

**INTEGRATED HOLDING COMPANY K.S.C.P  
AND ITS SUBSIDIARIES**

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

**31 MARCH 2021**





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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding Company K.S.C.P. ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 31 March 2021, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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 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 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, it 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 three-month period ended 31 March 2021 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 violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2021 that might have had 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

11 May 2021  
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)

For the period ended 31 March 2021

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	
		<b>2021</b>	<b>2020</b>
		<b>KD</b>	<b>KD</b>
Revenue	3	<b>5,315,194</b>	6,171,460
Cost of revenue		<b>(4,442,235)</b>	(4,427,879)
<b>GROSS PROFIT</b>		<b>872,959</b>	1,743,581
Other income		<b>33,561</b>	92,776
Net foreign exchange gain		<b>238,263</b>	412,233
General and administrative expenses		<b>(665,933)</b>	(570,012)
Allowance for expected credit loss, net		<b>(177,174)</b>	(447,193)
Finance costs		<b>(159,067)</b>	(161,292)
<b>PROFIT BEFORE TAX</b>		<b>142,609</b>	1,070,093
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		<b>(2,222)</b>	(10,701)
National Labour Support Tax (NLST)		<b>(10,118)</b>	(26,746)
Zakat		<b>(4,047)</b>	(10,701)
<b>PROFIT FOR THE PERIOD</b>		<b>126,222</b>	1,021,945
<b>BASIC AND DILUTED EARNING PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT COMPANY (fils)</b>	4	<b>0.50</b>	4.04

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2021

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>
<b>PROFIT FOR THE PERIOD</b>	<b>126,222</b>	1,021,945
<b>Other comprehensive (loss) income</b>		
<i>Other comprehensive (loss) income that may be reclassified subsequently to consolidated statements of profit or loss:</i>		
Foreign currency translation adjustments	<b>(18,479)</b>	95,088
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>107,743</b>	1,117,033

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2021

		(Audited)	
	<i>Notes</i>	<i>31 March 2021 KD</i>	<i>31 December 2020 KD</i>
		<i>31 March 2021 KD</i>	<i>31 March 2020 KD</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		81,372,031	82,397,031
Right-of-use assets		611,675	632,247
Intangible assets		827,359	827,485
Deferred tax asset		194,111	195,321
		<u>83,005,176</u>	<u>84,052,084</u>
<b>Current assets</b>			
Inventories		928,241	903,135
Trade and other receivables	5	12,309,436	12,177,187
Bank balances and cash		2,506,392	1,935,725
		<u>15,744,069</u>	<u>15,016,047</u>
<b>TOTAL ASSETS</b>		<u><b>98,749,245</b></u>	<u><b>99,068,131</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		22,000,000	22,000,000
Share premium		-	1,463,000
Statutory reserve		9,494,240	9,494,240
Foreign currency translation reserve		(27,264)	(8,785)
Retained earnings		28,804,729	36,691,719
<b>TOTAL EQUITY</b>		<u><b>60,271,705</b></u>	<u><b>60,163,962</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	6	14,681,284	15,552,633
Employee's end of service benefits		1,908,342	1,825,158
Trade and other payables	7	7,691,164	7,918,718
Lease liabilities		661,983	675,833
		<u>24,942,773</u>	<u>25,972,342</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	6,001,742	5,269,568
Loans and borrowings	6	7,486,773	7,615,365
Lease liabilities		46,252	46,894
		<u>13,534,767</u>	<u>12,931,827</u>
<b>TOTAL LIABILITIES</b>		<u><b>38,477,540</b></u>	<u><b>38,904,169</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>98,749,245</b></u>	<u><b>99,068,131</b></u>

Mohammad Naser Abdulaziz Alfozan  
Chairman

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2021

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2021	22,000,000	-	9,494,240	(8,785)	28,678,507	60,163,962
Profit for the period	-	-	-	-	126,222	126,222
Other comprehensive loss for the period	-	-	-	(18,479)	-	(18,479)
Total comprehensive (loss) income for the period	-	-	-	(18,479)	126,222	107,743
<b>At 31 March 2021</b>	<b>22,000,000</b>	<b>-</b>	<b>9,494,240</b>	<b>(27,264)</b>	<b>28,804,729</b>	<b>60,271,705</b>
As at 1 January 2020	22,000,000	1,463,000	9,494,240	(30,262)	35,669,774	68,596,752
Profit for the period	-	-	-	-	1,021,945	1,021,945
Other comprehensive income for the period	-	-	-	95,088	-	95,088
Total comprehensive income for the period	-	-	-	95,088	1,021,945	1,117,033
At 31 March 2020	22,000,000	1,463,000	9,494,240	64,826	36,691,719	69,713,785

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 31 March 2021

	Note	Three months ended 31 March	
		2021 KD	2020 KD
<b>OPERATING ACTIVITIES</b>			
Profit before tax for the period		142,609	1,070,093
<i>Adjustments for:</i>			
Depreciation of property and equipment		2,118,205	2,011,678
Depreciation on right-of-use assets		16,739	17,020
Gain on disposal of items of property and equipment		(25,725)	(47,200)
Provision for employees' end of service benefit		114,084	61,046
Provision for expected credit losses on trade receivables	5	177,174	447,193
Finance costs		159,067	161,292
Net foreign exchange gain		(238,263)	(412,233)
		<u>2,463,890</u>	<u>3,308,889</u>
<i>Working capital adjustments:</i>			
Inventories		(25,106)	(12,443)
Trade and other receivables		(329,665)	1,525,140
Trade and other payables		836,116	1,883,481
		<u>2,945,235</u>	<u>6,705,067</u>
Cash flows from operations		2,945,235	6,705,067
Employees' end of service benefits paid		(29,702)	(15,647)
		<u>2,915,533</u>	<u>6,689,420</u>
<b>Net cash flows from operating activities</b>			
<b>INVESTING ACTIVITIES</b>			
Purchase of items of property and equipment		(1,218,977)	(6,627,588)
Proceeds from disposal of items of property and equipment		25,725	47,200
		<u>(1,193,252)</u>	<u>(6,580,388)</u>
<b>Net cash flows used in investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
Finance costs paid		(150,987)	(152,747)
Payment of lease liabilities		(18,212)	(13,161)
Proceeds from loans and borrowings		-	7,954,120
Repayments of loans and borrowings		(964,189)	(2,255,435)
		<u>(1,133,388)</u>	<u>5,532,777</u>
<b>Net cash flows (used in) from financing activities</b>			
Net foreign exchange differences		(18,226)	(359,016)
		<u>570,667</u>	<u>5,282,793</u>
<b>NET INCREASE IN BANK BALANCES AND CASH</b>			
Bank balances and cash at 1 January		1,935,725	1,787,949
		<u>2,506,392</u>	<u>7,070,742</u>
<b>BANK BALANCES AND CASH AT 31 MARCH</b>			

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

# Integrated Holding Company K.S.C.P and its subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Integrated Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the three months ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 11 May 2021.

The Parent Company was incorporated on 4 June 2005 in accordance with Companies Law of Kuwait and is listed on Boursa Kuwait. The Parent Company’s registered office is located at Building 7, Block 6, East Ahmadi, P.O. 750, Dasman 15458 Kuwait.

The main activities of the Parent Company are as follows:

- ▶ 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 type 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 Parent Company’s share in the capital of the borrower company is not less than 20%;
- ▶ Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or 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
- ▶ Utilising the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialised companies and entities.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 26 April 2021 approved the consolidated financial statements for the year ended 31 December 2020.

#### 2.1 BASIS OF PREPARATION

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 does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with 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 2020.

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

#### 2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

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 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial information of the Group.

#### **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- ▶ A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- ▶ Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- ▶ Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component



Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP (CONTINUED)**

**Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (continued)**

These amendments had no impact on the interim condensed consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**3 REVENUE**

Set out below is the disaggregation of the Group's revenue:

	<i>For three-month period ended 31 March 2021</i>					
	<i>Equipment hire</i>	<i>Transportation</i>	<i>Sales of goods</i>	<i>Port management</i>	<i>Revenue others</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Type of goods or service</i>						
Rendering of services	4,660,357	343,137	-	236,555	73,961	5,314,010
Sale of goods	-	-	1,184	-	-	1,184
	<u>4,660,357</u>	<u>343,137</u>	<u>1,184</u>	<u>236,555</u>	<u>73,961</u>	<u>5,315,194</u>
<i>Geographical markets</i>						
Kuwait	2,929,282	331,405	1,184	236,555	73,961	3,572,387
Outside Kuwait	1,731,075	11,732	-	-	-	1,742,807
	<u>4,660,357</u>	<u>343,137</u>	<u>1,184</u>	<u>236,555</u>	<u>73,961</u>	<u>5,315,194</u>
<i>Timing of revenue recognition</i>						
Services transferred over time	4,660,357	343,137	-	236,555	73,961	5,314,010
Goods transferred at a point in time	-	-	1,184	-	-	1,184
	<u>4,660,357</u>	<u>343,137</u>	<u>1,184</u>	<u>236,555</u>	<u>73,961</u>	<u>5,315,194</u>

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**3 REVENUE (continued)**

<i>Type of goods or service</i>	<i>For three-month period ended 31 March 2020</i>				
	<i>Equipment hire KD</i>	<i>Transportation KD</i>	<i>Sales of goods KD</i>	<i>Revenue others KD</i>	<i>Total KD</i>
Revenue from rendering of services	5,566,540	601,915	-	930	6,169,385
Sale of goods	-	-	2,075	-	2,075
	<u>5,566,540</u>	<u>601,915</u>	<u>2,075</u>	<u>930</u>	<u>6,171,460</u>

  

<i>Geographical markets</i>	<i>For three-month period ended 31 March 2020</i>				
	<i>Equipment hire KD</i>	<i>Transportation KD</i>	<i>Sales of goods KD</i>	<i>Revenue others KD</i>	<i>Total KD</i>
Kuwait	4,407,904	575,108	2,075	930	4,986,017
Outside Kuwait	1,158,636	26,807	-	-	1,185,443
	<u>5,566,540</u>	<u>601,915</u>	<u>2,075</u>	<u>930</u>	<u>6,171,460</u>

  

<i>Timing of revenue recognition</i>	<i>For three-month period ended 31 March 2020</i>				
	<i>Equipment hire KD</i>	<i>Transportation KD</i>	<i>Sales of goods KD</i>	<i>Revenue others KD</i>	<i>Total KD</i>
Services transferred over time	5,566,540	601,915	-	930	6,169,385
Goods transferred at a point in time	-	-	2,075	-	2,075
	<u>5,566,540</u>	<u>601,915</u>	<u>2,075</u>	<u>930</u>	<u>6,171,460</u>

**4 EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended 31 March</i>	
	<i>2021</i>	<i>2020 (Restated)*</i>
Profit for the period (KD)	<u>126,222</u>	<u>1,021,945</u>
Weighted average number of ordinary shares outstanding during the period	<u>253,000,000</u>	<u>253,000,000</u>
Basic and diluted earnings per share (fils)	<u>0.50</u>	<u>4.04</u>

\* Basic and diluted earnings per share for the comparative period presented have been restated to reflect the adjustment of bonus shares following the bonus issue relating to year ended 31 December 2020 (Note 12).

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**5 TRADE AND OTHER RECEIVABLES**

	<b>31 March 2021 KD (Unaudited)</b>	<b>31 December 2020 KD (Audited)</b>	<b>31 March 2020 KD (Unaudited)</b>
Trade receivables	<b>15,475,928</b>	15,201,064	16,737,961
Retention receivables	<b>248,924</b>	205,593	119,641
Less: Allowance for expected credit losses	<b>(6,203,901)</b>	(6,046,969)	(4,960,807)
	<b>9,520,951</b>	9,359,688	11,896,795
Accrued revenue	<b>1,126,182</b>	1,305,730	979,325
Amount due from a related party (Note 8)	<b>212,933</b>	217,462	178,660
Deposits	<b>87,768</b>	158,097	217,330
Advance to suppliers and employees	<b>562,129</b>	515,760	672,202
Prepaid expenses	<b>436,359</b>	177,689	267,172
Other receivables	<b>363,114</b>	442,761	420,590
	<b>12,309,436</b>	12,177,187	14,632,074

Movements in the allowance for expected credit losses on trade receivables were as follows:

	<b>31 March 2021 KD (Unaudited)</b>	<b>31 December 2020 KD (Audited)</b>	<b>31 March 2020 KD (Unaudited)</b>
As at 1 January	<b>6,046,969</b>	4,407,633	4,407,633
Allowance for expected credit losses	<b>177,174</b>	1,642,303	447,193
Foreign exchange difference	<b>(20,242)</b>	(2,967)	105,981
<b>As at the reporting date</b>	<b>6,203,901</b>	6,046,969	4,960,807

**6 LOANS AND BORROWINGS**

	<b>31 March 2021 KD (Unaudited)</b>	<b>31 December 2020 KD (Audited)</b>	<b>31 March 2020 KD (Unaudited)</b>
Term loan	<b>911,178</b>	1,262,574	2,562,814
Tawaruq payables	<b>16,261,879</b>	16,910,424	16,690,733
Murabaha payables	<b>4,995,000</b>	4,995,000	1,930,000
	<b>22,168,057</b>	23,167,998	21,183,547

The amounts payable under Murabaha and Tawaruq agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and carry profit at 2.25% to 2.75% (31 December 2020: 2.25% to 2.75%, 31 March 2020: 3.25% to 3.75%)

Term loans carry finance charges at EIBOR+ 0.75% and are repayable within 5 years.

Currency wise breakup of the loans and borrowings are as follows:

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**6 LOANS AND BORROWINGS (continued)**

	<i>31 March 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>31 March 2020 KD (Unaudited)</i>
<i>Currency</i>			
Kuwait Dinars	<b>21,256,879</b>	21,905,424	18,620,733
Euro	<b>911,178</b>	1,262,574	2,562,814
	<b><u>22,168,057</u></b>	<u>23,167,998</u>	<u>21,183,547</u>
	<i>31 March 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>31 March 2020 KD (Unaudited)</i>
Non-current	<b>14,681,284</b>	15,552,633	14,459,171
Current	<b>7,486,773</b>	7,615,365	6,724,376
	<b><u>22,168,057</u></b>	<u>23,167,998</u>	<u>21,183,547</u>

**7 TRADE AND OTHER PAYABLES**

	<i>31 March 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>31 March 2020 KD (Unaudited)</i>
Trade payables	<b>10,022,811</b>	9,535,965	5,316,902
Amount due to a related party (Note 8)	<b>35,221</b>	33,456	48,336
Accrued expenses	<b>1,023,625</b>	940,126	1,283,395
Staff payables	<b>1,707,704</b>	1,824,412	1,152,600
Other payables	<b>903,545</b>	854,327	520,009
	<b><u>13,692,906</u></b>	<u>13,188,286</u>	<u>8,321,242</u>
Non-current	<b>7,691,164</b>	7,918,718	-
Current	<b>6,001,742</b>	5,269,568	8,321,242
	<b><u>13,692,906</u></b>	<u>13,188,286</u>	<u>8,321,242</u>

**8 RELATED PARTY DISCLOSURES**

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**8 RELATED PARTY DISCLOSURES (continued)**

Transactions and balances related parties are as follows:

	<i>Other affiliates</i>	<i>31 March</i>	<i>31 March</i>
	<i>KD</i>	<i>2021</i>	<i>2020</i>
		<i>KD</i>	<i>KD</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated statement of profit or loss</i>			
<i>Revenue</i>	<b>1,870</b>	<b>1,870</b>	93,987
	<i>Other affiliates</i>	<i>31 March</i>	<i>31 December</i>
	<i>KD</i>	<i>2021</i>	<i>2020</i>
		<i>KD</i>	<i>KD</i>
<i>Interim condensed consolidated statement of financial position</i>			
Amount due from a related party	<b>212,933</b>	<b>212,933</b>	217,462
	<b>35,221</b>	<b>35,221</b>	33,456
			178,660
			48,336

The transaction with related parties are made on terms approved by management. Outstanding balances of amount due from/to related parties as at reporting period are unsecured, interest free and receivable/payable on demand.

**Compensation of key management personnel:**

Key management personnel comprise of the key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of balances outstanding related to key management personnel were as follows:

	<i>Transaction value for the period ended 31 March</i>
	<i>2021</i>
	<i>2020</i>
	<i>KD</i>
	<i>KD</i>
Salaries and short-term employee benefits	<b>226,787</b>
End of services benefits	<b>10,834</b>
	<b>237,621</b>
	238,146
	12,133
	250,279

**9 SEGMENTAL INFORMATION**

The 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 resource 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, revenue and profit for the period ended 31 March 2021, 31 December 2020 and 31 March 2020.

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

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2021

**9 SEGMENTAL INFORMATION (continued)**

	<i>31 March 2021</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Segment revenue	<u>3,572,387</u>	<u>1,742,807</u>	<u>5,315,194</u>
Segment results	<u>(109,637)</u>	<u>235,859</u>	<u>126,222</u>
Depreciation	<u>(1,588,041)</u>	<u>(546,903)</u>	<u>(2,134,944)</u>
Finance cost	<u>(140,577)</u>	<u>(18,490)</u>	<u>(159,067)</u>
Assets	<u>73,807,954</u>	<u>24,941,291</u>	<u>98,749,245</u>
Liabilities	<u>14,705,440</u>	<u>23,772,100</u>	<u>38,477,540</u>
Capital expenditure	<u>97,699</u>	<u>1,121,278</u>	<u>1,218,977</u>

	<i>31 December 2020</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Assets	<u>74,682,084</u>	<u>24,386,047</u>	<u>99,068,131</u>
Liabilities	<u>15,730,403</u>	<u>23,173,766</u>	<u>38,904,169</u>
Capital expenditure	<u>11,521,256</u>	<u>6,402,906</u>	<u>17,924,162</u>

	<i>31 March 2020</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Segment revenue	<u>4,986,017</u>	<u>1,185,443</u>	<u>6,171,460</u>
Segment results	<u>511,366</u>	<u>510,579</u>	<u>1,021,945</u>
Depreciation	<u>(1,707,809)</u>	<u>(320,889)</u>	<u>(2,028,698)</u>
Finance cost	<u>(141,547)</u>	<u>(19,745)</u>	<u>(161,292)</u>
Assets	<u>85,495,247</u>	<u>16,111,832</u>	<u>101,607,079</u>
Liabilities	<u>17,794,640</u>	<u>14,098,654</u>	<u>31,893,294</u>
Capital expenditure	<u>6,160,654</u>	<u>466,934</u>	<u>6,627,588</u>

**10 COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

The Group has commitments in respect of future capital expenditure amounting to KD 3,544 (31 December 2020: KD 6,495 and 31 March 2020: KD 31,859) relating to ongoing projects under construction.

**Contingent liabilities**

At 31 March 2021, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 2,210,377 (31 December 2020: KD 3,293,254 and 31 March 2020: KD 3,092,231) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

## 11 IMPACT OF COVID-19

The COVID-19 outbreak was first reported near the end of 2019. At that time, a cluster of cases displaying the symptoms of a ‘pneumonia of unknown cause’ were identified in Wuhan, the capital of China’s Hubei province. On 31 December 2019, China alerted the World Health Organisation (WHO) of this new virus. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a ‘Public Health Emergency of International Concern’. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic.

The measures to slow the spread of COVID-19 have had a significant impact on the global economy. Governments worldwide imposed travel bans and strict quarantine measures. Businesses are dealing with lost revenue and disrupted supply chains. While the country has started to ease the lockdown, the relaxation has been gradual.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the Group may experience negative results, liquidity restraints and incur fair value losses or impairments on its assets. Given the ongoing economic uncertainty, the exact impact on the Group’s activities thereafter cannot be predicted at this stage.

As a result, the Group considered the impact of COVID-19 in preparing its consolidated financial statements. While the specific areas of judgement may not change, the impact of COVID-19 resulted in the application of further judgement within those areas.

Given the evolving nature of COVID-19 and the limited recent experience of the economic and financial impacts of such a pandemic, changes to estimates may need to be made in the measurement of the Group’s assets and liabilities may arise in the future.

### *Trade and other receivables*

The Group was required to revise certain inputs and assumptions used for the determination of expected credit losses (“ECL”). These were primarily related to adjusting the forward-looking estimates used by the Group in the estimation of ECL as the segmentation applied in previous periods may no longer be appropriate and may need to be revised to reflect the different ways in which the COVID-19 outbreak affects different types of customers (e.g. by extending payment terms for trade receivables or by following specific guidance issued by the government in relation to the collection of lease or other payments).

The Group will continue to assess impact of the pandemic as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

### *Impairment of non-financial assets*

As at the reporting date, the Group has considered the potential impact of the current economic volatility in the determination of the reported amounts of the Group’s non-financial assets and the unobservable inputs are developed using the best available information about the assumptions that market participants would make in pricing these assets at the reporting date. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

The Group acknowledges that certain geographies and sectors in which these assets are located are negatively impacted, and as the situation continues to unfold, the Group will continuously monitor the market outlook and use relevant assumptions in reflecting the values of these non-financial assets as and when they occur.

## 12 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 24 March 2021, proposed a bonus issue of 15% in respect of the year ended 31 December 2020 (2019: cash dividend of 30 fils per share aggregating to KD 6,600,000), to be issued from utilizing retained earnings (2019: to be paid through fully utilizing share premium and retained earnings of KD 1,463,000 and KD 5,137,000 respectively).

The Annual general Meeting (AGM) of the shareholders held on 26 April 2021 has approved bonus issue of 15% for the year ended 31 December 2020 (2019: cash dividend of 30 fils per share aggregating to KD 6,600,000), to be issued from utilizing retained earnings (2019: to be paid through fully utilizing share premium and retained earnings of KD 1,463,000 and KD 5,137,000 respectively).

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