

INTEGRATED HOLDING COMPANY – K.S.C.C. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTH PERIOD
ENDED 31 MARCH 2018 (UNAUDITED)**



pwc

INTEGRATED HOLDING COMPANY – K.S.C.C. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR'S REVIEW REPORT (UNAUDITED)**

FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2018

Contents	Page
Independent auditor's report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of income	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial information	7 – 14



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INTEGRATED HOLDING COMPANY K.S.C.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding Company K.S.C.C. ("the parent company") and its subsidiaries (together referred to as "the Group") as at 31 March 2018 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The parent company's management is responsible for the preparation and fair 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 International Accounting Standard 34, "Interim Financial Reporting".

Other matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited consolidated financial statements as at 31 December 2017. The comparative information for the Interim condensed consolidated statement of financial position as at 31 March 2017, and the interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the period ended 31 March 2017, and related explanatory notes, has not been audited or reviewed.

Report on other legal and regulatory requirements

Furthermore, based on our review, nothing has come to our attention to indicate that the interim condensed consolidated financial information is not in agreement with the accounting records of the parent company. We further report that nothing has come to our attention indicating any contravention during the three month period ended 31 March 2018, of the Companies Law no. 1 of 2016, its executive bylaws nor of the parent company's articles of association that might have had a material effect on the parent company's activities or on its financial position.



Khalid Ebrahim Al-Shatti
Licence No 175-A
PricewaterhouseCoopers (Al-Shatti & Co.)


23 May 2018
Kuwait

Integrated Holding Company K.S.C.C. and its Subsidiaries

Interim condensed consolidated statement of financial position

(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Note	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
ASSETS				
Non-current assets				
Property and equipment		69,997,217	70,526,563	70,887,696
Intangible assets		711,146	711,277	711,277
		<u>70,708,363</u>	<u>71,237,840</u>	<u>71,598,973</u>
Current assets				
Inventories		990,989	864,024	816,502
Trade and other receivables	6	15,849,327	16,383,401	14,779,178
Cash and cash equivalents	7	7,662,168	3,845,412	2,148,202
		<u>24,502,484</u>	<u>21,092,837</u>	<u>17,743,882</u>
Total assets		<u>95,210,847</u>	<u>92,330,677</u>	<u>89,342,855</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		22,000,000	22,000,000	20,900,000
Share premium		1,463,000	1,463,000	1,463,000
Statutory reserve		6,871,285	6,871,285	5,508,697
Foreign currency translation reserve		(9,782)	(3,772)	7,710
Retained earnings		33,522,901	28,835,460	25,475,228
Equity attributable to equity holders of the parent company		<u>63,847,404</u>	<u>59,165,973</u>	<u>53,354,635</u>
Non-controlling interests		-	-	17,579
Total equity		<u>63,847,404</u>	<u>59,165,973</u>	<u>53,372,214</u>
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits		1,268,653	1,196,351	1,049,142
Trade and other payables	8	2,924,971	2,896,325	3,292,680
Borrowings	9	10,738,697	12,020,380	13,057,428
		<u>14,932,321</u>	<u>16,113,056</u>	<u>17,399,250</u>
Current liabilities				
Trade and other payables	8	12,548,539	11,145,404	8,052,053
Borrowings	9	3,882,583	5,906,244	10,519,338
		<u>16,431,122</u>	<u>17,051,648</u>	<u>18,571,391</u>
Total liabilities		<u>31,363,443</u>	<u>33,164,704</u>	<u>35,970,641</u>
Total equity and liabilities		<u>95,210,847</u>	<u>92,330,677</u>	<u>89,342,855</u>


 Jassim Mustafa Boodai
 Chairman and Chief Executive Officer

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Interim condensed consolidated statement of income
(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Note	Three months ended 31 March	
		2018 (Unaudited)	2017 (Unaudited)
Revenue		11,495,176	9,010,158
Cost of revenue		(5,230,548)	(4,547,495)
Gross profit		6,264,628	4,462,663
General and administrative expenses	12	(1,398,508)	(869,189)
Foreign exchange loss		(255,889)	(182,943)
Other income	13	601,376	188,306
Operating profit		5,211,607	3,598,837
Finance costs		(142,082)	(201,708)
Profit before provisions for contribution to Kuwait foundation for Advancement of Sciences ("KFAS") and Zakat		5,069,525	3,397,129
Contribution to KFAS		(50,694)	(33,971)
Zakat		(54,356)	(44,296)
Profit for the period		4,964,475	3,318,862
Attributable to:			
Owners of the Parent Company		4,964,475	3,318,896
Non-controlling interests		-	(34)
		4,964,475	3,318,862
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fils)	10	22.57	15.09

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Interim condensed consolidated statement of comprehensive income
(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Three months ended	
	31 March	
	2018	2017
	(Unaudited)	(Unaudited)
Profit for the period	4,964,475	3,318,862
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	(6,010)	793
Other comprehensive (loss) / income for the period	(6,010)	793
Total comprehensive income for the period	4,958,465	3,319,655
Attributable to:		
Owners of the Parent Company	4,958,465	3,319,689
Non-controlling interests	-	(34)
Total comprehensive income for the period	4,958,465	3,319,655

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Interim condensed consolidated statement of changes in equity
(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Attributable to owners of the Parent Company						Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Foreign currency translation reserve	Retained earnings	Sub-total		
Balance as of 31 December 2017 (Audited)	22,000,000	1,463,000	6,871,285	(3,772)	28,835,460	59,165,973	59,165,973	
Impact of adoption of IFRS 9 at 1 January 2018 (note 3)	-	-	-	-	(277,034)	(277,034)	(277,034)	
Balance at 1 January 2018	22,000,000	1,463,000	6,871,285	(3,772)	28,558,426	58,888,939	58,888,939	
Profit for the period	-	-	-	-	4,964,475	4,964,475	4,964,475	
Other comprehensive loss for the period	-	-	-	(6,010)	-	(6,010)	(6,010)	
Total comprehensive income for the period	-	-	-	(6,010)	4,964,475	4,958,465	4,958,465	
Balance at 31 March 2018 (unaudited)	22,000,000	1,463,000	6,871,285	(9,782)	33,522,901	63,847,404	63,847,404	
Balance at 1 January 2017 (Audited) (restated)	20,900,000	1,463,000	5,508,697	6,917	22,156,332	50,034,946	50,052,559	
Profit for the period	-	-	-	-	3,318,896	3,318,896	3,318,862	
Other comprehensive income for the period	-	-	-	793	-	793	793	
Total comprehensive income for the period	-	-	-	793	3,318,896	3,319,689	3,319,655	
Balance at 31 March 2017 (unaudited)	20,900,000	1,463,000	5,508,697	7,710	25,475,228	53,354,635	53,372,214	

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Interim condensed consolidated statement of cash flows
(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Note	Three months ended 31 March	
		2018 (Unaudited)	2017 (Unaudited)
Cash flows from operating activities			
Profit for the period		4,964,475	3,318,862
Adjustments for:			
Depreciation		2,633,884	2,649,244
Finance costs		142,082	201,708
Provision for employees' end of service benefits		99,426	57,770
Provision for impairment of trade and other receivables	6	305,674	7,596
Unrealised exchange loss on borrowings	9	88,651	87,793
Gain on sale of property and equipment		(584,675)	(151,768)
		<u>7,649,517</u>	<u>6,171,205</u>
Changes in working capital			
Inventories		(126,965)	(54,782)
Trade and other receivables		(48,634)	380,421
Trade and other payables		1,431,781	367,412
Net cash generated from operations		<u>8,905,699</u>	<u>6,864,256</u>
Employees' end of service benefits paid		(26,302)	(9,961)
Net cash generated from operating activities		<u>8,879,397</u>	<u>6,854,295</u>
Cash flows from investing activities			
Purchase of property and equipment		(2,600,515)	(643,322)
Proceeds from sale of property and equipment		1,035,660	931,246
Net cash (used in)/generated from investing activities		<u>(1,564,855)</u>	<u>287,924</u>
Cash flows from financing activities			
Finance costs paid		(142,082)	(201,708)
Proceeds from borrowings	9	872,234	-
Repayment of borrowings	9	(4,266,229)	(6,295,552)
Net cash used in financing activities		<u>(3,536,077)</u>	<u>(6,497,260)</u>
Exchange differences arising on translation of foreign operations		38,291	81,061
Net increase in cash and cash equivalents		<u>3,816,756</u>	<u>726,020</u>
Cash and cash equivalents at beginning of the period		3,845,412	1,422,182
Cash and cash equivalents at end of the period	7	<u>7,662,168</u>	<u>2,148,202</u>
Non-cash transactions are as follows:			
Impact of IFRS 9			
Trade and other receivables		277,034	-
Retained earnings		(277,034)	-

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1 INCORPORATION AND ACTIVITIES

Integrated Holding Company K.S.C.C. ("the Parent Company") is a Kuwaiti Holding Company registered in Kuwait was incorporated on 4 June 2005 according to Commercial Companies Law (15) for 1960, as amended.

The registered office of the Parent Company is Building 7, block 6, East Ahmadi, Post Box 750, Dasman 15458, Kuwait.

The principal activities of the Parent Company are:

- Acquiring shares in Kuwaiti or foreign shareholding companies as well as acquisition of shares in Kuwaiti or foreign companies with limited liability or participate in the incorporation of such two types of companies and management thereof and guaranteeing them with third parties;
- Lending money to the companies in which it holds shares. In such case, the company's share in the capital of the borrower company shall not be less than 20%;
- Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or any other rights related thereto and lease the same to other companies for use inside or outside Kuwait;
- Acquiring necessary movable and immovable properties for carrying out its business to the extent permitted by the law; and
- Utilizing the financial surpluses available with the Company through investing the same in financial portfolios managed by specialized companies and entities.

The consolidated financial statements for the year ended 31 December 2017 were authorised for issue by the Board of Directors resolution dated 19 March 2018 and were approved by the shareholders at the Annual General Assembly meeting held on 12 April 2018. During the Annual General Assembly meeting, the shareholders also approved the distribution of dividends of 30 fils per share as proposed by the Board of Directors and disclosed in the audited consolidated financial statements of 31 December 2017.

The accompanying interim condensed consolidated financial information for the period ended 31 March 2018 was authorised for issue by the Board of Directors on 12 May 2018.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information of Integrated Holding Company K.S.C.C. and its subsidiaries ("the Group") has been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim condensed consolidated financial information does not include all the information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which have been prepared in accordance with International Financial Reporting Standards (IFRSs). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included in the interim condensed consolidated financial information.

Operating results for the three month period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the year ending 31 December 2018. For further information, refer to the annual audited consolidated financial statements of the Group and notes thereto for the year ended 31 December 2017.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

3 ACCOUNTING POLICIES

(a) *New and amended standards adopted by the Group*

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2017.

A number of new or amended standards became applicable for the current reporting period:

- IFRS 9 Financial Instruments, and
- IFRS 15 Revenue from Contracts with Customers.

The Group has adopted all standards, amendments and improvements which came effective for the first time for the financial reporting year beginning on or after 1 January 2018 and none resulted in a significant impact on the interim condensed consolidated financial information except for IFRS 9 Financial Instruments, the impact of the adoption is shown below.

(b) *IFRS 9 Financial Instruments – Impact of adoption*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the interim condensed consolidated financial statements related to the impairment of financial assets. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Impairment of financial assets

The financial asset subject to IFRS 9's new expected loss models are trade receivables from equipment hire and transportation service.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. For trade receivables, the Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision of impairment for trade receivables as at 31 December 2017 reconcile to the opening provision of impairment on 1 January 2018 as follows:

	<u>Provision amount</u>
At 31 December 2017 – calculated under IAS 39 as originally presented	1,943,114
Amounts restated through opening retained earnings	277,034
Opening loss allowance as at 1 January 2018 - calculated under IFRS 9	<u>2,220,148</u>

The provision from impairment increased by a further KD 305,674 for trade receivables during the three months to 31 March 2018 (note 6). The increase would have been KD 26,607 lower under the incurred loss model of IAS 39.

The Group's loans and receivables was measured at amortised cost as per IAS 39 where the objective of the Group's business model for realizing these assets is for collecting contractual cash flows which meet the conditions for classification at amortised cost under IFRS 9. Accordingly, the new guidance does not affect the classification and measurement of these financial assets.

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

4 JUDGEMENTS AND ESTIMATES

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2017.

5 FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. There have been no changes in the risk management policies since the year end. The fair value of financial assets and liabilities approximates their carrying amounts.

6 TRADE AND OTHER RECEIVABLES

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Trade receivables	16,236,932	16,662,874	13,088,214
Provision for impairment of trade receivables	(2,518,802)	(1,943,114)	(1,118,488)
	13,718,130	14,719,760	11,969,726
Retention receivables	265,910	305,534	248,947
Amount due from related party (note 11)	3,381	6,865	10,002
Deposits	217,767	201,331	766,165
Advance to suppliers and employees	228,215	350,506	752,022
Prepaid expenses	464,474	236,191	134,866
Other receivables	951,450	563,214	897,450
	15,849,327	16,383,401	14,779,178

The movement of provision for impairment of trade receivables is as follows:

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Opening balance	1,943,114	1,120,616	1,120,616
Impact of IFRS 9	277,034	-	-
Provision for impairment of trade and other receivables (note 12)	305,674	938,298	7,596
Provision for impairment of trade and other receivable no longer required	-	(38,252)	-
Amount written off	-	(62,594)	-
Foreign currency translation	(7,020)	(14,954)	(9,724)
Closing balance	2,518,802	1,943,114	1,118,488

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7 CASH AND CASH EQUIVALENTS

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Cash on hand	29,972	24,874	41,823
Short term deposits	4,000,000	-	-
Bank balances	3,632,196	3,820,538	2,106,379
	7,662,168	3,845,412	2,148,202

The effective rate of interest on short term deposit is 1.80% per annum (31 December 2017: nil and 31 March 2017: nil)

8 TRADE AND OTHER PAYABLES

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Current			
Trade payables	8,782,429	8,178,551	5,559,005
Accrued and provision expenses	2,189,982	1,566,476	1,183,499
Accrued staff cost	1,314,814	1,240,870	1,071,882
Other payables	261,314	159,507	237,667
	12,548,539	11,145,404	8,052,053
Non-current			
Trade payables	2,924,971	2,896,325	3,292,680
	15,473,510	14,041,729	11,344,733

9 BORROWINGS

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Current			
Term Loans	2,755,727	3,796,744	7,759,247
Tawaruq payables	872,234	1,600,254	1,741,596
Murabaha payables	254,622	509,246	1,018,495
	3,882,583	5,906,244	10,519,338
Non-Current			
Term Loans	10,738,697	11,837,795	11,951,212
Tawaruq payables	-	182,585	851,594
Murabaha payables	-	-	254,622
	10,738,697	12,020,380	13,057,428
	14,621,280	17,926,624	23,576,766

Borrowings represents amounts obtained from local and international banks to finance the Group's normal activities. Borrowings bear profit/interest rates ranging from 0.9% to 4.5% (31 December 2017: from 0.9% to 4.5% and 31 March 2017: from 0.9% to 4%) including central bank of Kuwait rate and EURIBOR. The repayment of borrowings is as per agreed repayment schedule. The facility agreements include negative pledge on sale of assets. The movement of borrowings is as follows:

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

9 BORROWINGS (Continued)

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Opening	17,926,624	29,784,525	29,784,525
Proceeds from borrowings	872,234	5,547,511	-
Repayment of borrowings	(4,266,229)	(18,138,797)	(6,295,552)
Foreign currency translation	88,651	733,385	87,793
Closing	14,621,280	17,926,624	23,576,766

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding adjusted for bonus shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. At the reporting date, the Group had no dilutive shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended 31 March	
	2018 (Unaudited)	2017 (Unaudited)
Profit for the period attributable to equity holders of the Parent Company	4,964,475	3,318,896
Number of shares outstanding:		
Weighted average number of shares outstanding	220,000,000	220,000,000
Basic and diluted earnings per share attributable to equity holders of the parent company (Fils)	22.57	15.09

11 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, board of Directors and their close relatives, directors and key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out on terms approved by Group's management and at an arm's length term. The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

Balances included in the interim condensed consolidated statement of financial position

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Amounts due from related parties - Burgan Company for Well Drilling, Trading & Maintenance KSCC - Affiliate (note 6)	3,381	6,865	10,002

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information
(All amounts are in Kuwaiti Dinars unless otherwise stated)

11 RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Transactions included in the interim condensed consolidated statement of income

	Three months ended 31 March	
	2018 (Unaudited)	2017 (Unaudited)
Revenue	6,946	10,887
Key management compensation		
Short term benefits	211,361	200,308
Termination benefits	11,713	12,352

12 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March	
	2018 (Unaudited)	2017 (Unaudited)
Staff costs	748,844	597,875
Depreciation expenses	49,778	46,969
Provision for impairment of trade and other receivables (note 6)	305,674	7,596
Marketing expenses	-	62,600
Rent expenses	76,533	33,129
Other expenses	217,679	121,020
Total	1,398,508	869,189

13 OTHER INCOME

	Three months ended 31 March	
	2018 (Unaudited)	2017 (Unaudited)
Gain on sale of property and equipment	584,675	151,768
Other income	16,701	36,538
Total	601,376	188,306

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information
(All amounts are in Kuwaiti Dinars unless otherwise stated)

14 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by board of directors represented by the chief operating decision-maker for the purposes of allocating resources and assessing performance. The chief operating decision-maker organises the entity based on different geographical areas, inside and outside Kuwait. There are no inter-segmental transactions. The following table presents the geographical analysis of the Group's assets, liabilities, revenues, expenses, and profit for the period ended 31 March 2018 and 31 March 2017 and year ended 31 December 2017.

	31 March 2018 (unaudited)		
	Inside Kuwait	Outside Kuwait	Total
Assets	85,585,944	9,624,903	95,210,847
Liabilities	24,585,384	6,778,059	31,363,443
Revenues and other income	10,689,297	1,407,255	12,096,552
Expenses	(6,043,779)	(946,216)	(6,989,995)
Profit for the period	4,507,329	457,146	4,964,475
Depreciation	(2,401,599)	(232,285)	(2,633,884)
Finance cost	(138,189)	(3,893)	(142,082)
Capital expenditures	2,149,553	450,962	2,600,515

	31 December 2017 (Audited)		
	Inside Kuwait	Outside Kuwait	Total
Assets	83,669,823	8,660,854	92,330,677
Liabilities	26,584,730	6,579,974	33,164,704
Revenues and other income	36,105,887	4,379,957	40,485,844
Expenses	(23,010,984)	(3,396,082)	(26,407,066)
Profit for the year	12,333,907	978,070	13,311,977
Depreciation	(9,549,930)	(1,027,652)	(10,577,582)
Finance cost	(760,994)	(5,806)	(766,800)
Capital expenditures	7,631,496	931,287	8,562,783

	31 March 2017 (unaudited)		
	Inside Kuwait	Outside Kuwait	Total
Assets	78,365,283	10,977,572	89,342,855
Liabilities	27,268,423	8,702,218	35,970,641
Revenues and other income	7,846,154	1,352,310	9,198,464
Expenses	(4,703,819)	(974,075)	(5,677,894)
Profit for the period	2,939,046	379,816	3,318,862
Depreciation	(2,384,497)	(264,747)	(2,649,244)
Finance cost	(198,102)	(3,606)	(201,708)
Capital expenditures	26,647	616,675	643,322

Integrated Holding Company K.S.C.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information
(All amounts are in Kuwaiti Dinars unless otherwise stated)

15 COMMITMENTS

	31 March 2018 (Unaudited)	31 December 2017 (Audited)	31 March 2017 (Unaudited)
Capital commitments	485,112	548,345	-
Letters of credit	2,876,440	61,859	-
Letter of guarantees	2,130,941	2,058,760	2,683,132
	<u>5,492,492</u>	<u>2,668,964</u>	<u>2,683,132</u>

16 NON-ADJUSTING EVENT

Subsequent to period end, the Group has liquidated one of its subsidiaries, ShopU for Delivery of Consumer Goods Co. W.L.L. The liquidation process was completed on 9 April 2018.