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 nine month period ended 30 September 2020

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Livestock Transport and Trading Company K.P.S.C.
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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 September 2020, and the related condensed consolidated interim statements of income and comprehensive income for the three month and nine month periods then ended, and the related statements of changes in equity and cash flows for the nine month period then ended and notes, comprising signifcant accounting policies and other explanatory notes. The Parent Company's 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 nine month period ended 30 September 2020, 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 nine month period ended 30 September 2020 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 November 2020
Kuwait

Condensed consolidated interim statement of financial position (unaudited)
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	**38,356,253**	23,732,113	24,143,710
Investment in an associate		**502,985**	444,539	389,460
Right-of-use assets		**1,757,126**	1,983,312	2,089,829
Financial assets at fair value through other comprehensive income	4	**1,215,502**	1,257,243	1,216,405
Financial assets at amortised costs	6	**2,733,302**	2,733,302	2,733,302
		44,565,168	30,150,509	30,572,706
Current assets				
Inventories	7	**4,648,795**	6,266,519	4,418,651
Trade and other receivables	8	**18,947,158**	16,962,171	13,974,202
Cash and cash equivalents	9	**3,125,634**	5,623,287	9,458,693
		26,721,587	28,851,977	27,851,546
Total assets		**71,286,755**	59,002,486	58,424,252
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	**217,103**	(42,427)	(122,790)
Retained earnings / (accumulated losses)		**649,052**	(1,101,158)	(2,175,627)
Total equity		**42,160,581**	40,150,841	38,996,009
Liabilities				
Non-current liabilities				
Employees' end of service benefits		**1,354,646**	1,416,252	1,309,656
Long term borrowing	12	**5,821,951**	6,771,951	7,721,951
Lease liabilities – non-current		**1,403,351**	1,553,599	1,689,327
		8,579,948	9,741,802	10,720,934
Current liabilities				
Borrowing	12	**1,900,000**	1,900,000	1,900,000
Bank overdraft	9	**10,683,579**	115,045	180,592
Trade and other payables	13	**7,568,570**	6,701,628	6,243,380
Lease liabilities – current		**394,077**	393,170	383,337
		20,546,226	9,109,843	8,707,309
Total liabilities		**29,126,174**	18,851,645	19,428,243
Total equity and liabilities		**71,286,755**	59,002,486	58,424,252

Waleed Abdullah Al-Roumi
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)
(All amounts are in Kuwaiti Dinar unless otherwise stated)

		Three months ended 30 September		Nine months ended 30 September	
	Notes	**2020 (Unaudited)**	**2019 (Unaudited)**	**2020 (Unaudited)**	**2019 (Unaudited)**
Operating revenue		**13,523,592**	10,648,719	**53,981,133**	41,972,201
Operating costs		**(13,221,189)**	(9,950,247)	**(48,699,045)**	(36,798,077)
Gross profit		**302,403**	698,472	**5,282,088**	5,174,124
Governmental subsidy	14	**165,790**	-	**1,122,300**	-
Other operating income		**351,435**	199,025	**520,643**	684,805
Gain on sale of property, plant and equipment	5	**2,386,856**	-	**2,386,856**	-
Marketing expenses		**(393,433)**	(408,263)	**(1,275,462)**	(1,250,606)
General and administrative expenses	15	**(1,399,213)**	(1,269,210)	**(4,188,137)**	(3,850,671)
Other operating expenses		**(1,533,370)**	(479,672)	**(1,932,366)**	(581,800)
Impariment of trade and other receivables		**(102,020)**	-	**(415,779)**	-
Operating (loss) / profit		**(221,552)**	(1,259,648)	**1,500,143**	175,852
Net investment income		**56,488**	83,888	**155,581**	118,635
Group's share in an associate's results		**5,225**	11,729	**48,256**	38,341
Finance costs		**(189,296)**	(84,884)	**(424,412)**	(280,676)
Foreign currency exchange gains / (losses)		**5,530**	(27,656)	**290,163**	50,763
(Loss) /proft before subsidiaries' tax and deductions		**(343,605)**	(1,276,571)	**1,569,731**	102,915
Reversal of income tax on subsidiaries		**262,950**	-	**262,950**	-
(Loss) / profit after subsidiaries' tax and before deductions		**(80,655)**	(1,276,571)	**1,832,681**	102,915
National Labour Support Tax ("NLST")		**2,016**	31,914	**(45,817)**	(2,573)
Zakat		**806**	12,766	**(18,327)**	(1,029)
Kuwait Foundation for the Advancement of Sciences ("KFAS")		**806**	-	**(18,327)**	-
(Loss) / profit for the period		**(77,027)**	(1,231,891)	**1,750,210**	99,313
Basic and diluted (losses) /earnings per share (fils)	16	**(0.37)**	(5.89)	**8.37**	0.47

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)
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2020 (Unaudited)	**2019 (Unaudited)**	**2020 (Unaudited)**	**2019 (Unaudited)**
Loss / (profit) for the period	**(77,027)**	(1,231,891)	**1,750,210**	99,313
Other comprehensive income:				
Items that may be reclassified to the condensed consolidated interim statement of income:				
Exchange differences on translation of foreign operations	**6,770**	(67,911)	**173,675**	(126,191)
Items that will not be reclassified to the condensed consolidated interim statement of income:				
Changes in fair value of financial assets at fair value through other comprehensive income	**68,732**	22,769	**85,855**	145,300
Other comprehensive income / (loss) for the period	**75,502**	(45,142)	**259,530**	19,109
Total comprehensive (loss) / income for the period	**(1,525)**	(1,277,033)	**2,009,740**	118,422

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)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Retained earnings / (accumlated losses)	Total equity
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	-	-	-	-	-	-	1,750,210	1,750,210
Other comprehensive income for the period	-	-	-	-	-	259,530	-	259,530
Total comprehensive income for the period	-	-	-	-	-	259,530	1,750,210	2,009,740
At 30 September 2020 (Unaudited)	**21,659,057**	**4,967,805**	**(1,647,126)**	**11,825,560**	**4,489,130**	**217,103**	**649,052**	**42,160,581**
At 1 January 2019	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(141,899)	(2,274,940)	38,877,587
Profit for the period	-	-	-	-	-	-	99,313	99,313
Other comprehensive income for the period	-	-	-	-	-	19,109	-	19,109
Total comprehensive income for the period	-	-	-	-	-	19,109	99,313	118,422
At 30 September 2019 (Unaudited)	**21,659,057**	**4,967,805**	**(1,647,126)**	**11,825,560**	**4,489,130**	**(122,790)**	**(2,175,627)**	**38,996,009**

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)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the nine months ended 30 September 2020 (Unaudited)	2019 (Unaudited)
Cash flows from operating activities			
Profit for the period		1,750,210	99,313
Adjustments for:			
Depreciation		3,054,739	2,436,286
Gain on sale of of property, plant and equipment	5	(2,386,856)	-
Interest expense – lease liability		79,989	87,036
Net investment income		(155,581)	(118,635)
Group's share in an associate's results		(48,256)	(38,341)
Impairment of trade and other receivables		415,779	-
Foreign currency exchange gain		(290,163)	(50,763)
Employees' end of service benefits		107,033	22,413
		2,526,894	2,437,309
Changes in working capital:			
Inventories		1,617,724	(355,820)
Trade and other receivables		(2,396,324)	2,639,438
Trade and other payables		1,158,234	(1,336,369)
Cash generated from operations		2,906,528	3,384,558
Employees' end of service benefits paid		(169,811)	(206,827)
Net cash flows generated from operating activities		2,736,717	3,177,731
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(17,366,848)	(1,237,055)
Proceeds from disposal of property, plant and equipment	5	2,386,856	14,381,169
Financial assets at fair value through other comprehensive income		127,596	668,352
Investment income received		155,581	118,635
Net cash flows (used in) / generated from investing activities		(14,696,815)	13,931,101
Cash flows from financing activities			
Payment of term borrowing		(950,000)	(10,598,543)
Dividends paid		(1,129)	(21,074)
Principal element of lease payments		(351,625)	(425,517)
Net cash flows used in financing activities		(1,302,754)	(11,045,134)
Net foreign exchange differences		196,665	(63,385)
Net (decrease) / increase in cash and cash equivalents		(13,066,187)	6,000,313
Cash and cash equivalents at beginning of the period	9	5,508,242	3,277,788
Cash and cash equivalents at end of the period	9	(7,557,945)	9,278,101
Non-cash transactions:			
Right-of-use assets		(88,049)	(2,408,632)
Lease liabilities		88,049	2,408,632
Property, plant and equipment		-	1,455,898
Trade and other receivables		-	(1,455,898)

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 Kuwait Stock Exchange.

The Parent Company's objectives are as follows:

1. To carry our 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.

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

1. INCORPORATION AND ACTIVITIES (Continued)

Name of subsidiaries	Shareholding interest (%) 30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)	Activity	Country of incorporation
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 September 2020.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 12 November 2020.

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 nine month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2019.

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

2. BASIS OF PREPARATION (Continued)

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policy related to governmental subsidy and the adoption of new and amended standards as set out below.

Governmental subsidy

Governmental subsidy is recognised at fair value where there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions. Governmental subsidy of KD 1,122,300 (30 September 2019: nil) is shown as a separate line item in the condensed consolidated interim statement of income. There are no unfulfilled conditions or other contingencies attached to this subsidy. The Group did not benefit directly from any other forms of government assistance.

(a) New standards, amendments and interpretations effective for the financial period beginning on 1 January 2020

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 2020.

(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 2020 and are expected to have a significant impact on the Group's financial statements.

(c) New standards and amendments effective and adopted by the Group

In the condensed consolidated interim statement of cash flows, cash and cash equivalents includes cash on hand and at banks net of bank overdraft. In the condensed consolidated interim statement of financial position, bank overdraft is shown as a separate line within current liabilities.

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 2019.

3.1 Implications of COVID-19

The economic fallout of COVID-19 crisis is expected to be significant in the region the Group operates and is rapidly evolving. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. However, due to the nature of the services the Group provides, there is no direct impact of COVID-19 on the business. The Group is continuously monitoring the indirect impact of the pandemic on the business, operations and its finances.

The Group is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption resulted from COVID-19 outbreak in order to boost the liquidity and sustain the business.

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 September 2020 (Unaudited)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets at fair value through other comprehensive income	**705,957**	**23,223**	**486,322**	**1,215,502**

31 December 2019 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	738,422	35,649	483,172	1,257,243

30 September 2019 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	735,035	34,503	446,867	1,216,405

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 September 2020 (Unaudited)	**31 December 2019 (Audited)**	**30 September 2019 (Unaudited)**
Opening balance	**483,172**	793,128	793,128
Disposals	**-**	(347,957)	(347,957)
Change in fair value	**3,150**	38,001	1,696
Ending balance	**486,322**	483,172	446,867

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Opening balance	**23,732,113**	40,910,431	40,910,431
Additions	**17,366,848**	1,567,073	1,237,055
Disposals	**(13,352,592)**	(15,884,464)	(15,837,067)
Depreciation charge	**(2,732,903)**	(2,879,935)	(2,114,952)
Depreciation related to disposal	**13,352,592**	47,309	-
Foreign currency translation differences	**(9,805)**	(28,301)	(51,757)
	38,356,253	23,732,113	24,143,710

For the period ended 30 September 2020, depreciation expenses amounting to KD 1,461,850, KD 126,929 and KD 1,144,124 (31 December 2019: KD 2,338,095, KD 172,622 and KD 269,218; 30 September 2019: KD 1,048,515, KD 298,859 and KD 767,578) 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 59,115 (31 December 2019: KD 74,619; 30 September 2019: KD 82,678) are mortgaged as a security against long term borrowing.

During the period, the Group purchased a new vessel named Ocean Shearer (Al Kuwait Vessel) for an amount of KD 16,371,965 (USD 53,000,000). In addition, the Group has disposed off its fully depreciated vessel (Al Shuwaikh vessel) for an amount of KD 2,386,856 and recorded a gain by the same amount.

6. FINANCIAL ASSETS AT AMORTISED COSTS

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Local bonds and Sukuk	**2,733,302**	2,733,302	2,733,302

During the period ended 30 September 2020, 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 within the range of May 2026 and September 2026.

7. INVENTORIES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Livestock and meat (net)	**3,364,652**	4,503,148	2,577,249
Fodder	**148,226**	94,101	792,096
Medicines, fertilisers and others	**755,520**	423,623	493,304
	4,268,398	5,020,872	3,862,649
Production materials and spare parts	**380,397**	1,245,647	556,002
	4,648,795	6,266,519	4,418,651

8. TRADE AND OTHER RECEIVABLES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Trade receivables	**9,960,118**	8,840,553	8,592,734
Accrued Government subsidy*	**16,330,630**	16,330,630	16,330,630
	26,290,748	25,171,183	24,923,364
Provision for doubtful debts	**(12,456,362)**	(12,040,583)	(12,989,154)
	13,834,386	13,130,600	11,934,210
Advances to suppliers	**3,856,298**	3,188,421	1,149,958
Prepaid expenses	**575,006**	221,080	236,903
Refundable deposits	**113,612**	106,624	103,485
Staff advance	**20,079**	35,059	42,649
Others	**547,777**	280,387	506,997
	18,947,158	16,962,171	13,974,202

* 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 September 2020 (KD 16,330,630 as at 31 December 2019, KD 16,330,630 as at 30 September 2019). 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 two legal cases filed by the Parent Company against the Ministry claiming the subsidy due amount. The court had appointed experts to look into the matter related to one of the legal cases.

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 which is currently pending. As at 30 September 2020, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 11,146,796 (KD 11,146,796 as at 31 December 2019, KD 12,730,079 as at 30 September).

9. CASH AND CASH EQUIVALENTS

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Cash on hand and at banks	**3,012,239**	2,824,811	2,189,360
Time deposits maturing within 3 months from placement date	**-**	2,746,610	6,929,697
Cash at investment portfolios	**113,395**	51,866	339,636
	3,125,634	5,623,287	9,458,693
Less: bank overdraft	**(10,683,579)**	(115,045)	(180,592)
Cash and cash equivalents	**(7,557,945)**	5,508,242	9,278,101

10. TREASURY SHARES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (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	**1,359,061**	1,291,042	1,394,325

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 2020	111,789	(154,216)	(42,427)
Change in fair value of financial assets at fair value through other comprehensive income	85,855	-	85,855
Foreign currency translation differences	-	173,675	173,675
30 September 2020 (Unaudited)	**197,644**	**19,459**	**217,103**
At 1 January 2019	(32,564)	(109,335)	(141,899)
Change in fair value of financial assets at fair value through other comprehensive income	145,300	-	145,300
Foreign currency translation differences	-	(126,191)	(126,191)
30 September 2019 (Unaudited)	112,736	(235,526)	(122,790)

12. BORROWING

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Current portion	**1,900,000**	1,900,000	1,900,000
Non-current portion	**5,821,951**	6,771,951	7,721,951

Borrowing obtained from a local bank and carry a profit rate of 3.5% (3.5% as at 31 December 2019, 3.5% as at 30 September 2019) per annum. Payment is on semi-annual basis till June 2024.

13. TRADE AND OTHER PAYABLES

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Trade payables	**2,197,462**	2,676,564	3,878,006
Advances from customers	**302,034**	27,461	107,651
Dividends payable (Note 18)	**45,864**	46,993	50,295
Accrued expenses	**4,324,695**	3,271,419	1,449,545
Refundable deposits	**82,084**	180,179	159,635
Provision for NLST, Zakat and KFAS	**40,215**	8,008	7,202
Other payables	**576,216**	491,004	591,046
	7,568,570	6,701,628	6,243,380

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. On 29 July 2020, the Ministry of Commerce and Industry issued resolution No. 133 further extending the validity of resolution No. 100 till 31 July 2020. Subsequent to the reporting date, the Parent Company has fully collected the subsidy amounting KD 1,122,300.

15. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Staff costs	**516,104**	682,016	**1,708,823**	2,069,176
Depreciation	**377,497**	252,999	**1,144,124**	767,578
Insurance	**92,962**	31,303	**171,439**	94,971
Professional Fees	**54,864**	41,790	**135,525**	126,785
Maintenance and repair	**95,592**	35,141	**407,521**	106,615
Other expenses	**262,194**	225,961	**620,705**	685,546
	1,399,213	1,269,210	**4,188,137**	3,850,671

16. BASIC AND DILUTED (LOSSES) / EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
	2020 (Unaudited)	**2019 (Unaudited)**	**2020 (Unaudited)**	**2019 (Unaudited)**
(Loss) / profit for the period	**(77,027)**	(1,231,891)	**1,750,210**	99,313
Weighted average number of outstanding shares (less treasury shares)	**209,213,192**	209,213,192	**209,213,192**	209,213,192
Basic and diluted (losses) / earnings per share (fils)	**(0.37)**	(5.89)	**8.37**	0.47

The Parent Company had no outstanding dilutive shares.

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Letters of guarantee	**750,694**	1,304,795	1,347,823

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 September.

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

Transactions	Three months ended 30 September		Nine months ended 30 September	
	2020 (Unaudited)	**2019 (Unaudited)**	**2020 (Unaudited)**	**2019 (Unaudited)**
Key management benefits	**66,854**	47,729	**200,563**	194,967

Balances	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2019 (Unaudited)
Key management long term balances	**240,275**	211,632	204,365
Key management short term balances	**53,599**	43,265	48,504
Dividends payable (Note 13)	**45,864**	46,993	50,295

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

19. OPERATING SEGMENTS

19.1 Geographical 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 the following operating 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

	Commercial segment		Food processing segment		Investments segment		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	KD 000's							
Kuwait	**41,986**	31,783	**2,255**	925	**149**	(64)	**44,390**	32,644
UAE	**6,405**	7,964	**-**	-	**-**	-	**6,405**	7,964
Australia	**1,620**	1,090	**-**	-	**7**	-	**1,627**	1,090
South Africa	**6,345**	159	**-**	-	**-**	-	**6,345**	159
Total	**56,356**	40,996	**2,255**	925	**156**	(64)	**58,767**	41,857
Unallocated items:								
Miscellaneous revenues							**520**	685
Total segment revenue							**59,287**	42,542
Intersegment eliminations							**(5,306)**	(570)
Total							**53,981**	41,972

19.1.2.Segments results

	Commercial segment		Food processing segment		Investments segment		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	KD 000's							
Kuwait	**1,741**	(645)	**1,151**	121	**156**	(64)	**3,048**	(588)
UAE	**(447)**	(372)	**-**	-	**-**	-	**(447)**	(372)
Australia	**(92)**	195	**-**	-	**-**	-	**(92)**	195
South Africa	**(676)**	(38)	**-**	-	**-**	-	**(676)**	(38)
Total	**526**	(860)	**1,151**	121	**156**	(64)	**1,833**	(803)
Unallocated items:								
Other unallocated (cost) / income							**(75)**	927
Profit for the period							**1,758**	124
Intersegment eliminations							**(8)**	(25)
Total							**1,750**	99

19. OPERATING SEGMENTS (Continued)

19.1.3. Segmental distribution of assets and liabilities

	Commercial segment			Food processing segment			Investments segment			Total		
	30 September 2020	31 December 2019 (Audited)	30 September 2019	30 September 2020	31 December 2019 (Audited)	30 September 2019	30 September 2020	31 December 2019 (Audited)	30 September 2019	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD 000's											
Assets	**59,160**	43,116	38,877	**5,052**	6,462	6,409	**7,074**	9,424	13,138	**71,286**	59,002	58,424
Liabilities	**28,900**	18,591	19,268	**226**	261	160	-	-	-	**29,126**	18,852	19,428

Intersegment assets and liabilites are eliminated on consolidation.

19. OPERATING SEGMENTS (Continued)

19.1.4. Geographical distribution of assets and liabilities

	30 September 2020 (Unaudited)					
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
				KD 000's		
Assets	**69,157**	**6,263**	**2,887**	**1,160**	**(8,181)**	**71,286**
Liabilities	**27,399**	**7,317**	**526**	**1,853**	**(7,969)**	**29,126**

	31 December 2019 (Audited)					
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
				KD 000's		
Assets	48,021	7,055	2,907	1,032	(13)	59,002
Liabilities	15,985	1,252	505	1,137	(27)	18,852

	30 September 2019 (Unaudited)					
	Kuwait	UAE	Australia	South Africa	Eliminations	Total
				KD 000's		
Assets	47,275	5,640	2,708	2,834	(33)	58,424
Liabilities	18,532	369	287	272	(32)	19,428

20. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 8 March 2020, approved the annual consolidated financial statements for the financial year ended 31 December 2019.