



**Livestock Transport and Trading Company K.P.S.C.
and its subsidiaries
State of Kuwait**

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the six month period ended 30 June 2021



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Contents	Pages
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7-18

The Board of Directors

Livestock Transport and Trading Company K.P.S.C. State of Kuwait

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2021 and the related condensed consolidated interim statements of income and comprehensive income for the three month and six month periods then ended and the related statements of changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six month period ended 30 June 2021, that might have had a material effect on the business of the Group or its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the six month period ended 30 June 2021 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations.



Ahmed Mohammed Abdulrahman Al-Rasheed

License No. 39 A

PricewaterhouseCoopers
(Al-Shatti & Co.)

12 August 2021
Kuwait

Condensed consolidated interim statement of financial position (unaudited)

As at 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	36,930,620	37,881,803	38,889,233
Investment in an associate		490,197	501,109	486,522
Right-of-use assets		1,465,603	1,679,781	1,786,056
Financial assets at fair value through other comprehensive income	4	1,077,881	1,127,905	1,201,634
Financial assets at amortised costs	6	-	305,950	2,733,302
		<u>39,964,301</u>	<u>41,496,548</u>	<u>45,096,747</u>
Current assets				
Financial assets at amortised cost		1,533,302	2,427,352	-
Inventories	7	12,268,047	7,564,452	7,510,216
Trade and other receivables	8	13,054,173	14,536,582	15,317,611
Bank balances and cash	9	2,499,308	1,777,062	5,119,900
		<u>29,354,830</u>	<u>26,305,448</u>	<u>27,947,727</u>
Total assets		<u>69,319,131</u>	<u>67,801,996</u>	<u>73,044,474</u>
Equity and liabilities				
Equity				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	10	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	11	58,841	132,591	141,601
(Accumulated losses) / retained earnings		(2,261,491)	(135,038)	726,079
Net equity		<u>39,091,776</u>	<u>41,291,979</u>	<u>42,162,106</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,424,307	1,396,624	1,360,298
Long term borrowing	12	18,421,951	4,871,951	5,821,951
Lease liabilities – non-current		1,112,326	1,312,937	1,411,212
		<u>20,958,584</u>	<u>7,581,512</u>	<u>8,593,461</u>
Current liabilities				
Bank borrowing	12	1,952,839	1,900,000	1,900,000
Bank overdraft	9	1,451,728	9,847,179	14,703,618
Trade and other payables	13	5,488,352	6,787,221	5,314,464
Lease liabilities – current		375,852	394,105	370,825
		<u>9,268,771</u>	<u>18,928,505</u>	<u>22,288,907</u>
Total liabilities		<u>30,227,355</u>	<u>26,510,017</u>	<u>30,882,368</u>
Total equity and liabilities		<u>69,319,131</u>	<u>67,801,996</u>	<u>73,044,474</u>

Waleed Abdullah Al-Romi
Chairman

Osama Khaled Bodai
Chief Executive Officer

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of income (Unaudited)

For the three month and six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Operating revenue		10,846,104	20,834,840	24,984,486	40,457,541
Operating costs		(10,359,046)	(18,608,388)	(23,034,916)	(35,477,856)
Gross profit		487,058	2,226,452	1,949,570	4,979,685
Governmental subsidy	14	-	956,510	-	956,510
Other operating income		189,088	109,588	571,860	169,208
Marketing expenses		(438,647)	(461,094)	(817,325)	(882,029)
General and administrative expenses	15	(1,039,034)	(1,399,883)	(2,101,278)	(2,788,924)
Other operating expenses		(43,440)	(381,215)	(43,440)	(398,996)
Impairment of trade and other receivables		(12,968)	(21,694)	(1,608,532)	(313,759)
Operating (loss) / profit		(857,943)	1,028,664	(2,049,145)	1,721,695
Net investment income		31,906	49,078	74,543	99,093
Group's share in an associate's results		7,223	36,655	6,074	43,031
Finance costs		(174,334)	(159,444)	(309,411)	(235,116)
Foreign currency exchange gain / (loss)		(27,454)	388,094	109,639	284,633
(Loss) / profit before subsidiaries' tax and deductions		(1,020,602)	1,343,047	(2,168,300)	1,913,336
Reversal of income tax on subsidiaries		16,973	-	41,847	-
(Loss) / profit after subsidiaries' tax and before deductions		(1,003,629)	1,343,047	(2,126,453)	1,913,336
National Labour Support Tax ("NLST")		-	(33,576)	-	(47,833)
Zakat		-	(13,430)	-	(19,133)
Kuwait Foundation for the Advancement of Sciences ("KFAS")		-	(19,133)	-	(19,133)
(Loss) / profit for the period		(1,003,629)	1,276,908	(2,126,453)	1,827,237
Basic and diluted earnings per share (fils)	16	(4.80)	6.103	(10.16)	8.734

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the three month and six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 June		Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
(Loss) / profit for the period	(1,003,629)	1,276,908	(2,126,453)	1,827,237
Other comprehensive income:				
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>				
Exchange differences on translation of foreign operations	10,857	252,259	(50,213)	166,905
<i>Items that will not be reclassified to the condensed consolidated interim statement of income:</i>				
Changes in fair value of financial assets at fair value through other comprehensive income	2,682	57,490	(23,537)	17,123
Other comprehensive income / (loss) for the period	13,539	309,749	(73,750)	184,028
Total comprehensive (loss) / income for the period	(990,090)	1,586,657	(2,200,203)	2,011,265

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Retained earnings	Total equity
At 1 January 2021	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	132,591	(135,038)	41,291,979
Loss for the period	-	-	-	-	-	-	(2,126,453)	(2,126,453)
Other comprehensive loss for the period	-	-	-	-	-	(73,750)	-	(73,750)
Total comprehensive loss for the period	-	-	-	-	-	(73,750)	(2,126,453)	(2,200,203)
At 30 June 2021 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	58,841	(2,261,491)	39,091,776
At 1 January 2020	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(42,427)	(1,101,158)	40,150,841
Profit for the period	-	-	-	-	-	-	1,827,237	1,827,237
Other comprehensive income for the period	-	-	-	-	-	184,028	-	184,028
Total comprehensive income for the period	-	-	-	-	-	184,028	1,827,237	2,011,265
At 30 June 2020 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	141,601	726,079	42,162,106

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of cash flows (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

		For the six months ended 30 June	
	Notes	2021	2020
		(Unaudited)	(Unaudited)
Cash flows from operating activities			
(Loss) / profit for the period		(2,126,453)	1,827,237
Adjustments for:			
Depreciation		2,264,964	1,931,348
Gain on sale of property, plant and equipment		(11,693)	-
Interest on deposits and call accounts		(1,343)	(16,850)
Interest expense – lease liability		40,027	53,120
Interest expense - term borrowing		269,384	181,996
Net investment income		(73,200)	(82,243)
Group's share in associate's results		(6,074)	(43,031)
Impairment of trade and other receivables		1,608,532	313,759
Foreign currency exchange gain		(109,639)	(284,633)
Employees' end of service benefits		93,950	98,478
		1,948,455	3,979,181
Changes in working capital:			
Inventories		(4,703,595)	(1,243,697)
Trade and other receivables		(128,444)	1,330,801
Trade and other payables		(1,188,553)	(1,102,182)
Cash (used in) / generated from operations		(4,072,137)	2,964,103
Employees' end of service benefits paid		(65,550)	(156,071)
Net cash flows (used in) / generated from operating activities		(4,137,687)	2,808,032
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,160,088)	(16,930,842)
Proceeds from disposal of property, plant and equipment	5	12,600	-
Financial assets at fair value through other comprehensive income		26,487	72,732
Redemption for financial assets at amortised cost		1,200,000	-
Interest received on deposits and call accounts		1,343	16,850
Investment income received		73,200	82,243
Net cash flows generated from / (used in) investing activities		153,542	(16,759,017)
Cash flows from financing activities			
Additions of term borrowing		14,552,839	-
Repayment of term borrowing		(950,000)	(950,000)
Interest paid on term borrowing		(269,384)	(181,996)
Dividends paid		(677)	(349)
Principal element of lease payments		(256,975)	(228,952)
Net cash flows generated from / (used in) financing activities		13,075,803	(1,361,297)
Net foreign exchange differences		26,039	220,322
Net increase / (decrease) in cash and cash equivalents		9,117,697	(15,091,960)
Cash and cash equivalents at beginning of the period	9	(8,070,117)	5,508,242
Cash and cash equivalents at end of the period	9	1,047,580	(9,583,718)

The notes on pages 7 to 18 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the memorandum of association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973.

On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly meeting of the Parent Company.

The head office of the Parent Company is located at Sulaibiya, Agricultural Area, Block 12, Kuwait. Kuwait Investment Authority is the principal shareholder in the Parent Company. The Parent Company is listed on Boursa Kuwait.

The Parent Company's objectives are as follows:

1. To carry out all operations of producing, transporting and trading in all kinds of meat within the State of Kuwait and abroad.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the Parent Company's objectives within the State of Kuwait or abroad, especially barns mentioned in the memorandum of association and in the way stated therein.
3. To carry out all transportation operations deemed necessary for the Parent Company's business or for others similar businesses whether within the State of Kuwait or abroad.
4. To own, buy and utilize means of marine and land transportation necessary to achieve the Parent Company's objectives. In addition, utilize air transport necessary for the same inside or outside the State of Kuwait.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade within the State of Kuwait or abroad.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores deemed necessary to achieve Parent Company's objectives.
7. To import and export marine equipment necessary for the Parent Company's vessels.
8. To import, export and manufacture all kinds of fodder.
9. The Parent Company may conduct all transactions and all other actions necessary to facilitate achieving its objectives. In addition, the Parent Company may have an interest or establish, own, contribute or participate in any way with other entities that practice business activities similar to its own or which may help the Parent Company in achieving its objectives inside and outside Kuwait, the Parent Company has the right to buy such entities or affiliate the same to it.
10. Utilisation of financial surplus through investment in portfolios managed by specialised Companies and Authorities.

The Group operates in four countries; Kuwait, United Arab Emirates ("UAE"), Australia and South Africa, and transports and sells livestock to certain countries in the Middle East.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (Continued)

The condensed consolidated interim financial information includes the financial information of the Parent Company and its subsidiaries (together referred to as the "Group"):

Name of subsidiaries	Shareholding interest (%)			Activity	Country of incorporation
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)		
Rural Export and Trading (WA) PTY Ltd.	100	100	100	Trade in livestock and meat	Australia
Trans Emirates Livestock Trading Company L.L.C.	100	100	100	Trade in livestock and meat	UAE
Al Shuwaikh Company for Managing and Establishing Commercial and Industrial Projects S.P.C.	100	100	100	Establishment and management of commercial and industrial projects	Kuwait
Al Mawashi (PTY) Ltd.	100	100	100	Trade in livestock and meat	South Africa

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 30 June 2021.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 12 August 2021.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2020 and the corresponding interim reporting period. Also see (a) and (b) below.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

- (a) *New standards, amendments and interpretations effective for the financial period beginning on 1 January 2021*

There are no amendments that have significant effect on the Group's financial statements. There are no other standards that were effective for the first time for the financial year beginning on 1 January 2021.

- (b) *New standards and amendments not yet effective for the financial period beginning on 1 January 2020 and have not been early adopted by the Group*

There are no applicable new standards and amendments to published standards that have been issued but are not effective for the first time for the Group's financial year beginning on 1 January 2021 and are expected to have a significant impact on the Group's financial statements.

3. JUDGEMENT AND ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2020.

3.1 Implications of COVID-19

During the current period, due to continued uncertainties caused by COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial information.

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 June 2021. ECLs are estimated based on the relevant forward-looking macroeconomic factors, increase in credit risk, and assessing the indicators of impairment for the exposures in potentially affected sectors.

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices and continues to manage the business disruption resulted from COVID-19 outbreak in order to boost the liquidity and sustain the business. Further, the Group has prepared financial forecasts for the twelve months from the date of approval of this condensed consolidated interim financial information, taking into consideration the estimation of the continued business impacts of COVID-19.

Management is in the process of assessing its operations and sale prices in discussions with the relevant authorities.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION

The fair values of financial assets and liabilities are estimated as follows:

- **Level 1:** Quoted prices in active markets for quoted financial instruments.
- **Level 2:** Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- **Level 3:** Inputs for the asset or liabilities that are not based on observable market data.

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

30 June 2021 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	731,380	22,370	324,131	1,077,881
31 December 2020 (Audited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	709,865	22,998	395,042	1,127,905
30 June 2020 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	698,483	23,378	479,773	1,201,634

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

The following table represents the changes in Level 3 instruments:

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Opening balance	395,042	483,172	483,172
Disposals	(97,065)	-	-
Change in fair value	26,154	(88,130)	(3,399)
Ending balance	324,131	395,042	479,773

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Opening balance	37,881,803	23,732,113	23,732,113
Additions	1,160,088	17,784,007	16,930,842
Disposals	(48,027)	(13,356,280)	-
Depreciation relating to disposals	47,120	13,355,448	-
Depreciation charge	(2,067,333)	(3,745,470)	(1,722,906)
Foreign currency translation differences	(43,031)	111,985	(50,816)
	36,930,620	37,881,803	38,889,233

For the period ended 30 June 2021, depreciation expenses amounting to KD 1,745,312, KD 76,430 and KD 245,591 (31 December 2020: KD 3,202,592, KD 161,891 and KD 380,987; 30 June 2020: KD 901,742, KD 79,619 and KD 741,545) were charged to operating costs, marketing expenses and general and administrative expenses, respectively.

Machinery and equipment included in property, plant and equipment with a carrying value of KD 43,620 (31 December 2020: KD 54,957; 30 June 2020: KD 63,436) are mortgaged as a security against long term borrowing.

Vessel included in property, plant and equipment with a carrying value of KD 15,173,971 (31 December 2020: Nil; 30 June 2020: Nil) is mortgaged as a security against long term borrowing.

6. FINANCIAL ASSETS AT AMORTISED COST

During the period ended 30 June 2021, the Group has local Sukuk at annual yield rates ranging from 6.25% to 6.50% and local bonds at annual interest rates ranging from 6.25% to 6.50%. Local bonds and Sukuk are classified as non-current on the basis of their maturities. The local bonds and sukuk mature in March 2022.

7. INVENTORIES

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Livestock and meat (net)	7,112,647	3,170,626	5,085,020
Fodder	283,307	325,862	1,056,155
Medicines, fertilisers and others	762,633	576,977	641,977
	8,158,587	4,073,465	6,783,152
Goods in transit	3,430,035	2,964,012	9,589
Production materials and spare parts	679,425	526,975	717,475
	12,268,047	7,564,452	7,510,216

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020	30 June 2020
	(Unaudited)	(Audited)	(Unaudited)
Trade receivables	8,018,046	8,825,652	8,704,034
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	24,348,676	25,156,282	25,034,664
Provision for doubtful debts	(14,334,505)	(12,728,294)	(12,354,342)
	10,014,171	12,427,988	12,680,322
Advances to suppliers	1,355,132	1,341,185	1,562,195
Prepaid expenses	792,411	154,759	729,495
Refundable deposits	112,015	48,797	111,043
Staff advance	25,475	17,822	24,494
Others	754,969	546,031	210,062
	13,054,173	14,536,582	15,317,611

* Pursuant to Council of Ministers resolution No. 1308 dated 11 September 2011 regarding the Parent Company's purchase and transfer of livestock to Kuwait port (CIF) and selling the same at cost plus 15% margin, the Ministerial Decree No. 409 which was issued on 8 July 2012 regarding the Ministry of Commerce and Industry's financial support of KD 16.835 per head of sheep live or chilled or completely frozen which was entered into Kuwait from whatever source or means, and in effect until 1 November 2012.

The Government subsidy due from Ministry of Commerce and Industry (the "Ministry") as a result of the subsidy granted to the Parent Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial Decrees' amounted to KD 16,330,630 as at 30 June 2021 (KD 16,330,630 as at 31 December 2020, KD 16,330,630 as at 30 June 2020). To date, the Group's subsidy has not been approved by the Ministry due to a dispute regarding the subsidy per head. Further, there are legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount.

On 26 November 2019, a verdict was issued by the Court of appeal in favour of the Parent Company in relation to this legal case for an amount of KD 2,294,156 upholding the earlier decision of the court of first instances. Management has appealed against the verdict demanding the full amount of KD 3,462,353 relating to this legal case. On 29 April 2021, a verdict was issued by the Court of cassation not in favour of the Parent Company in relation to this legal case which resulted in additional loss allowance with an amount of KD 1,583,283. As at 30 June 2021, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 12,730,079 (KD 11,146,796 as at 31 December 2020, KD 11,146,796 as at 30 June 2020).

9. CASH AND CASH EQUIVALENTS

	30 June	31 December	30 June
	2021	2020	2020
	(Unaudited)	(Audited)	(Unaudited)
Cash on hand and at banks	2,444,986	1,652,788	4,200,377
Time deposits maturing within 3 months from placement date	-	-	829,410
Cash at investment portfolios	54,322	124,274	90,113
Bank balances and cash	2,499,308	1,777,062	5,119,900
Less: bank overdraft	(1,451,728)	(9,847,179)	(14,703,618)
Cash and cash equivalents	1,047,580	(8,070,117)	(9,583,718)

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. TREASURY SHARES

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	1,394,325	1,313,174	1,364,816

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

11. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
At 1 January 2021	109,016	23,575	132,591
Change in fair value of financial assets at fair value through other comprehensive income	(23,537)	-	(23,537)
Foreign currency translation differences	-	(50,213)	(50,213)
30 June 2021 (Unaudited)	85,479	(26,638)	58,841
At 1 January 2020	111,789	(154,216)	(42,427)
Change in fair value of financial assets at fair value through other comprehensive income	17,123	-	17,123
Foreign currency translation differences	-	166,905	166,905
30 June 2020 (Unaudited)	128,912	12,689	141,601

12. BORROWING

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Current portion	1,952,839	1,900,000	1,900,000
Non-current portion	18,421,951	4,871,951	5,821,951

Borrowing obtained from a local bank and carry a profit rate of 3.5% (3.5% as at 31 December 2020, 3.5% as at 30 June 2020) per annum. Payment is on semi-annual basis till June 2030.

The Parent Company has signed a facility agreement to obtain a loan from a local bank with a limit of KD 14,500,000, which was fully drawn as of 30 June 2021.

The loan is secured by a vessel owned by the Parent Company equipment with a carrying value of KD 15,173,971 as at 30 June 2020 (Note 5).

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. TRADE AND OTHER PAYABLES

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Trade payables	2,002,628	2,647,187	2,901,767
Advances from customers	334,687	684,902	589,183
Dividends payable (Note 18)	44,993	45,670	46,644
Accrued expenses	2,352,178	2,625,869	1,064,036
Refundable deposits	71,355	94,129	129,906
Provision for NLST, Zakat and KFAS	75,734	47,127	27,999
Other payables	606,777	642,337	554,929
	5,488,352	6,787,221	5,314,464

14. GOVERNMENTAL SUBSIDY

Based on the Ministry of Commerce and Industry resolution No. 80 dated 27 March 2020, companies and individuals importing live sheep shipments are given financial support in the form of a government subsidy of KD 5 per head, with a maximum of 300,000 livesheep head allowed, valid till 30 April 2020.

On 27 April 2020, the Ministry of Commerce and Industry issued resolution No. 100 extending the validity of resolution No. 80 till 31 May 2020.

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 June		Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Staff costs	632,299	633,545	1,056,683	1,192,719
Depreciation	140,239	377,560	272,049	766,627
Insurance	77,899	38,430	113,921	78,477
Professional fees	47,846	39,119	73,630	80,661
Maintenance and repair	45,343	99,681	199,440	311,929
Rent	1,450	3,663	8,700	8,681
Other expenses	93,958	207,885	376,855	349,830
	1,039,034	1,399,883	2,101,278	2,788,924

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of shares outstanding (less treasury shares) during the period as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
(Loss) / Profit for the period	(1,003,629)	1,276,908	(2,126,453)	1,827,237
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192	209,213,192	209,213,192
Earnings / (loss) per share (fils)	(4.797)	6.103	(10.160)	8.734

The Parent Company had no outstanding dilutive shares.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Letters of guarantee	1,375,464	1,247,104	1,351,015

18. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 30 June.

Detail of the significant related party transactions and balances are as follows:

Transactions	Three months ended		Six months ended	
	30 June		30 June	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Key management benefits	66,855	66,855	133,709	133,709
		30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2020 (Unaudited)
Balances				
Key management long term balances - included in employees' end of service benefits		262,448	247,648	54,580
Key management short term balances - included in accrued expenses		52,060	45,884	232,930
Dividends payable (Note 13)		44,993	45,670	46,644

All transactions with related parties are subject to the approval of Shareholders' General Assembly.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. OPERATING SEGMENTS

19.1 Geographical and operational segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which separate financial information is available.

The Group conducts its activities through three main operational segments:

- Commercial segment includes purchasing, transporting, ranching and selling the live and slaughtered sheep and all skins, intestines and fertilizers. Purchasing and selling fodder and also purchasing and selling chilled and frozen meat in wholesale and retail.
- Food processing segment includes meat processing and its classification in all products and selling it in wholesale.
- Investments segment include investment portfolios managed by specialized companies, and deposits.

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the geographical locations where the Group conducts its activities. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of annual consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

19.1.1.Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	KD 000's							
Kuwait	13,661	27,498	788	5,077	73	82	14,522	32,657
UAE	5,053	4,845	-	-	-	-	5,053	4,845
Australia	999	1,531	-	-	-	-	999	1,531
South Africa	5,224	2,807	-	-	-	-	5,224	2,807
Total	24,937	36,681	788	5,077	73	82	25,798	41,840
Unallocated items:								
Miscellaneous revenues							-	190
Total segment revenue							25,798	42,030
Intersegment eliminations							(10)	(20)
Total*							25,788	42,010

*Total reconciles to the following income statement items:

- Operating revenue
- Other operating income
- Net investment income
- Foreign currency exchange gain
- Reversal of income tax on subsidiaries

Livestock Transport and Trading Company K.P.S.C.
and its subsidiaries
State of Kuwait



Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. OPERATING SEGMENTS (Continued)

19.1.2. Segments results (Unaudited)

	Commercial segment Six months ended 30 June		Food processing segment Six months ended 30 June		Investments segment Six months ended 30 June		Total Six months ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
	KD 000's							
Kuwait	(1,474)	1,971	456	225	73	82	(945)	2,278
UAE	(562)	(184)	-	-	-	-	(562)	(184)
Australia	(65)	58	-	-	-	-	(65)	58
South Africa	(595)	(240)	-	-	-	-	(595)	(240)
Total	(2,696)	1,605	456	225	73	82	(2,167)	1,912
Unallocated items:								
Other unallocated revenues							-	-
Other unallocated costs							-	(61)
Profit for the period							(2,167)	1,851
Intersegment eliminations							41	(24)
Total							(2,126)	1,827

19.1.3. Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment			Food processing segment			Investments segment			Total		
	31 December			31 December			31 December			31 December		
	30 June	2020	30 June	30 June	2020	30 June	30 June	2020	30 June	30 June	2020	30 June
	2021	(Audited)	2020	2021	(Audited)	2020	2021	(Audited)	2020	2021	(Audited)	2020
	KD 000's											
Assets	59,150	57,016	57,524	5,059	5,059	6,465	5,110	5,727	9,055	69,319	67,802	73,044
Liabilities	30,198	26,452	30,562	29	58	320	-	-	-	30,227	26,510	30,882

Intersegment assets and liabilities are eliminated on consolidation.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. OPERATING SEGMENTS (Continued)

19.1.4. Geographical distribution of assets and liabilities (Unaudited)

30 June 2021						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
	KD 000's					
Assets	57,044	7,597	2,730	1,988	(40)	69,319
Liabilities	28,466	1,119	284	366	(8)	30,227

31 December 2020 (Audited)						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
	KD 000's					
Assets	58,019	5,646	2,833	1,415	(111)	67,802
Liabilities	24,595	1,162	348	414	(9)	26,510

30 June 2020						
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
	KD 000's					
Assets	58,866	7,955	2,943	3,312	(32)	73,044
Liabilities	26,320	471	488	3,644	(41)	30,882

20. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 11 April 2021, approved the annual consolidated financial statements for the financial year ended 31 December 2020.