Equipment Holding Company K.P.S.C.
And its subsidiaries
State Of Kuwait

Consolidated Financial Statements
and Independent Auditor's Report
For the year ended as of 31 December 2020

Equipment Holding Company K.P.S.C.
And its subsidiaries
State Of Kuwait

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Independent Auditor's Report

To the Shareholders of
Equipment Holding Company K.P.S.C.
State of Kuwait

Qualified Opinion

We have audited the accompanying consolidated financial statements of Equipment Holding Company K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") which comprise consolidated statement of financial position as at 31 December 2020, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for any possible effects of the matters described in "Basis for Qualified Opinion" section below in our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with IFRS.

Basis of qualified opinion

As mentioned in the notes to the consolidated financial statements Note No. (9) The management did not calculate an adequate credit loss allowance for receivables amounting to KWD 5,857,840 as it includes amounts that exceeded the period of 365 days, The consolidated financial statements include trade receivables of KD 947,152. We were unable to obtain sufficient appropriate audit evidence about the existence and valuation of the above debit balance as at 31 December 2020.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit in accordance with International Standards on Auditing, which require that we comply with ethical requirements and professional plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements do not contain significant errors, since the responsibility in accordance with these standards as Ward later in "paragraph responsibility of the auditor," We are independent of the group and in accordance with the requirements of international standards of ethical behavior of accountants relevant conducted our audit of these consolidated financial statements in the Council, and that we have fulfilled other ethical responsibility in accordance with those requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial uncertainty about continuity

Without qualifying our opinion, we would like to draw attention to the consolidated financial statements, as the total value of the group's current liabilities, which amounted to 8,568,871 KWD, exceeded the value of its current assets, which amounted to 7,067,316, as on December 31, 2020. The ability of the Group to continue according to the going concern principle (International Auditing Standard No. 570).

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Important matters

Without qualifying our opinion, we would like to draw attention to the fact that the company has defaulted in paying the loan installments due on it, which amounted to KWD 6,314,939 as of December 31, 2020, and the company's management is currently negotiating with these banks to reschedule loan payments.

Other matters

The consolidated financial statements for the year ended December 31, 2019 were audited by the last fellow audit firm with a report dated April 30, 2020 in which they expressed a qualified opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

In addition to the matters described in the "Basis for Qualified Opinion" section above, we determined the below matters as key audit matters being reported in our report.

Trade receivables and other debit balances

The Group has a material balance of trade receivables and other debit balances at 32% of the total assets. There are risks associated with recovery of the past due amounts. Due to the nature of the significant judgments associated with the calculation of expected credit losses, the assessment of the expected credit losses is a key element.
Our main focus is to determine the amounts recoverable from trade receivables, as the determination of the amounts recoverable of certain trade receivables may involve making significant estimates based on several assumptions.

How our audit addressed the matter

1- We reviewed a credit policy and aging of trade receivables and debit balances from construction contracts.
2- We have reviewed the form of expected credit losses used by the management to determine the impairment.
3- We reviewed the completeness, accuracy and appropriateness of the statements used in selecting the used assumptions to calculate expected credit losses.
4- We have assessed the adequacy of the accounts receivable and other debit balances disclosures and the expected credit losses in (Note 9) and (Note 26) to the consolidated financial statements.

Other information included in the Group's annual report for the year 2020

The consolidated financial statements for the year ended December 31, 2019 were audited by the last fellow audit firm with a report dated April 30, 2020 in which they expressed a qualified opinion on the financial statements.

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Management is responsible for the other information. The "Other information" section consists of the information included in the annual report of the Group for the year 2020, other than the consolidated financial statements and the auditor's report thereon. We obtained the report of the Parent Company's board of directors. We expect to obtain the remaining sections of the annual report after the date of auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not and we will not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information mentioned above and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed though the other information that we have obtained prior to the date of our auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact in our report. We have nothing to report in this regard.
As described in the "Basis for Qualified Opinion" section above, The management did not calculate an adequate credit loss allowance for receivables amounting to KWD 5,857,840 as it includes amounts that exceeded the period of 365 days, The consolidated financial statements include trade receivables of KD 947,152. We were unable to obtain sufficient appropriate audit evidence about the existence and valuation of the above debit balance as at 31 December 2020.

As described in the "Substantial uncertainty about continuity" the total value of the group's current liabilities, which amounted to 8,568,871 KWD, exceeded the value of its current assets, which amounted to 7,067,316, as on December 31, 2020. The ability of the Group to continue according to the going concern principle (International Auditing Standard No. 570).

As described in the "Important_matters" section above, the company has defaulted in paying the loan installments due on it, which amounted to KWD 6,314,939 as of December 31, 2020, and the company's management is currently negotiating with these banks to reschedule loan payments.

Responsibilities of management and those responsible for governance to the consolidated financial statements

The group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and internal control system as it deems necessary administration to prepare financial statements are free of material misstatement, whether due to fraud or error.
The department is responsible when the consolidated financial statements for assessing the group's ability to continuity and disclosure, as it applies to matters related to the continuity and the use of a going concern basis of accounting, except for the presence of intention by the administration for the liquidation of the group or shut down its business or the absence of realistic alternative is preparation.
Responsible for governance are responsible for overseeing the financial reporting of the group procedures.

The responsibility of the auditor

Our goal is to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to fraud or error, and the emphasis is reasonable is a high level of emphasis, but our audit in accordance with International Standards on Auditing does not always guarantee the discovery of errors core even if any.
The errors can arise from fraud or error, and is considered essential if they are individually or in the aggregate may reasonably affect the economic decisions taken by users on the basis of these consolidated financial statements.

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We have to exercise professional diligence and maintain the application of the principle of professional skepticism as part of the audit process in accordance with International Standards on Auditing, plus:

• Identify and assess material misstatement of the consolidated financial statements of risk, whether due to fraud or error, as well as the design and implementation of audit procedures responsive to those risks, and to obtain audit evidence is sufficient and appropriate to provide a basis for an opinion around. The risk of non-discovery of material misstatement resulting from fraud is higher than the danger resulting from the error where the fraud may include collusion or fraud or willful misrepresentation or omission or exceed internal control systems.

• Get an understanding of the internal control systems relevant for the purposes of checking design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the group internal control systems.

• Assess the adequacy of policies used and the reasonableness of accounting estimates and related notes prepared by the management of the relationship.

• conclusion about the appropriateness of using the management of a going concern basis of accounting, and based on the audit evidence obtained as to whether there was a presence of non-substantial uncertainty respect to events or conditions that may cast doubt fundamentally about the group's ability to continue, and if we came up that there are no lack of substantial uncertainty, we are required to draw attention in the report to the relevant in the financial statements or notes if the disclosure of this information is not enough, we will modify our opinion, these conclusions are based on the audit evidence obtained until the date of issuance of these consolidated financial statements. However, it is possible to cause future events or conditions in the reduction of the group's ability to continue.

• Public display, format and content of the consolidated financial statements, including disclosures assess these consolidated financial statements represent transactions and events are to achieve equitable offer.

Our communication with those responsible for governance (among other things) with respect to the scope and timing of planned audit his remarks critical scrutiny, including any significant deficiencies in internal control system identified during our audit.

Legal and legislative requirements report

Except what we mentioned in our quilting opinion, the consolidated financial statements of the Parent Company - include all the information required by the Companies Act No. 1 of 2016 and the Regulations to it and to the Group and that it had conducted the inventory in accordance with the proper process. We believe in the limits of what the availability of our information did not fall during the year ended 31 December 2020 violations of the provisions of the Companies Act No. 1 of 2016 and the Regulations him, as violations of the provisions of the Memorandum of Association of the group which would materially affect the Group's activities or its financial position, in our opinion, did not occur The group also maintains a more fundamentalist organization accounting records and are consistent with all material respects with the financial statements and recommend its ratification.

Abdullatif M. Johar CA
License No. 142
Licensed by the CMA No. 177/2020
Member of SFAI International Group

Kuwait 31 March 2021

Equipment Holding Company K.P.S.C.
And its subsidiaries
State Of Kuwait
Consolidated Statement of Comprehensive Income for the year ended 31 December 2020

	Notes	2020 KD	2019 KD
Revenues	6	264,993	5,862,544
Cost of revenues		(1,318,680)	(5,764,718)
Gross (loss) Profit		**(1,053,687)**	**97,826**
Other income	7	40,623	1,033,696
Dividend income		-	1,050
(Loss) Gain on sale property, plant and equipments		(22,476)	202,063
Impairment on property, plant and equipments		(139,328)	(740,021)
Change in fair value of financial assets at fair value through profit or loss		-	(17,395)
Write off trade payables		676,239	-
Provision for expected credit losses no longer required		288,849	331,589
Foreign currencies exchange gain (loss)		33,326	(2,581)
Administration & Other Expenses			
Provision for expected credit losses	9	(615,227)	-
Provision for old and obsolete inventories	10	(300,000)	(250,000)
Depreciation on property and equipment	13	(42,750)	(49,752)
Finance costs		(21,779)	(6,007)
Selling and distribution expenses		(114,529)	(2,531)
Administration expenses		(108,386)	(527,223)
Total of Administration & Other Expenses		**(1,202,671)**	**(835,513)**
(loss) Profit before contribution to Kuwait Foundation for the Advancement of Sciences, Zakat		**(1,379,125)**	**70,714**
Kuwait Foundation for Advancement of Science	19	-	-
National Labour Support Tax	20	-	(58,947)
Zakat (according to the Ministerial Decree No. 58 of 2007)	21	-	(23,579)
Net loss for the year		**(1,379,125)**	**(11,812)**
Other Comprehensive Income			
Revaluation surplus		250,000	301,107
Total Comprehnsive (loss) Income for year		**(1,129,125)**	**289,295**
(Loss) earnings per share (fils)	22	**(17.239)**	**(0.087)**

The accompanying notes are an integral part of these consolidated financials statements

Vice Chairman
Dherar Khaled Alrabah

Equipment Holding Company K.P.S.C.
And its subsidiaries
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Consolidated Statement of financial position consolidated as 31 December 2020

	Notes	2020 KD	2019 KD
ASSETS			
Current assets			
Cash and cash equivalents	8	1,156,727	1,359,435
Trade receivables and other debit balances - current portion	9	5,475,014	5,083,261
Work in progress		-	593,892
Inventory	10	372,154	724,955
Financial assets at fair value through Profit or loss	11	63,421	69,581
Total current assets		**7,067,316**	**7,831,124**
Non-current assets			
Trade receivables and other debit balances - non-current portion	9	669,027	727,845
Right of utilization of leasehold lands	12	3,000,000	2,750,000
Property, plant and equipment	13	8,506,324	9,433,406
Total non-current assets		**12,175,351**	**12,911,251**
Total assets		**19,242,667**	**20,742,375**
LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities			
Due to a related party	14	1,808,323	1,700,244
Trade payables and other credit balances	15	3,747,924	5,199,919
Bank payable	8	727,283	240,308
Term loans - current portion	16	2,285,341	1,914,523
Total current liabilities		**8,568,871**	**9,054,994**
Non-current liabilities			
Term loans - non current portion	16	4,029,598	3,832,963
Post Employment Benefits		944,960	1,026,055
Total non-current liabilities		**4,974,558**	**4,859,018**
Shareholders Equity			
Share capital	17	8,000,000	13,640,000
Revaluation reserve		250,000	-
Accumulated losses		(2,550,762)	(6,811,637)
Total Equity		**5,699,238**	**6,828,363**
Total Equity and liabilities		**19,242,667**	**20,742,375**

The accompanying notes are an integral part of these consolidated financials statements

Vice Chairman
Dherar Khaled Alrabah

Equipment Holding Company K.P.S.C.
And its subsidiaries
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Consolidated Statement of Changes in Equity for the year ended as of 31 December 2020

	Share Capital KD	Revaluation Reserve KD	Accumulated Losses KD	Total KD
Balance at 1st January 2019	**13,640,000**	**2,158,042**	**(9,258,974)**	**6,539,068**
Total Comprehensive loss for the period	-	-	(11,812)	**(11,812)**
Other comprehensive income	-	301,107	-	**301,107**
Transferred from revaluation reserve due to consolidated of subsidiary	-	(2,459,149)	2,459,149	-
Balance at 31 December 2019	**13,640,000**	**-**	**(6,811,637)**	**6,828,363**
Total Comprehensive loss for the year	-	-	(1,379,125)	**(1,379,125)**
Impact of revaluation	-	250,000	-	**250,000**
Share capital decrease and amortizing losses	(5,640,000)	-	5,640,000	-
Balance at 31 December 2020	**8,000,000**	**250,000**	**(2,550,762)**	**5,699,238**

The accompanying notes are an integral part of these consolidated financials statements

Equipment Holding Company K.P.S.C.
And its subsidiaries
State Of Kuwait

Consolidated Statement of Cash Flows consolidated for the year ended as of 31 December 2020

	Notes	2020 KD	2019 KD
Cash flows from operating activities			
Total Comprehensive loss for the year		(1,379,125)	(11,812)
Adjustments for:			
(Loss) Gain on sale property, plant and equipments		22,476	(202,063)
Impairment on property, plant and equipments		139,328	740,021
Change in fair value of financial assets at fair value		-	17,395
Provision for expected credit losses no longer required		(288,849)	(331,589)
Depreciation on property, plant and equipment		887,738	1,171,366
Provision for expected credit losses		615,227	-
Provision for old and obsolete inventories		300,000	250,000
Dividend income		-	(1,050)
Finance expenses		21,779	420,570
Post Employment Benefits		32,538	150,844
Operating profit before changes in working capital		**351,112**	**2,203,682**
Changes in working capital :			
Trade receivables and other debit balances		(659,313)	(1,194,840)
Inventory		52,801	29,950
Work in progress		593,892	-
Due to a related party		108,079	1,041,836
Trade payables and other credit balances		(1,451,995)	(1,561,345)
Cash Used in operation		(1,005,424)	519,283
Paid Employment Benefits		(113,633)	(129,666)
Net cash from operating activities		**(1,119,057)**	**389,617**
Cash flows from investing activities			
Proceeds from sale of Property, plant and equipment		-	202,063
Proceeds from selling financial assets at fair value through Profit or loss		6,160	15,551
Property, plant and equipment Purchase		(122,460)	-
Dividends received		-	1,050
Net cash used in investing activities		**(116,300)**	**218,664**
Cash flows from financing activities			
Term loans		567,453	(408,548)
Movement in restricted bank accounts		486,975	171,675
Finance costs paid		(21,779)	(420,570)
Net cash in financing activities		**1,032,649**	**(657,443)**
Net cash flows for the year		(202,708)	(49,162)
Cash and cash equivalents at beginning of the year		1,359,435	1,408,597
Cash and cash equivalents at end of the year	8	**1,156,727**	**1,359,435**

The accompanying notes are an integral part of these consolidated financials statements

1) Incorporation and activities

Equipment Holding Company K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") was incorporated on 25 May 1999. The Parent Company's shares are listed on Kuwait Stock Exchange.

The Parent Company's activities are as follows:

* Owning shares or interests of Kuwaiti or foreign companies and participation in establishing these companies.
* Participation in the management of the owning companies.
* Lending the companies in which it holds shares and guaranteeing such companies before third parties.
* Owning movable and immovable properties necessary for the execution of its operations as permitted by law.
* Owning industrial equities such as patents, industrial trade-marks, royalties, or any other related rights, and franchising them to other companies or using them inside or outside the State of Kuwait.

The address of the Parent Company's registered office is P.O. Box 435 Safat 13005, State of Kuwait.

The consolidated financial statements for the year ended 31 December 2020 were approved for issuance by the Parent Company's Board of Directors decision dated 31 March 2021 and are subject to the approval of the General Assembly of shareholders. The shareholders of the parent company have the right to amend these consolidated financial statements after issuance in the ordinary general meeting of shareholders.

2. Principles of compilation and preparation of consolidated financial statements and statement of compliance

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss and usufruct in lands and buildings that are measured at fair value.

These consolidated financial statements have been presented in Kuwaiti Dinars ("KD"), which is the functional and presentation currency of the Group.

Accounting principle related to going concern

The total value of the group's current liabilities amounting to KD 8,568,871 exceeded the value of its current assets amounting to KD 7,067,316 as on 31 December 2020, and these circumstances indicate the existence of uncertainty in the group's ability to continue in accordance with the accounting continuity principle (International Auditing Standard No. 570) .

The financial statements have been prepared in accordance with going concern basis, which assumes Group's ability to realize its assets and settle its obligations through the normal course of business and restructure its debits. The consolidated financial statements do not include any adjustments that might result from the uncertainty of the Group's continuity.

The continuity of the Group depends on its capacity to achieve profits and enhance its cash flows in the future, as well as the support and funding by shareholders. Board of directors should present this matter to the shareholders at the extraordinary general assembly meeting to decide whether the capital should be increased, the Group should be dissolved or taking another necessary measures in this regard.

Basis of consolidation

The consolidated financial statements include the financial statements of the parent company and its subsidiaries for the year ending 31 December 2020, control arises when the parent company is exposed to risks or has rights to variable returns from its participation in the investee and has the ability to affect those returns through its control over the company. Invested in. Specifically, the parent company controls the investee companies only when the parent company has:

Control over the investee (that is, the current rights that give it the current ability to direct the relevant activities of the investee);
Exposure to risks or rights to variable returns from its involvement with the investee;
The ability to use its power over the investee to affect its return;

When the parent company maintains less than a majority of voting rights or similar rights to the investee company, the parent company takes into account all relevant information and circumstances when assessing the extent of its control over the investee company, including:
The contractual arrangement established with other vote-holders in the investee company.
Rights arising from other contractual arrangements.
The group's voting rights and potential voting rights.

The Group reassesses, at the date of each financial report, the extent of its control over the investee company in the event that the information and circumstances indicate the existence of changes in one or more of the three controlling factors. The consolidation of a subsidiary begins when the parent company obtains control over the subsidiaries and the control over the subsidiaries ceases and this control ceases when the parent company loses control over the subsidiary. Assets, liabilities, revenues and expenses related to subsidiaries that were acquired or sold during the year are included in the statement of comprehensive income from the date the parent company obtains control until the date the parent company ceases to control the subsidiaries.

Profits or losses and each component of other comprehensive income are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows related to transactions between group members are eliminated entirely upon consolidation.

A change in the ownership interest of subsidiaries, with no loss of control, is accounted for as an equity transaction. If the parent company loses control of its subsidiaries, it:
The assets (including goodwill) and the liabilities of the subsidiaries are excluded.
Excludes the carrying value of the non-controlling interests.
Excludes the cumulative foreign exchange translation differences recorded in other
The fair value of The consideration received is recognized
The fair value of any investment held is recognized.
Any surplus or deficit was recognized in the consolidated statement of comprehensive income.

Reclassifies the parent company's share of previously recorded items in other comprehensive income to the consolidated statement of comprehensive income or retained earnings, as appropriate and as needed if the group directly sells the related assets and liabilities.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporatio	Equity interest (%) 2020	2019	Principal activities
Equipment Company - W.L.L	Kuwait	99 %	99 %	Trading in equipment of construction
Al-Khadda International General Trading & Contracting Company - W.L.L	Kuwait	99 %	99 %	Construction contracts
Al Furat Group Holding Company - KSC (Closed)	Kuwait	96 %	96 %	Investments

A share representing 1% of Equipment Company W.L.L was retained under the name of Al-Khadda International General Trading and Contracting Company W.L.L. and a share representing 1% of Al-Khadda International General Trading and Contracting Company W.L.L. was retained under the name of Equipment Company W.L.L. as deposit on behalf of the Parent Company, which confirmed in writing that the Parent Company is the beneficial owner of such shares. Furthermore, a share representing 4% of Al-Forat Holding Group Company K.S.C. (Closed) were retained under the name of other related parties who confirmed in writing that the Parent Company is the beneficial owner of the share.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to these financial statements are disclosed in note (5).

3. Applying new and revised international standards for international financial reporting standards

The accounting policies applied by the company are identical to those applied in the previous year, except for changes resulting from the application of the following new and revised IFRSs as of 1 January 2020.

3-1) Standards, improvements and amendments to standards that became effective from 1 January 2020

International Financial Reporting Standard 16 IFRS: Leasing contracts

The Company has implemented IFRS 16 effective 1 January 2019. IFRS 16 replaces IAS 17, IFRS 4 Interpretation Committee Interpretation No. 4, Standing Interpretations Committee No. 15 and Standing Interpretations Committee No. 27. IFRS 16 sets out the principles for recognizing, measuring, presenting and disclosing leases. As lessee, the Company has applied the following accounting policy in relation to the lease contracts:

A lessee shall apply COVID-19- Related Rent Concessions retrospectively, recognizing the cumulative effect of initially appling that amendment as an adjustment to the opening retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. This amendment is not expected to have a material impact on the Group's interim condensed financial information.

However, there was no material impact on the Consolidated financial statements of the company, as the duration of the leases of the company is 12 months or less from the date of the initial application of IFRS 16 and did not include an option to purchase.

• Amendments to IFRS 16 Covid-19 - Related Rent Concessions

As in May 2020, the Covid-19 amendment was issued for the franchise lease arrangements, paragraphs 46 (a), 46 (b), 60 (a), A-20 (a), and C20 (b) have been added to the lessee. Annual reporting periods beginning on or after 1 June 2020. Early application, including Consolidated financial statements issued on or after 28 May 2020, is permitted.

The lessee must apply the Covid-19 amendment to the franchise lease arrangements by retroactive effect, and the total effect of the initial application is recognized as an adjustment to the opening balance of the carry-over profits (or any other component of equity, as appropriate) at the beginning of the annual reporting period in which the application was made. Initial amendment. This amendment did not have a material impact on the Consolidated financial statements of the company.

• Amendments to IFRS 11: Accounting for owning a stake in joint operations

The amendments apply to transactions in which joint control is obtained on or after the date of the first annual report beginning on or after 1 January 2019, with early application permitted. Any party that participates in a joint operation but does not have joint control, may obtain joint control over joint operations in which the joint operations activity constitutes a business within the definition of IFRS 3. The amendments clarify that the interests previously held in joint operations are not measured.

• Amendments IAS 23: Borrowing Costs

An entity applies those adjustments to borrowing costs incurred on or after the annual financial period in which the entity applies those adjustments for the first time. Any facility applies these amendments to annual reporting periods beginning on or after 1 January 2019, with early application permitted. The amendments clarify that an entity treats any loans originally made to develop a qualifying asset as part of public loans when all activities necessary to prepare the asset for its intended use or sale are complete.

• IFRS No. 9: Financial Instruments

(Applies to annual periods beginning on or after January 1, 2018 with early application

IFRS 9 issued in November 2009 introduced new requirements related to the classification and measurement of financial assets. The standard was subsequently amended in October 2010 to include the requirements for classification and measurement of financial liabilities as well as non-recognition. The standard was also subject to amendment in November 2013 to include the new requirements for general hedge accounting. The latest revised version of Standard No. 9 was launched in July 2014, to include mainly: A) Impairment requirements for financial assets.

B) Introducing some limited adjustments to the classification and measurement requirements by presenting fair value through other comprehensive profit (FVTOCI) as a measurement class for some simple debt instruments. The main requirements of International Standard No. 9: All recognized financial assets that fall within the scope of IFRS 39 Financial Instruments: It is required to be subsequently measured by amortized cost or fair value. With regard to measuring financial liabilities at fair value through profit or loss, International Standard No. 9 requires that the amount of change in the fair value of financial liabilities that is attributable to changes in credit risk associated with those liabilities is recorded in the statement of other comprehensive income, unless it is recognized. The effects of changes in the credit risk of liabilities recorded in the statement of other comprehensive income would create or contribute to an accounting mismatch in profit or loss.

Changes in fair value that are attributable to the credit risk of financial liabilities are not subsequently reclassified to profit or loss. With regard to impairment of financial assets, IFRS 9 requires an expected credit loss model in contrast to the model for credit loss incurred under IFRS 39. The ECL model requires the company (the entity) to justify and explain the causes of expected credit losses changes in those losses This is done at each reporting date to reflect changes in credit risk since the time of its first recognition.

• Amendments to International Accounting Standard No. 12: Income Tax

The amendments clarify that the requirements in Paragraph 52B (for recognition of income tax results for the distribution of profits where transactions or events that generate distributable profits are recognized) apply to all income tax consequences for dividend distributions by moving the paragraph away from Paragraph 52A that deals with cases In which there are .different tax rates for distributed and undistributed profits

• IFRS 15: Customer Contract Revenue

(Applicable for annual periods beginning on or after 1 January 2017 with early application permitted)

The International Financial Reporting Standard No. (15) was launched in May 2014, and presented a comprehensive model for companies that is used to account for the revenues resulting from contracts with clients. International Standard No. 15 will replace the existing guidance for revenue recording, including IAS No. 18 Revenue, IAS No. 11 Construction Contracts and Related Interpretations upon entry into force and application. The main principle implied by International Standard No. 15 It requires that the company (the establishment) must record the revenues that clarify the process of transferring goods or services that are to provided to clients in an amount that reflects the consideration that the establishment is entitled to for those goods or services provided. The standard specifically provides a five-step methodology for recording revenue:

Step 1: Define the contract (s) with clients.

Step 2: Determine the completion obligation to be performed under the contract.
Step 3: Determine the required price for the service provided.
Step 4: Distribute the service price to the obligation assigned under the contract.
Step 5: Recognition of revenue upon fulfilling the required commitment.

The company (establishment), according to IFRS No. (15) records revenue when obligations are fulfilled for performance, for example when the process of controlling a good or service related to the performance or commitment is transferred to the customer.

• Amendments to IAS 28: Long-term benefits in associates and joint ventures

Amendments to IAS No.(28) clarify that any entity applies IFRS 9 Financial Instruments in addition to its requirements for impairment of long-term interests in an associate or joint venture that forms part of the net investment in the associate or joint company To which the equity method is not applied. This includes long-term interests which, in substance, form part of the company's net investment in the associate or joint venture.

The application of this amendment did not result in any material impact on the Consolidated financial statements of the company.

• Amendments to IAS No. 19: Specific Benefit Plans - Employee Contributions

(Applicable for annual periods beginning on or after 1 July 2014 with early application
The amendments to IAS 19 clarify how the company accounts for contributions made by employees or other parties to specific benefit plans based on whether those contributions are based on a number of years of service provided by employees. For contributions based on a number of years of service, the establishment either recognizes these contributions as a reduction of the service cost for the year in which this service is provided, or it is attributed to employee service periods using the estimated credit unit credit method since the contributions that are based on a number of years of service must be attributed by the establishment to Years of service.

3-2) Standards and interpretations issued but not in effect

The following new and revised standards have been issued by the International Accounting Standards Board, but they are not yet effective and the company has not applied them early:

• International Financial Reporting Standard 17 IFRS: Insurance Contracts

In 2017 the International Accounting Standards Board (IASB) issued International Financial Reporting Standard No. 17 (IFRS 17) under the title "Insurance Contracts" which replaces International Financial Reporting Standard 4 (IFRS 4) issued by the Board in 2004. It helps This new standard provides investors and other financial data users to understand the accounting treatment of insurance contracts, the risks to insurance companies and their impact on the profitability and financial position of these companies and their financial position. The new International Standard No. 17 solves the comparison problems that appeared when applying International Standard No. 4, as International Standard No. 4 does not require that the various insurance contracts to be accounted for in consistent manner, on the contrary, insurance contracts were accounted for in different ways between companies. And sometimes differently within the company itself. As a result, investors and analysts find it difficult to:

1- Determine which company of insurance contracts in the company are profitable and which ones are losers.
2- Performing trend analysis about insurance contracts information.

The issuance of IFRS 17 "Insurance Contracts" aims to provide a unified basis for accounting for all types of insurance contracts, including reinsurance contracts for the benefit of both investors and insurance companies, and enhances the comparability of financial reports among companies and financial markets. around the world. According to the new standard, insurance liabilities will be accounted for using current values instead of the historical cost. It is also required that these values be updated regularly, which will provide more useful information for users of financial data. IFRS 17 "Insurance Contracts" will become effective from January 1, 2021, with early application permitted, provided that the company is in compliance with IFRS 9 "Financial Instruments" and IFRS No. 15 "Revenue from Contracts with Customers".

• IFRS 3: Business Group

The new amendment brings with it a new definition of the project. It is very important to distinguish the situation when the investor acquires a business or when the investor only buys only a set of assets. The reason is that the accounting method for the new acquisition depends on: If the investor acquires a company, then you must apply the full consolidation method according to IFRS 3, and if the investor acquires a group of assets, then a different accounting method is applied, for example, under IFRS 16 Property and Establishments And equipment or under IFRS 11 Joint Operations or others. The new amendment to IFRS 3 only changed Appendix (A) of the terminology included in the standard, application instructions and illustrative examples - and thus no change was made to the text of the standard itself. The changes clarify the acquisition requirements in order to be considered an acquisition of a company, in addition to adding instructions and illustrative examples. This change starts on January 1, 2020.

• IFRS 10 and IAS 28 The sale or contribution of assets between the investor and his associate or joint venture company

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Venture Companies (2011) clarify the treatment of the sale or contribution of assets from the investor to his associate or joint venture as follows:

It requires full recording in the investor's financial statements of profits and losses resulting from the sale or contribution of assets that make up the business (as defined in IFRS 3 - Business Combinations).

It requires the partial recording of profits and losses where the assets do not constitute the business, i.e. the profit or loss is recorded only to the extent of the interests of the investors that are not related to that associate or the joint venture company.

These requirements are applied regardless of the legal form of the transaction, for example whether the sale or contribution of assets occurs by the investor who transfers the shares in the subsidiary that owns the assets (which results in the loss of control over a subsidiary) or by the direct sale of the assets themselves.

The International Accounting Standards Board has postponed the effective date indefinitely until other projects are completed. However, early implementation is permitted. The management expects that applying the amendments in the future may have an impact on the financial statements of the company in the event these transactions arise.

• Amendments to IAS No. (1) and IAS No. (8): Definition of Material

The amendments provide a new definition of material information and its contents as follows: Information is considered material in the event that its omission, incorrect expression, or concealment is reasonably expected to affect the decisions made by the primary users of general purpose financial statements based on those financial statements in order to provide financial information. About the specific facility that she set up.

• Amendments to IAS No. (1) and IAS No. (8): Definition of Material (continued ..)

The amendments clarify that the quality of the information as material depends on the nature or volume of the information, whether presented individually or in combination with other information in the context of the financial statements.

The inaccuracy of the expression of information is essential if it is expected to reasonably influence the decisions made by the primary users. These amendments did not have a material impact on the Consolidated financial statements of the company and are not expected to have a future impact on the company.

4. Significant Accounting Policies

The significant accounting policies used in preparing these Consolidated financial statements are as follows:

4-1) Verification and de-recognition of financial assets and liabilities:

A financial asset or a financial liability is recognized when the company becomes a party to the contractual terms of the financial instrument. Also, an asset is not realized when the contractual rights in the cash flows from the financial asset expire, the company has transferred substantially all the risks and rewards of ownership or when it has neither transferred nor retained substantially all the risks and rewards, but no longer has control over the asset a proportion of the asset . A financial liability is de-recognized when the obligation specific in contract is discharged, canceled or expired.

4-2) Financial liabilities / equity:

Financial liabilities "other than at fair value through profit or loss" are subsequently measured and measured and carried at amortized cost using the effective yield method. Equity interests are classified as a financial liabilities if there is a contractual obligation to deliver cash or another financial asset.

4-3) Cash and cash equivalents:

Cash on hand, and time deposits with banks whose original maturities do not exceed three months, net of bank overdraft are classified as cash and cash equivalents in the statement of cash flows.

4-4) Trade receivables:

Receivables are amounts due customers for merchandise sold or services performed in the ordinary course of business and is recognized initially at fair value and subsequently measured at amortized cost using the effective intrest method, less allowance for expected credit losses.

4-5) Inventories:

Inventories are valued at the lower of cost or net realizable value after providing allowances for any obsolete or slow-moving items. Costs comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs is determined on a weighted average basis.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the cost of completion and selling expenses. Write-down is made for obsolete and slow-moving items based on their expected future use and net realizable value.

4-6) Right of utilization of leasehold lands:

The Group's management follows the annual valuation principle, with the valuation teams included in the revaluation surplus and as part of the equity. The fair value of the usufruct is estimated by an independent external valuer, and the revaluation difference is included in the revaluation surplus item in equity.

4-7) Property, plant and equipment:

"Property and equipment are shown at cost after deducting the accumulated depreciation and any impairment losses. The company consumes its equipment using the straight-line method, using rates appropriate to depreciate the asset for the length of its estimated use period."
The residual value, useful life and methods of depreciation are reviewed and adjusted if possible at the end of each fiscal year.

4-8) Provisions for liabilities:

Provisions are recognized, when as aresult of past enents it is probable that an outflow of economic resources will be required to settle a present legal or constructive obligation and the amount cab be reliably estimated.

4-9) Payables and liabilities:

Payables and liabilities are stated at their nominal value. Liabilities are recognized for amounts to be paid in the future for goods and services received, whether billed by the supplier or not.

4-10) Provision indemnity for employees:

The company is liable under the Kuwait labor law, Kuwait social law and the company's terms of employment to make payments under defined benefits plans, to employess at cessation of employment. This defined benefit plan is unfunded and is based on the liability that would arise on involuntary termination of all employees on the balance sheet date. This basis is considered to be reliable approximation of the present value of this liability.

4-11) Trade and Payment Accounting:

All purchases and sales of financial assets (regular way) are recognized on the date of the transaction value at any date on which the compsny commits to purchase or sell the asset. The purchases and sales of the regular way are purchases or sales of financial assets that require delivery of assets within a time to be determined either by custom or regulatory instructions on the market.

4-12) Foreign Currencies:

The functional currency of the company is the Kuwaiti dinar. Foreign currency transactions are recorded in kuwaiti dinars at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Kuwaiti dinar at the rate of exchange prevailing on the balance sheet date. Resulting gains or losses are recognized in the statement of comprehensive income.

4-13) Possible events:

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an outflow of economic benefits has occurred

4-14) Revenues:

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. A company recognizes revenue when it transfers control of a product or service to a customer. The company follows a five-step process:
1- Identifying the contract with a customer.

4-14) Revenues (continued ..) :

2- Identifying the performance obligations.
3- Determine the transaction price.
4- Allocation of the transaction price to performance obligations.
5- Recognition revenue when as performance obligations are satisfied.

IFRS 15 requires entities to exercise judgement. Taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies method of accounting for the additional costs to obtain the contract and the costs that are directly attributable to the contract execution. The standard also requires comprehensive disclosures.

Under IFRS 15. revenue is recognised either at a point in time or over time. When (or as) the company satisfies performance obligations by transferring thr promised goods or services to its customers.

The company shall transfer control od goods or services over a period of time (and not at a specific time) upon fulfillment of any of the following criteria:

• The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

• The company's performance creates or enhances an asset (e.g. work in process) that the customer controls as the assets is created or enhanced.

• The company's performance does not establish an asset that has an alternative usage to the entity. The entity has enforceable right in payments against the completed performance to date. Company's revenue streams are recognised as follows:

Services income

Revenue from services is recognized as the services are performed and completed for clients.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. usually on delivery of the goods.

4-15) Financial instruments:

4-15-1) Verification, Initial Measurement and Non-verification

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Below is shown the subsequent measurement of financial assets and liabilities.

All "regular way" purchases and sales of financial assets are recorded on the basis of the trade date, ie the date on which the entity commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a timeframe that is determined by the regulations or custom prevailing in the markets.

A financial asset (or part of a financial asset or part of a group of similar financial assets if appropriate) is eliminated either.
When the right to receive cash flows from that financial asset expires.
A- That the company transfer all the risks or benefits of the asset or

B - That the company does not transfer or retain all the risks and benefits of the asset but rather transfers control over the asset.
When the company forfeits its right to receive cash flows from the asset or has entered into an arrangement of receipts and payments, the company evaluates whether and to what extent it retains the risks and rewards of ownership. If the company does not transfer or retain substantially all the risks and benefits of the asset or transfer control over the asset. Then the company continues to realize the transferred asset to the extent of the company's ongoing commitment, and in this case the company fulfills the commitment related to it. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. A financial liability is derecognised when the specified obligation is discharged, discharged, canceled, or expired. When replacing an existing financial obligation with another from the same lender under significantly different terms, or by substantially amending the terms of the current financial obligation, this change or amendment is treated as a non-fulfillment of the original obligation and a verification of the new obligation, and the difference in the related book value is included in the consolidated statement of profit and loss.

4-15-2) Classification of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following
- Financial assets at amortized cost.
- Financial assets at fair value through other comprehensive income (FVOCI).
- Financial assets at fair value through profit or loss (FVTPL).

The classification is determined by:
- An established business model for managing financial assets.
- The contractual cash flow characteristics of the financial asset.

4-15-2) Classification of financial assets (continued ..)

The company may make an irrevocable designation upon initial verification of a financial

a company may irrevocably select for the purpose of subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met; (Note 5.12.3) and the company may assign an irrevocable assignment to any debt investment that meets the amortized cost Or FVOCI criteria as measured at FVTPL if that eliminates Or significantly reduces an accounting mismatch. No such appointment was made.

4-15-3) Ex post measurement of financial assets

• Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not classified as FVTPL):

They are held within a business model that aims to hold financial assets and collect contractual cash flows.

The contractual terms of financial assets give rise to cash flows that are only principal and interest payments on the principal amount outstanding after initial recognition, measured at amortized cost using the effective interest rate method, less provision for impairment. Discount is eliminated when the effect of the opponent is immaterial.
The company's financial assets at amortized cost consist of the following:

Cash, bank balances and short-term deposits

Cash on hand and demand deposits are classified under cash and bank balances, and deposits with financial institutions with a maturity of less than one year are classified as short-term deposits.

Accounts receivable and other financial assets

Accounts receivable and other assets are recorded at the principal amount less a provision for impairment. Debtors not classified in any of the above categories are classified as "other receivables and other assets".

• FVOCI financial assets at fair value through other comprehensive income

The company's assets at fair value through other comprehensive income (FVOCI) consist of investment in equity shares in various companies and include quoted and unquoted shares.

Debt instruments at fair value through other comprehensive income

The company calculates debt instruments at FVOCI if the assets meet the following conditions:

They are held under a business model whose objective is to "hold-collect" the associated cash flows and sell them; And the

• The contractual terms of financial assets give rise to cash flows that are only principal and interest payments on the original outstanding amount.

Any gain or loss recognized in other consolidated comprehensive income (OCI) will be recycled to the consolidated statement of profit and loss upon derecognition of the asset. The company does not hold any instruments as at the reporting date.

Equity instruments at fair value through other comprehensive income (FVOCI)

Upon initial recognition, the company may make an irrevocable (instrument-based) designation of investments in equity instruments as FVOCI investments. Designation at FVOCI is not permitted if the equity investment is held for trading or if the investment is for a contingent recognized by the buyer in the business combination.

A financial asset is held for the purpose of trading in the following cases:

It was acquired mainly for the purpose of selling it in the near term; or

• Upon initial verification, it is part of a portfolio of specific financial instruments that the company manages with each other and has evidence of a pattern

Recent actual to reap short-term profits; or

• It is a derivative (excluding derivatives which is a financial guarantee contract or a specific and effective hedging instrument).

Investments in equity instruments measured at FVOCI are measured initially at fair value plus transaction costs. Thereafter, it is measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the fair value reserve. Accumulated profit or loss is translated into retained earnings within the consolidated statement of changes in equity. Dividends on these investments in equity instruments are recognized in the consolidated statement of profit or loss.

• Financial assets at fair value through profit or loss

Financial assets that do not meet the measurement criteria at amortized cost or FVOCI are designated at FVOCI. Moreover, regardless of the financial assets of the business model that their contractual cash flows are not only payments of principal and interest are calculated at fair value through profit or loss. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, to which hedge accounting requirements apply. The category also includes equity investments.

Assets in this category are measured at fair value, with gains or losses recognized in the consolidated statement of profit or loss. The fair value of financial assets in this category is determined by reference to active market transactions or by using a valuation technique when there is no active market. The company's financial assets at fair value through profit or loss include investment in equity stocks and funds.

4-15-4) Impairment of financial assets

The company applies a three-stage approach to measuring Expected Credit Losses (ECLs) on financial instruments that are not designated at FVTPL:

• Loans to clients.
• Bank balances and time deposits.
• Other financial assets.
• Equity instruments are not subject to expected credit losses.

Impairment of the credit facilities

A decrease in credit facilities is recognized in the consolidated statement of financial position in an amount equal to the highest value among the expected credit losses under IFRS 9. However, there are no credit facilities as at the reporting date.

Impairment of financial assets other than credit facilities

The company recognizes expected credit losses arising from investment in debt instruments carried at amortized cost or at fair value through other comprehensive income, bank balances, deposits and other assets.

Expected credit losses

The company applies a three-stage approach to measuring credit losses as follows:

Phase 1: 12-month expected credit loss

The Company measures loss allowances at an amount equal to the 12-month expected credit loss of financial assets that have not had a material increase in credit losses since initial recognition, or exposures that have been determined to contain a low level of credit risk at the reporting date. The company considers a financial asset that has a low level of credit risk when the rate of that credit risk meets the internationally recognized definition of (investment class).

Phase 2: Expected credit losses over the life of the instrument - without exposure to

The Company measures loss allowances at an amount equal to the lifetime expected credit loss of the financial assets that have not had a material increase in credit risk since initial recognition but are exposed to credit impairment.

Phase 3: Expected credit losses over the life of the instrument - in case of exposure to

The company measures the loss allowances at an amount equal to the expected credit loss over the life of the financial asset and is determined to have been exposed to credit impairment based on objective evidence of impairment.

Life Expected Credit Losses (ECLs) are the credit losses that result from potential default events over the expected life of the financial instrument. The 12-month ECL is the portion of the lifetime expected credit loss of the instrument that results from potential default events within the 12 months after the reporting date. Both the lifetime ECL and the 12-month ECL are computed either on an individual or collective basis depending on the nature of the underlying portfolio of the financial instruments.

Determine the stage of impairment

At each reporting date, the company makes an assessment to determine whether a financial asset or a group of financial assets has had a credit impairment. The company considers that a financial asset has experienced a credit impairment in the event of one or more events that have a detrimental effect on the estimated future cash flows of the financial asset or when contractual payments are overdue for a period of 90 days.

At each reporting date, the company also assesses whether there has been a material increase in credit risk since the initial verification by comparing default that occurred over the expected life as of the reporting date with the risk of default at the date of initial recognition. The quantitative criteria used to update a significant increase in credit risk represent a series of abstract and relative limits. All financial assets are considered to be 30 days past due, including a significant increase in credit risk since initial recognition, and are transferred to Stage 2 even if other criteria do not indicate a material increase in credit risk.

Measurement of expected credit losses

Expected credit losses (ECLs) are estimates of credit losses on a weighted basis and are measured at the present value of all cash deficits discounted at the effective interest rate of the financial instrument. The cash deficit represents the difference between the cash flows a company owes under a contract and the cash flows the company expects to receive. The key elements in measuring expected credit losses include probability of default, loss on default and exposure to default risk. The company estimates these elements by using appropriate credit risk models, taking into account the internal and external credit rates of the assets, the nature and value of collateral, future major economic scenarios, etc.

4-16) Operating expenses:

Operating expenses are recognized in the consolidated statement of profit or loss when the services provided are used or when they occur.

5. Critical accounting judgments and key sources of estimation uncertain

The preparation of financial statements in conforrnity with IFRS requires Company's management to make estimates and assumptiona that may affect amounts reported in these financial statements, as actual result could differ from these estimates. It also requires company's accounting policies. Judgment and estimates that are significant to the financial statements are shown below:

Important management judgments

When applying the company's accounting policies, management has taken the following judgments which greatly affect the amounts included in the financial statements:

Classification of financial instruments

When acquiring a financial instrument, the company decides whether it should be classified as "fair value through profit or loss", "fair value through other comprehensive income" or "amortized cost". IFRS 9 requires the evaluation of all financial assets, except for equity instruments and derivatives, based on the group's business model for managing assets with cash flow characteristics of the instrument. The company follows the guideline in IFRS 9 when classifying its financial assets.

Unconfirmed estimates

The key assumptions regarding the future and other major sources of uncertainty estimates at the consolidated financial position date, which have a material risk of causing material adjustments to the carrying amounts of assets and liabilities during the next financial year have been explained below:

Impairment of non-financial assets

The Company reviews its intangible assets on an ongoing basis to determine whether a provision for impairment should be recorded in the consolidated statement of profit or loss. In particular, an estimate must be made by management regarding the amount and timing of future cash flows when determining the level of provisions required.

Provision for expected credit losses of receivables

The company uses a dedicated table to calculate expected credit losses of receivables. Provision rates are based on the lapse of maturity for different customer segments that have similar loss patterns (ie, by geographic region, type of service, customer and type). The provision schedule is primarily based on the Company's historical observed default rates.

6. Revenues

The Group classified the revenue from contracts with customers by the main products, main geographical market and timing of revenue recognition. As set out in the following table:

	2020 KD	2019 KD
Construction contracts	27,460	2,427,570
Maintenance contracts	207,187	284,855
Leasing of equipment	8,311	2,726,757
Sale of Property, plant and equipment	22,035	423,362
	264,993	**5,862,544**
Main geographical market:		
Clients inside the State of Kuwait	264,993	5,862,544
Timing of revenue recognition:		
At time point	-	423,362
Over the lifetime	264,993	5,439,182
	264,993	**5,862,544**

7. Other income

	2020 KD	2019 KD
Interest payable	10,000	4,686
Reversal of accrued expenses	-	184,238
Reversal of delay penalties to clients	-	806,343
Commissions	23,991	-
Others	6,632	38,429
	40,623	**1,033,696**

8. Cash and Cash Equivalents

	2020 KD	2019 KD
Cash and bank balances	906,266	1,233,494
Bank deposits	250,461	125,941
	1,156,727	**1,359,435**

8. Cash and Cash Equivalents (Continued)

Other balances related to Cash and cash equivalents	2020 KD	2019 KD
Restricted bank accounts	(624,664)	(715,815)
Restricted bank deposits*	(250,461)	(125,941)
Bank payable	(727,283)	(240,308)
	(1,602,408)	**(1,082,064)**

* Restricted bank deposits asat 31 December 2020 include an amount of KD 250,461 (2019: KD 125,941), which are pledged as security against a specified loan obtained by local bank (Note 16). The Bank payable also represents open accounts of local banks carrying an interest rate at 2.5% over the Central Bank of Kuwait discount rate as at 31 December 2020 (2019: 2.5%).

9. Trade receivables and other debit balances	2020 KD	2019 KD
Trade receivables & other receivable from construction contracts	8,996,605	8,878,927
Less: provision for Trade receivables & other receivable from construction contracts	(4,834,774)	(5,740,966)
	4,161,831	**3,137,961**
Retention receivables	806,494	865,230
	806,494	**865,230**
Advance payments to suppliers	116,937	615,472
Less: provision for advance payments to suppliers	-	(149,496)
	116,937	**465,976**
Gross amounts due from customers for contract works	887,862	887,862
Accrued revenues	170,917	170,917
Prepaid expenses and other debit balances	-	283,160
	6,144,041	**5,811,106**

Accounts receivable and other debit balances were presented in the consolidated statement of financial position as follows:

	2020 KD	2019 KD
Debtors and other debit balances - current portion	5,475,014	5,083,261
Debtors and other debit balances - non current portion	669,027	727,845
	6,144,041	**5,811,106**

9. Trade receivables and other debit balances (Continued)

The analysis of movement in provision for expected credit losses and provision for advances to suppliers during the year is as follows:

	2020 KD	2019 KD
Balance at 1 January	5,890,462	6,222,051
Provision for credit losses	615,227	-
No longer required	(288,849)	(331,589)
Write off during the year	(1,382,066)	-
Balance at 31 December	**4,834,774**	**5,890,462**

The Group's management did not calculate an adequate credit loss allowance for receivables, as it includes an amount of 5,857,840 KD over the age of 365 days.

10. Inventory

	2020 KD	2019 KD
Equipment for sale	468,901	490,846
Spare Parts	872,853	862,098
Goods in transit	9,924	51,535
	1,351,678	**1,404,479**
Less: Provision for old and obsolete inventories	(979,524)	(679,524)
	372,154	**724,955**

11. Financial assets at fair value through Profit or loss

	2020 KD	2019 KD
Unquoted share:		
Balance on 1 January	69,581	69,581
Disposals	(6,160)	-
Balance at 31 December	**63,421**	**69,581**

The fair value of financial assets at fair value through profit or loss was determined based on valuation levels mentioned in Note no. (25).

12. Right of utilization of leasehold lands

	Right of utilization of leasehold lands KD	Total KD
Cost		
At 1 January 2020	2,750,000	2,750,000
Effect of revaluation	250,000	250,000
At 31 December 2020	**3,000,000**	**3,000,000**
Net book value		
At 31 December 2020	**3,000,000**	**3,000,000**
At 31 December 2019	**2,750,000**	**2,750,000**

The Group's management follows the annual valuation principle, with the valuation teams included in the revaluation surplus and as part of the equity. The fair value of the usufruct is estimated by an independent external valuer, and the revaluation difference is included in the revaluation surplus item in equity.

The fair value of the leased land and the building were determined based on valuations obtained from independent valuers. One of these residents is a local bank and the other is a certified local resident. For the purpose of valuation, the company determined the fair value based on the valuation performed by the local bank, which is the lowest value between the two valuations. As a result, the company recorded a revaluation profit of KD 250,000 (2019: revaluation surplus of KD 301,107) in the statement of comprehensive income.

13. Property, plant and equipment

	Building KD	Furniture & Fixtures KD	Vehicles KD	Machinery & Equipment KD	Central AC Units and Computers KD	Total KD
Cost						
As at 1 January 2020	301,734	234,644	836,115	14,885,640	102,032	16,360,165
Additions	-	-	-	122,460	-	122,460
Impaiment effect of revaluation	-	-	-	(139,328)	-	(139,328)
Disposals	-	-	-	(97,748)	-	(97,748)
As at 31 December 2020	**301,734**	**234,644**	**836,115**	**14,771,024**	**102,032**	**16,245,549**
Accumulated Depreciation						
As at 1 January 2020	83,734	231,603	820,946	5,692,431	98,045	6,926,759
Depreciation	11,000	2,010	6,207	868,072	449	887,738
Disposals	-	-	-	(75,272)	-	(75,272)
As at 31 December 2020	**94,734**	**233,613**	**827,153**	**6,485,231**	**98,494**	**7,739,225**
Net book value						
As at 31 December 2020	**207,000**	**1,031**	**8,962**	**8,285,793**	**3,538**	**8,506,324**
As at 31 December 2019	**218,000**	**3,041**	**15,169**	**9,193,209**	**3,987**	**9,433,406**

Depreciation of property and equipment is as follows:

	2020 KD	2019 KD
Administration & Other Expenses	42,750	49,752
Cost of revenue	844,988	1,121,614
Total	**887,738**	**1,171,366**

14. Related parties transactions

Related parties comprise of the Group's shareholders who are members of the board of directors, board of directors, key management personnel, and subsidiaries in which the Company has representatives in their board. In the normal course of business, subject to approval of the Group's management, transactions were made with such parties during the year ended 31 December 2020. Balances and transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Due to related parties	**2020**	**2019**
	KD	**KD**
Specialities Group Holding Company K.P.S.C.	-	323,700
Specialities Construction General Trading and Contracting Company W.L.L	1,808,323	1,376,544
	1,808,323	**1,700,244**

Due to related parties are non-interest bearing and payable on demand.

Key management personnel's salaries and benefits		
Salaries and other short term benefits	-	58,742
Employees' end of service indemnity	-	4,050
	-	**62,792**

15. Trade payables and other credit balances	**2020**	**2019**
	KD	**KD**
Trade payables	1,807,264	3,267,997
Accrued notes payable	225,087	225,973
Prepayments from customers	4,303	4,303
Retentions payable	83,056	83,056
Total amounts due to customers for contract works	11,207	13,070
Accrued expenses	449,324	503,390
Provision for expected credit losses for contracts	28,831	28,831
Other credit balances	1,138,852	1,073,299
	3,747,924	**5,199,919**

16. Term loans

Effective interest rate	Maturity date	2020 KD	2019 KD
4% over Central Bank of Kuwait discount rate	30 April 2020	-	45,000
4% over Central Bank of Kuwait discount rate	31 May 2021	5,070,917	4,458,464
4% over Central Bank of Kuwait discount rate	30 June 2022	1,244,022	1,244,022
		6,314,939	**5,747,486**

The group has defaulted on its loan installments, and the group's management is currently negotiating with these banks to reschedule the loan payments.

Term loans were presented in the consolidated statement of financial position as follows:

	2020 KD	2019 KD
Term loans - current portion	2,285,341	1,914,523
Term loans - non current portion	4,029,598	3,832,963
	6,314,939	**5,747,486**

17. Share Capital

According to the deferred extraordinary general assembly of the shareholders of the company held on 26 July 2020, it was approved to reduce the company's capital from KD 13,640,000 to 8,000,000, with a value of KD 5,640,000 by canceling 50,640,000 shares in order to extinguish the accumulated losses of the company amounting to 6,811,637 dinars. K. As on 31 December 2019, the number of remaining shares in the company's capital after the reduction will be 80,000,000 shares. Shareholders owning 12.4% of this item have reservations, so the capital will be as follows:

The authorized and issued capital of the Company is set at 8,000,000 Kuwaiti Dinars divided into 80,000,000 shares with a par value of 100 fils per share and all shares are fully cash and paid.

18. The ordinary and extraordinary annual general meeting (postponed)

First : Ordinary annual general assembly meeting :

Most of the members of the annual ordinary general assembly of the company's shareholders, held on 19 July 2020, approved the financial statements for the year ending 31 December 2019, while shareholders owning 12.4% of them have reservations.

It was also approved to authorize the Board of Directors to buy or sell the company's shares, not exceeding 10% of the number of its shares, in accordance with the articles of Law No. (7) of 2010 and its implementing regulations and their amendments, and shareholders who own 12.4% may reserve this. No profits or bonuses were distributed to the Board of Directors for the year ending 31 December 2019.

18. The ordinary and extraordinary annual general meeting (postponed) (Continued)

Second: The Extraordinary (Postponed) General Assembly:

Most of the members of the deferred extraordinary general assembly of the shareholders of the company, held on 26 July 2020, agreed to reduce the company's capital from 13,640,000 KD to 8,000,000 KD with a value of 5,640,000 KWD by canceling 50,640,000 shares in order to extinguish the accumulated losses of the company amounting to 6,811,637 KD. As on 31 December 2019, the number of remaining shares in the company's capital after the reduction will be 80,000,000 shares. Shareholders owning 12.4% of this item have reservations.

It was approved to amend Article No. (6) of the Articles of Association and Article No. (5) of the Articles of Association. Shareholders owning 12.4% of this item have reservations.

19. Contribution to Kuwait Foundation for the Advancement

Share is calculated by Kuwait Foundation for the Advancement of Science at 1% of the profit of the company after deducting the transfer to the Statutory reserve.

20. National Labor Support Tax

The national labor support tax is calculated for this period equivalent to 1% of the net profit before deducting the provisions and reserves prepared by the company at the end of the fiscal year.

21. Zakat

Zakat is calculated for the period, equivalent to 1% of the net profit before net of provisions and reserves prepared by the company at the end of the fiscal year.

22. Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the losses for the year attributable to the shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). There are no diluted ordinary shares expected to be issued. The information necessary to calculate the basic loss per share based on the weighted average number of shares outstanding during the year is as follows: The earnings per share amount is calculated by dividing the profit for the year by the weighted average of the number of ordinary shares outstanding during the year The information needed to calculate basic earnings per share is based on the weighted average number of shares outstanding during the year The year is as follows:

	2020	2019
Loss :		
Loss for the period (KD)	(1,379,125)	(11,812)
	Shares	**Shares**
Weighted average number of shares outstanding during the year - shares	80,000,000	136,400,000
Loss per share - fils	**(17.239)**	**(0.087)**

23. Segment information

The Group has four operating segments:
1- Trading in construction equipment
2- Construction, leasing and maintenance
3- Properties
4- Investments
Each operating segment is separately managed, where each segment requires to follow up different methods and other resources. All intra-segment transfers are carried out on pricing basis in arm's length.

For management purposes, the Group follows the same accounting policies used in the Group's annual consolidated financial statements. In addition, assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to the segments.

First - Consolidated statement of comprehensive income:

2020	Trading in construction equipments KD	Building leasing and maintenance KD	Properties KD	Investments KD	Total KD
Operating segment	30,346	234,647	-	-	264,993
Segment results	(1,720,473)	(76,021)	-	-	(1,796,494)
Unallocated revenues					1,038,495
Unallocated expenses					(621,126)
Loss of a year					**(1,379,125)**

2019	Trading in construction equipments KD	Building leasing and maintenance KD	Properties KD	Investments KD	Total KD
Operating segment	423,361	5,422,594	(537,958)	(16,345)	5,291,652
Segment results	(165,402)	1,107,893	(537,958)	(16,345)	388,188
Unallocated revenues					(125,685)
Unallocated expenses					(274,315)
Loss of a year					**(11,812)**

23. Segment information (Continued)

Second - Consolidated Statement of financial position :

2020	Trading in construction equipments KD	Building leasing and maintenance KD	Properties KD	Investments KD	Total KD
Assets	12,021,111	6,961,095	-	63,422	19,045,628
Unallocated assets					197,039
Total assets					**19,242,667**
Liabilities	8,826,882	2,944,998	-	-	11,771,880
Unallocated liabilities					1,771,549
Total Liabilities					**13,543,429**

	Trading in construction equipments KD	Building leasing and maintenance KD	Properties KD	Investments KD	Total KD
Assets	12,743,305	7,830,444	-	69,581	20,643,330
Unallocated assets					99,045
Total assets					**20,742,375**
Liabilities	8,895,961	3,048,964	-	-	11,944,925
Unallocated liabilities					1,969,087
Total liabilities					**13,914,012**

24. Contingent liabilities

As at 31 December 2020, the Group obtained bank guarantees issued in the ordinary course of business of KD 4,864,068 (2019: KD 6,039,683). Bank guarantees are secured against solidarity performance guarantee by the Parent Company.

	2020 KD	2019 KD
Against L.G	4,864,068	6,039,683
Commitments of operating leases	-	609,300
	4,864,068	**6,648,983**

24. Contingent liabilities (Continued)

The group also has legal claims represented in cases filed by the group against others and others against the group, and the consequences of which it will not be assessed until they are decided upon by the judiciary. In the opinion of the legal advisor to the group and the group management, these claims will not have a material negative impact on the group's consolidated financial statements. Accordingly, the group has not made additional provisions for these cases due to the existence of sufficient provisions for them as at the date of the attached consolidated financial statements.

25. Fair value of financial instruments

The Group measures its financial assets at fair value through other comprehensive income at the end of each reporting period.

The fair value represents 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:

•Through the primary market of the asset or liability; or

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

The financial assets are classified at fair value through profit or loss which are measured or disclosed at fair value in the interim condensed consolidated financial information through fair value hierarchy 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 following table shows the group's financial assets recorded at fair value through profit or loss measured at fair value according to the level of the fair value hierarchy:

As at 31 December 2020	Level 2 KD	Level 3 KD	Total KD
Lease hold land	-	3,000,000	3,000,000
Building	-	207,000	207,000
	-	**3,207,000**	**3,207,000**
Financial assets at fair value through profit or loss			
Unquoted shares	-	63,421	63,421

25. Fair value of financial instruments (Continued)

As at 31 December 2019	Level 2 KD	Level 3 KD	Total KD
Lease hold land	-	2,750,000	2,750,000
Building	-	218,000	218,000
	-	**2,968,000**	**2,968,000**
Financial assets at fair value through profit or loss			
Unquoted shares	-	69,581	69,581

Reconciliation of Level 3 fair value measurements of assets is as follows:

As at 31 December 2020	At beginning of the year KD	Revaluation result KD	Disposals KD	Total KD
Lease hold land	2,750,000	250,000	-	3,000,000
Building	301,734	-	(94,734)	207,000
	3,051,734	**250,000**	**(94,734)**	**3,207,000**

As at 31 December 2019	At beginning of the year KD	Revaluation result KD	Disposals KD	Total KD
Lease hold land	2,500,000	250,000	-	2,750,000
Building	250,627	51,107	-	301,734
	2,750,627	**301,107**	**-**	**3,051,734**

26. Risk Management

Risk is inherent in the Company's activites but it is managed throuth a process of onggoing identification, measurement and monitoring,subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable For the risk exposures relating to his or her responsibilities . The Company is exposed to liquidity risk and Market risk, The letter being subdivided into interest rate risk, foreign currency risk and equity price risk , It is also subject to operating risk . The independent risk control process does not include business risk Such as changes in environment technology and industry. They are monitored through the Company's Strategic planning process.

Interest Rate Risk

Interest rtar risk arises from the possibility that changes in interest rates will affect future profitability or the fair value of financial instruments. Interest rate risk is managed by the treasury department of Parent Company . the Company is exposed to interest rat as a result of mismatches of interest rate repricing of assets and libilites. It is the Company's policy to manage its interest cost using a mix of fixed and variable rate debts.

26. Risk Management (Continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail discharge an obligation and Cause the other party to incur a financial loss. Financial assets subject to credit risk consist principally Of cash, bank balances and short-term musrbahsa and trad receivables .

The Company's cash, bank balances and trad receivables are placed with high credit risk rating financial institutions.trad receivables are presented net of allowance for doubtfl debts.

	KD	KD
Cash at bank	906,266	1,233,494
Bank deposits	250,461	125,941
Trade receivables	11,283,431	5,122,224

On this basis, the provision for impairment loss as at 31 December 2020 (on the impact of the application of IFRS 9) has been determined as follows for trade receivables:

31 December 2020			
Ageing	**Total carrying amount**	**Weighted average of loss rate**	**Credit impairment**
	KD	**%**	**KD**
More than 120 days	8,996,605	53.74 %	4,834,774
	8,996,605		4,834,774

From the foregoing, it is evident that the receivables exceeded the 365-day period and were late in their payment, and the Group's management did not make an adequate credit loss provision towards these receivables.

The Group considers all the aforementioned financial assets that were not impaired at the date of the consolidated financial statements to have good creditworthiness. The credit risk related to cash and other financial assets is considered negligible, as the cash is placed with financial institutions with good credit standing.

31 December 2019			
Ageing	**Total carrying amount**	**Weighted average of loss rate**	**Credit impairment**
	KD	**%**	**KD**
Less than 90 days	523,717	2.01 %	10,514
91 to 120 days	1,115,841	4.12 %	45,842
More than 120 days	1,996,398	22.12 %	441,637
Past due and impaired	5,242,973	100 %	5,242,973
	8,878,929		**5,740,966**

26. Risk Management (Continued)

Credit Risk (Continued)

The Group considers all the aforementioned financial assets that were not impaired at the date of the consolidated financial statements to have good creditworthiness. The credit risk related to cash and other financial assets is considered negligible, as the cash is placed with financial institutions with good credit standing.

Foreign Currency Risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in Foreign exchange rates . The Company have significant exposure to 2020 an 31 December 2019 as the currencies are dealt in Kuwait dinar .foreign currency risk at 31 December 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments Associated with financial instruments. to manage this risk, the Company periodically assesses the financial Viability of customers and arranges financing as needed . The liquidity profile of financial liabilities reflects the projected cash flows which includes future the life.
The following table summarises the maturities of the Group's undiscounted financial liabilities as at 31 December based on contractual payment dates and current market interest

31 December 2020	Less than 3 months KD	3 to 12 months KD	More than one year KD	Total KD
Term loans	-	-	6,314,939	6,314,939
Bank payable	-	-	727,283	727,283
Trade payables and other credit balances (excluding advances and Accrued Expenses)	-	-	3,747,924	3,747,924
Due to related parties	-	-	1,808,323	1,808,323
	-	-	**12,598,469**	**12,598,469**

26. Risk Management (Continued)

31 December 2019	Less than 3 months KD	3 to 12 months KD	More than one year KD	Total KD
Term loans	-	1,914,523	3,832,963	5,747,486
Bank payable	-	240,308	-	240,308
Trade payables and other credit balances (excluding advances and Accrued Expenses)	486,684	1,553,975	3,143,887	5,184,546
Due to related parties	1,700,244	-	-	1,700,244
	2,186,928	**3,708,806**	**6,976,850**	**12,872,584**

Market Risk

Market risk is the risk that the value of an asset will fluctuate as result of changes in market variables such as interest rates, foreign exchange rates and equity prices, whether those changes are caused by factors specific to the indidual investment or its issuer or factors affecting all investments traded in the Market. market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

Equity Instrument Risk

Equity price risk arises from changes in the fair value of equity investments. The Group manages this risk through diversification of its investments in terms of geographical distribution and industry concentration. The effect on the group's results (as a result of the change in the financial assets at fair value through profit or loss) due to the change in market indicators by 5%, while keeping all other variables constant.

27. Capital Management

The group's objectives in managing capital are to maintain the group's ability to continue operating as a continuous entity so that it can achieve the best returns for shareholders and benefits for other stakeholders and provide an adequate return to shareholders by pricing products and services consistent with the level of risk taken.

27. Capital Management (Continued)

The group determines the amount of capital in proportion to the risk. The group manages capital and makes adjustments to it in light of changes in economic conditions and the characteristics of the related assets. In order to maintain / or adjust the capital structure, the Group can adjust the amount of the dividend.

	2020 KD	2019 KD
Term loans	6,314,939	5,747,486
Bank payable	727,283	240,308
Less: Cash and cash equivalents	(1,156,727)	(1,359,435)
Net debt	**5,885,495**	**4,628,359**
Total Equity	5,699,238	6,828,363
Total working capital	**11,584,733**	**11,456,722**
The Ratio of net debt to working capital	**50.80%**	**40.40%**

28. Investments in a subsidiary company

The consolidated financial statements include the financial statements of the following subsidiary company:

Company name
Equipment Company - W.L.L
Al-Khadda International General Trading & Contracting Company - W.L.L
Al Furat Group Holding Company - KSC (Closed)

The assets and liabilities of the subsidiary, which are reflected in the consolidated financial statements as of 31 December 2020, amounted to 36,215,132 K.D and 12,922,596 K.D (2019: 26,922,963 K.D and 13,590,891 K.D) respectively.

The total comprehensive loss of the subsidiary included in the consolidated statement of comprehensive income for the year ended 31 December 2020 is 1,610,940 KD (2019: 235,526 KD).

29. Covid19 Pandemic Impact

The outbreak of the Coronavirus (Covid-19) developed rapidly in the year 2020, with a large number of infections recorded. Various measures taken by governments to contain the spread of the virus have affected economic activity and the group's business in different marked ways.

The following are the currently known impact of the Covid-19 virus on the group and some steps the administration has taken in this regard:

* The total revenues of all sectors for the year ended December 31, 2020 amounted to KD 264,993, a decrease of 95% due to the governmental measures taken to temporarily close all activities.

*** Impairment of non-financial assets:**

The Group verified the existence of any indications of a decrease in the value and any material uncertainties related to its property, machinery, equipment, and other assets, and concluded that there are material consequences of the Covid-19 epidemic represented in a decrease in the value of inventory and a provision of 300,000 Kuwaiti dinars was taken for that decrease. Also, property, plant and equipment balances decreased by KD 139,328, and a provision for impairment losses was taken towards that decrease, and other than that, there are no other material effects resulting from the Covid-19 epidemic.

*** Expected credit losses:**

The uncertainties caused by the Covid-19 epidemic led to a decrease in the collection process from customers and the management did not make sufficient provision for this.

*** Going Concern:**

The Group has made an assessment of its ability to continue in light of the current economic conditions and all available information about future risks and uncertainties. Expectations have been drawn up that address the group's future performance, capital and liquidity. The pandemic had a significant impact on the group's activities compared to the year ending on December 31, 2019. As a result, these consolidated financial statements were prepared in accordance with the principle of continuity as the current liabilities of the group amounting to KWD 8,568,871 exceeded the value of its current assets amounting to KWD 7,067,316. On December 31, 2020, and as previously indicated in Note No. (17), the group's management reduced the capital to amortize the accumulated losses that the group reached.

30. Comparative figures

The Group has reclassified some of the comparative figures for some items of the previous year's consolidated financial statements to conform with the classification for the current year. This reclassification did not affect the previously disclosed consolidated profits and losses, or equity or opening balances for the previous comparative period, and accordingly no third statement of the consolidated financial position was presented.