December 31, 2020. The Group has not early adopted any standards, interpretations or amendments that has been issued but is not yet effective. Interpretations and amendments which is applied for the first time in 2021 do not have any material impact on the interim consolidated financial information of the Group.

The interim consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards, and it should be viewed in comparison with the consolidated financial statements for the year ended December 31, 2020. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim consolidated financial information. Operating results for the period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2021

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

Basis of consolidation:

The interim condensed consolidated financial information of National Consumer Holding Company - K.S.C. (Public) and the following subsidiaries:

Name of Subsidiary	Country of Incorporation	Percentage of holding %		
		September 30, 2021	December 31, 2020	September 30, 2020
Al-Watanya Al-Bronzya Real Estate Company – Nasser Al-Osaimi and Partner – W.L.L.	State of Kuwait	99%	99%	99%
Rukon Al-Watanya paper products Company – W.L.L.	Saudi Arabia	99%	99%	99%
Saudi Kuwaiti Carton Company – W.L.L.	Saudi Arabia	100%	100%	100%

During the year ended December 31, 2020, the Parent company sold all shares of its subsidiary “Al-Watanya Paper Products Company – W.L.L.” (Note 3).

3- **Disposal group**

During the year ended December 31, 2020, the Parent company sold all shares of its subsidiary “Al-Watanya Paper Products Company – W.L.L.” by amount of KD 2,358,712 and resulted in a net income of KD 467,955.

Consideration received:

	As of disposal date	December 31, 2020
Cash and cash equivalent received	291,299	2,358,712
Deferred sale proceeds *	2,067,413	-
Total consideration received	2,358,712	2,358,712

As of September 30, 2020, the total proceeds from consideration received amounted to KD 2,149,206.

* The details of deferred sale proceeds are as follows:

	As of disposal date
Net receivables due from customers	1,049,413
Due from sale	1,018,000
	2,067,413

Gain on disposal of subsidiary:

	Amount
Total consideration received	2,358,712
Less: Net assets disposed off	(2,016,903)
Gain on disposal of subsidiary	341,809
Parent Company’s share of results from the subsidiary until the disposal date	126,146
Total gain related to discontinued operations	467,955

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

Assets and liabilities related to the disposed subsidiary that classified as a disposal group are as follows:

	<u>As of disposal date</u>
Assets	
Property, plant and equipment	546,585
Right of utilization	259,993
Goodwill	200,000
Right of use assets	44,925
Accounts receivable and other debit balances	1,089,195
Inventories	188,270
Cash and cash equivalents	324,786
Total assets of the disposal group	<u>2,653,754</u>
Liabilities	
Accounts payable and other credit balances	507,334
Lease liabilities	45,999
Provision for end of service indemnity	83,518
Total liabilities of the disposal group	<u>636,851</u>
Net assets of the disposal group	<u>2,016,903</u>
Revaluation surplus related to disposal group	<u>521,281</u>

The net cash flows related to discontinued operations are as follows:

	<u>Nine months ended September 30, 2020</u>
Net cash flows used in operating activities	(960,852)
Net cash flows used in investing activities	(320)
Net cash flows related to discontinued operations	<u>(961,172)</u>

4- **Related party disclosures**

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties. Prices and terms of payment are approved by the Parent Company management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

Due from a related party

	<u>Relationship</u>	<u>September 30, 2021</u>	<u>December 31, 2020 (Audited)</u>	<u>September 30, 2020</u>
Individuals	Others	<u>480</u>	<u>480</u>	<u>5,000</u>

Transactions included in the interim condensed consolidated statement of profit or loss:

Key management compensations

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term benefits	<u>19,331</u>	<u>42,596</u>	<u>67,479</u>	<u>211,696</u>
End of service benefits	<u>4,233</u>	<u>2,249</u>	<u>15,156</u>	<u>6,698</u>
	<u>23,564</u>	<u>44,845</u>	<u>82,635</u>	<u>218,394</u>

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

4- Cash and cash equivalents

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Cash on hand and at banks	162,178	206,338	160,220
Wakala investment and short term deposits	3,650,000	3,735,000	3,735,000
	<u>3,812,178</u>	<u>3,941,338</u>	<u>3,895,220</u>

The effective interest rate on Wakala investments and short-term deposits is 1.21% (December 31, 2020 – 1.3%, September 30, 2020 – 1.075%). These deposits have an average maturity of 90 days (December 31, 2020 – 90 days, September 30, 2020 – 90 days).

5- Lease liabilities

Lease liabilities represented in leasehold lands the average lifetime of lease is 10 years (December 31, 2020 – 10 years, September 30, 2020 – 10 years), the average effective interest rate is approximately 5% (December 31, 2020 - 5%, September 30, 2020 – 5%).

6- Loss per share attributable to Parent Company's shareholders

There are no potential dilutive ordinary shares. The information necessary to calculate basic loss per share based on the weighted average number of shares outstanding during the year is as follows:

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Loss for the period from continued operations attributable to shareholders of the Parent Company	(95,856)	(236,000)	(364,024)	(618,586)
Profit for the period from discontinued operations attributable to shareholders of the Parent Company	-	-	-	467,955
Loss for the period attributable to shareholders of the Parent Company	<u>(95,856)</u>	<u>(236,000)</u>	<u>(364,024)</u>	<u>(150,631)</u>
	Shares	Shares	Shares	Shares
Weighted average number of shares outstanding	<u>90,000,000</u>	<u>90,000,000</u>	<u>90,000,000</u>	<u>90,000,000</u>
	Fils	Fils	Fils	Fils
Basic loss per share from continued operations attributable to shareholders of the Parent Company	(1.07)	(2.62)	(4.04)	(6.87)
Basic earnings per share from discontinued operations attributable to shareholders of the Parent Company	-	-	-	5.2
Basic loss per share attributable to shareholders of the Parent Company	<u>(1.07)</u>	<u>(2.62)</u>	<u>(4.04)</u>	<u>(1.67)</u>

NATIONAL CONSUMER HOLDING COMPANY – K.S.C. (PUBLIC) AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

8- Segment information

The group has allocated its assets among the following reportable geographic segments based on geographic location of customers and segment assets:

- State of Kuwait.
- Gulf Cooperation Council (GCC).

	State of Kuwait		Gulf Cooperation Council (GCC)		Total	
	Nine months ended September 30		Nine months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020	2021	2020
Revenues	56,597	1,050,498	726,442	870,326	783,039	1,920,824
Expenses	(407,539)	(1,042,821)	(739,571)	(1,028,752)	(1,147,110)	(2,071,573)
(Loss) profit	(350,942)	7,677	(13,129)	(158,426)	(364,071)	(150,749)
Total assets	5,919,974	6,486,914	1,651,419	1,852,540	7,571,393	8,339,454
Total liabilities	(3,640)	(11,193)	(491,619)	(325,499)	(495,259)	(336,692)
Net assets	5,916,334	6,475,721	1,159,800	1,527,041	7,076,134	8,002,762

9- General Assembly

The Parent Company Shareholders' Ordinary General Assembly held on August 5, 2021 approved the consolidated financial statements for the year ended December 31, 2020 and not to distribute cash dividends, bonus shares and remuneration to the Parent Company's Board of Directors for the year ended December 31, 2020.

The Parent Company Shareholders' Ordinary General Assembly held on August 5, 2021 approved the consolidated financial statements for the year ended December 31, 2019 and not to distribute cash dividends, bonus shares and remuneration to the Parent Company's Board of Directors for the year ended December 31, 2019.

10- Fair value measurement

The Group measures financial assets such as financial assets through profit or loss and financial assets available for sale at fair value at the end of the period date.

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 value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information 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.

the Group's financial assets which represents in financial assets at fair value through profit or loss and measured at fair value are stated within Level 3.

During the period, there were no transfers between Level 1, Level 2 and Level 3.

The fair values of cash at banks, Wakala investments and short term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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(All amounts are in Kuwaiti Dinars)

11- Impact of COVID-19

After more than a year since the advent of the COVID-19 pandemic, various economies and sectors continue to face disruptions and uncertainty as a result of the pandemic and corresponding measures taken by the governments to contain the spread of the virus.

The Group continues to be impacted due to the outbreak and Management continues its efforts to mitigate the associated risk. The management of credit and liquidity risks along with the application of significant estimate and judgements are described in Note (28) in the annual audited consolidated financial statements of the Group for the year ended December 31, 2020 and no material changes have taken place in the risk management process.

The Group has performed an assessment on its ability to continue as a going concern considering current economic conditions and all available information about future risks and uncertainties. The projections have been prepared to cover the Group's future performance, capital and liquidity requirements. The impact of COVID-19 may continue to evolve, but currently, the projections show that the Group has the required resources to continue in operations on a going concern, such position that remains significantly unaffected and unchanged since December 31, 2020. As a result, those interim consolidated financial information have been prepared on a going concern basis.