Ekttitab Holding Company K.S.C - Public

and its subsidiaries
Kuwait

Consolidated financial statements
for the financial year ended December 31, 2021
with
Independent auditor's report

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Independent auditor's report

The shareholders,
Ekttitab Holding Company
K.S.C - Public
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Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ekttitab Holding Company - K.S.C Public – (the parent company) - and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as of December 31, 2021 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory financial information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ekttitab Holding Company - K.S.C – Public and its subsidiaries as of December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the parent company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without qualification in our audit report, we draw attention to note (2) of the consolidated financial statements on the going concern of one of the subsidiaries companies.

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 financial 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, and we do not provide a separate opinion on them. Below is a breakdown of how we dealt with each of these matters as part of our audit.

We have identified the following key audit matters:

Investments in financial securities

The Group's investments in financial securities are classified as investments at fair value through profit or loss and investments at fair value through other comprehensive income. In view of the importance of this item in relation to the consolidated financial statements and the presence of some estimates and judgments exercised by the management of the group when evaluating some of these investments, we considered the item of investments in securities as one of the main audit matters.

As part of our audit procedures, we have reviewed the fair value listed in the stock market by comparing the fair value applied by the group with the data available in the market. As for level 2 and 3 valuations (shown in note 22), we reviewed the valuation methods used, reviewed the main judgments based on them and their reasonableness, and evaluated the adequacy of disclosures related to these investments in the consolidated financial statements. The Group's policy regarding valuation of investments in securities is set out in note (4/4) to the consolidated financial statements.

Other information Board of Directors' report

Other information represents of the information included in the parent company's Board of Directors Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. We expect to obtain the annual report after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 identified above when it is available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

If, based on the work we have performed on the other information we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted for use by the State of Kuwait and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements, including disclosures, and whether the consolidated financial statements express transactions and related events in a manner that achieves the fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by "the parent company", physical counting was carried out in accordance with recognized practices, the consolidated financial statements together with the financial contents of the report of the Board of Directors of the parent company are in accordance therewith. we have obtained the information and explanations that we required for the purpose of our audit and the consolidated financial statements incorporate the information that is required by the Companies' Law no. 1 of year 2016 and its related executive regulation as amended, law no. 7 of year 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and related executive regulation as amended and the parent company's memorandum of incorporation and articles of association, as amended. According to the information available to us, there were no violations have occurred of either the Companies' Law no. 1 of year 2016, and its related executive regulation as amended, law no. 7 of 2010 in respect of the establishment of Capital Market Authority, the organization of the securities activity and its related executive regulations or of "the parent company's" memorandum of incorporation and articles of association, as amended; during the year ended December 31, 2021 that might have had a material effect on the parent company's business or its consolidated financial position.

Rashed Ayoub Yousuf Alshadad
License No. 77 (A)
Rödl Middle East
Burgan – International Accountants

April 26, 2022
State of Kuwait

Ekttitab Holding Company K.S.C - Public
and its subsidiaries
Kuwait

Consolidated statement of financial position as of December 31, 2021
"All amounts are in Kuwaiti Dinar"

	Note	2021	2020
Assets			
Cash and cash equivalents	7	**39,135**	148,168
Investments at fair value through profit or loss	8	**183,501**	202,333
Investments at fair value through other comprehensive income	9	**5,225,527**	5,807,749
Investments in an associate	10	**3,758,099**	3,747,809
Musharka	11	**1,591,172**	1,200,620
Receivables and other debit balances	12	**56,547**	53,844
Due from related parties	14	**2,645,293**	2,408,769
Property and equipment		**4**	4
Total assets		13,499,278	13,569,296
Liabilities and equity			
Liabilities			
Payables and other credit balances	13	**314,535**	352,875
Due to related parties	14	**3,190,281**	104,075
Total liabilities		3,504,816	456,950
Equity			
Share capital	15	**31,862,423**	31,862,423
Statutory reserve	16	**94,506**	94,506
Change in fair value reserve		**(220,852)**	(2,642,894)
"Group' share in associate reserves		**(1,080,039)**	(1,088,500)
Accumulated losses		**(20,628,138)**	(15,093,323)
Total equity attributable to the shareholders of "the parent company"		**10,027,900**	13,132,212
Non-controlling interests		**(33,438)**	(19,866)
Total equity		9,994,462	13,112,346
Total liabilities and equity		13,499,278	13,569,296

Emad Husain Neamah
Chairman

The accompanying notes form an integral part of these consolidated financial statements.

Ekttitab Holding Company K.S.C - Public

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Kuwait

Consolidated statement of profit or loss for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar"

	Note	2021	2020
Revenue			
Profit on investments	17	**8,843**	11,691
Net revenue of contracts		-	14,194
Gain from sale of a subsidiary		-	167,295
Debt adjustment losses		-	(5,900)
"The Group" share in results of an associate	10	**1,731**	1,421
Musharka revenue		**48,025**	-
Provision no longer required	14	**10,960**	-
Other (expenses)/revenue		**(1,679)**	4,508
Total revenue		**67,880**	193,209
Expenses and other charges			
General and administrative expenses		**(181,272)**	(204,402)
Expected credit losses	14	**(1,790,609)**	(900,000)
Total expenses and other charges		**(1,971,881)**	(1,104,402)
Net loss for the year		**(1,904,001)**	(911,193)
Attributable to:			
Shareholders of "the parent company"		**(1,904,065)**	(911,256)
Non-controlling interests		**64**	63
Net loss for the year		**(1,904,001)**	(911,193)
Loss per share attributable to shareholders of "the parent company"/ (fils)	18	**(5.98)**	(2.86)

The accompanying notes form an integral part of these consolidated financial statements.

Ekttitab Holding Company K.S.C - Public
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Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar"

	2021	2020
Net loss for the year	**(1,904,001)**	(911,193)
Other comprehensive income items for the year:		
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
The Group' share in an associate reserves	**8,461**	(229,957)
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:		
Result of disposal of investments at fair value through other comprehensive income	**(3,630,750)**	792,685
Change in fair value of investments at fair value through other comprehensive income	**2,408,406**	250,625
Other comprehensive income for the year	**(1,213,883)**	813,353
Total comprehensive income for the year	**(3,117,884)**	(97,840)
Attributable to:		
Shareholders of "the parent company"	**(3,104,312)**	(115,691)
Non-controlling interests	**(13,572)**	17,851
Total comprehensive income for the year	**(3,117,884)**	(97,840)

The accompanying notes form an integral part of these consolidated financial statements.

Ekttitab Holding Company K.S.C - Public
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Consolidated statement of changes in equity for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar"

	Equity attributable to the shareholders of "the parent company"							
	Share capital	Statutory reserve	Change in fair value reserve	"The Group" share in an associate reserves	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at January 1, 2020	31,862,423	94,506	(5,755,477)	(858,543)	(12,095,006)	13,247,903	(46,891)	13,201,012
Net loss for the year	-	-	-	-	(911,256)	(911,256)	63	(911,193)
Other comprehensive income for the year	-	-	1,745,509	(229,957)	(719,987)	795,565	17,788	813,353
Total comprehensive income for the year	-	-	1,745,509	(229,957)	(1,631,243)	(115,691)	17,851	(97,840)
Effect from sale of a subsidiary	-	-	1,367,074	-	(1,367,074)	-	-	-
Change effect on non-controlling interests as a result from sale of a subsidiary	-	-	-	-	-	-	9,174	9,174
Balance at December 31, 2020	31,862,423	94,506	(2,642,894)	(1,088,500)	(15,093,323)	13,132,212	(19,866)	13,112,346
Balance at January 1, 2021	31,862,423	94,506	(2,642,894)	(1,088,500)	(15,093,323)	13,132,212	(19,866)	13,112,346
Net loss for the year	-	-	-	-	(1,904,065)	(1,904,065)	64	(1,904,001)
Other comprehensive income for the year	-	-	2,422,042	8,461	(3,630,750)	(1,200,247)	(13,636)	(1,213,883)
Total comprehensive income for the year	-	-	2,422,042	8,461	(5,534,815)	(3,104,312)	(13,572)	(3,117,884)
Balance at December 31, 2021	**31,862,423**	**94,506**	**(220,852)**	**(1,080,039)**	**(20,628,138)**	**10,027,900**	**(33,438)**	**9,994,462**

The accompanying notes form an integral part of these consolidated financial statements.

Ekttitab Holding Company K.S.C - Public

and its subsidiaries
Kuwait

Consolidated statement of cash flows for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar"

	Note	2021	2020
Cash flows from operating activities			
Net loss for the year		**(1,904,001)**	(911,193)
Adjustments:			
Depreciation of property and equipment		-	14,700
Profit on investments		**(8,843)**	(11,691)
Debt adjustment losses		-	5,900
"The Group" share in results of an associate	10	**(1,731)**	(1,421)
Expected credit losses	14	**1,790,609**	900,000
Provision no longer required	14	**(10,960)**	-
Gain from sale of a subsidiary		-	(167,295)
Operating loss before calculating the effect of the change in working capital items		**(134,926)**	(171,000)
Receivables and other debit balances		**(2,703)**	14,566
Related parties		**929,383**	2,760,704
Payables and other credit balances		**(38,340)**	30,143
Net cash generated from operating activities		**753,414**	2,634,413
Cash flows from investing activities			
Investments at fair value through profit or loss		**27,674**	334,913
Investments at fair value through other comprehensive income		**(890,121)**	(1,832,693)
Musharka		-	(1,200,620)
Net cash used in from investing activities		**(862,447)**	(2,698,400)
Net decrease in cash and cash equivalents		**(109,033)**	(63,987)
Cash and cash equivalents at beginning of the year		**148,168**	237,991
Cash and cash equivalents form disposal of subsidiary		-	(25,836)
Cash and cash equivalents at end of the year	7	**39,135**	148,168

The accompanying notes form an integral part of these consolidated financial statements.

Ekttitab Holding Company K.S.C - Public

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Notes to the consolidated financial statements for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar unless otherwise stated"

1- Brief on "The parent company"

Ekttitab Holding Company "the parent company" - K.S.C. Public - established in 1999. The Company is registered in the Commercial Register under No. 106314, and listed in Kuwait Stock Exchange on December 19, 2005.

The purposes for which "the parent company" was established are as follows:

- Owning shares of Kuwaiti or foreign shareholding companies, as well as ownership of shares in Kuwaiti or foreign limited liability companies or participation in the incorporation of these companies and its management.
- Lending the companies in which it owns shares and acting as its sponsor before third parties and in such case, the participation of the holding company in the capital of the borrowing company shouldn't be less than 20% at least.
- The ownership of the industrial property rights, patents, industrial relationships, industrial fees or any other relevant rights and lease the same to others to be utilized within or outside Kuwait.
- Owns moveable properties or real estate which it needs to carry out its activities in accordance with law.
- Utilization of excess funds available with the company by investing them in financial portfolios managed by specialized companies.

The parent company's main office is located in: Al-Sharq Area - District - Muhammad Saleh Youssef Behbehani - Floor (16) - Kuwait City.

"The parent company" operates its activities according to Islamic sharia regulations.

The consolidated financial statements for the financial year then ended December 31, 2021 were authorised for issue by the Board of Directors on April 26, 2022.

The consolidated financial statements are subject to approval of the Shareholder's General Assembly that has the ability to adjust the consolidated financial statements after issuing.

2- Going concern

The financial statements of the subsidiary company (Petro Integrated Business Holding Company - K.S.C. Closed Holding) were prepared on the basis of going concern, although that company incurred accumulated losses amounting to KD 5,177,967 as of December 31, 2021, which is exceeded the company's capital. In accordance with Article (274) of the Companies Law, the Board of Directors of the subsidiary company recommended holding a general assembly to consider the company's continuity and address the accumulated losses.

3- Adoption of new and revised Standards

3/1) New and amended IFRS Standards that are effective for the current year

The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the previous year and new & amended IFRS standards which are effective for the current year.

- **Impact of the initial application of Interest Rate Benchmark Reform**
  The Phase 1 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9/IAS 39 and IFRS 7 - modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

  The Phase 2 amendments Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of consolidated financial statements.

- **Impact of the initial application of COVID-19-Related Rent Concessions beyond June 30, 2021—Amendment to IFRS 16**
  Covid-19-Related Rent Concessions (Amendment to IFRS 16) provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

  In March 2021, the Board issued Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

  The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

  The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

  A) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
  B) Any reduction in lease payments affects only payments originally due on or before June 30, 2022 (a rent concession meets this condition if it results in reduced lease payments on or before June 30, 2022 and increased lease payments that extend beyond June 30, 2022)
  C) There is no substantive change to other terms and conditions of the lease

  There are no impacts for these amendments on the consolidated financial statements of the Group.

3/2) New and revised IFRS Standards in issue but not yet effective

The new and revised IFRS standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below, the Group intends to adopt these new & revised standards, if applicable, when they become effective.

IFRS 17 (including the June 2020 amendments to IFRS 17)	• Insurance Contracts
Amendments to IFRS 10 and IAS 28	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	• Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	• Reference to the Conceptual Framework
Amendments to IAS 16	• Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	• Onerous Contracts—Cost of Fulfilling a Contract
Amendments to IAS 1 and IFRS Practice Statement 2	• Disclosure of Accounting Policies
Amendments to IAS 8	• Definition of Accounting Estimates
Amendments to IAS 12	• Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Board of Directors of the Group do not expect that the adoption of the Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods.

- **IFRS 17 Insurance Contracts**

  IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts.*

  IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

  The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

  In June 2020, the Board issued *Amendments to IFRS 17* to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued *Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)* that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

  The effective date of the amendments has not yet to be set by the Board; however, earlier application of the amendments is permitted. The management of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

- **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, revenues or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- **Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework**

  The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

  Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

- **Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use**

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 *Inventories*.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.
  If not presented separately in the consolidated statement of profit or loss, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the consolidated statement of profit or loss include(s) such proceeds and cost.

  The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

  The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract**

  The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies**
  The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's consolidated financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose consolidated financial statements make on the basis of those consolidated financial statements.

  The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

  The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**
  The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

  The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:
  - A change in accounting estimate that results from new information or new developments is not the correction of an error
  - The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

- **Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction**
  The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

  Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

  Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

4- Significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

4/1) Basis of the consolidated financial statements preparation

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and State of Kuwait Companies' Law requirements and subsequent amendments.
- The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements of "the Group" for the previous financial year.
- These consolidated financial statements are prepared under the historical cost basis of measurement as modified by the revaluation of some financial assets (Investments at fair value through profit or loss and investment at fair value through other comprehensive income). These consolidated financial statements have been presented in Kuwaiti Dinars.
- 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 exercise its judgment in the process of applying the accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note (5).

4/2) Basis of consolidation

The consolidated financial statements include the financial statements of Ekttitab Holding Company K.S.C (Public) ("the parent company") and its subsidiaries (together referred to as "the Group") disclosed under Note (6).

Subsidiaries are those enterprises controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The control is maintained by the parent company when:

- Exercise power over the investee;
- Exposure to variable returns or obtains rights from involvement with the investee,
- Ability to use its power to affect the investee returns.

When the parent company does not has majority voting rights in the investee, the parent company takes into consideration facts and other factors in assessing the control, which include:

- Contractual arrangement between the parent company and other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The parent company's voting rights;
- Other potential voting rights.

The financial statements of subsidiaries acquired or disposed are included in the consolidated financial statements from the date the control effectively commences until the date that control effectively end.

The financial statements of the subsidiaries are consolidated on a line-by-line basis by adding together alike items of assets, liabilities, revenues and expenses. All inter-company balances and transactions, including unrealized profits or losses arising from inter-company transactions, are fully eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events which accrue in similar conditions.

The financial statements of the subsidiaries are prepared for the same date or within three months of the reporting period of the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist between the subsidiaries' financial year date and the parent company's financial year date.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the interest at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. Profits and losses attributed to the owners of the parent company and to the non-controlling interests in the ratio of their respective shareholdings even if that resulted in the non-controlling interests having a deficit balance.

The carrying values of the controlling and non-controlling interests are adjusted to reflect the changes in their interest in the subsidiary, and any difference between the value in which the non-controlling interests have been adjusted and the fair value of the amount paid or received directly is recognized in equity and is available to the shareholders of the parent company. Non-controlling interests are presented separately in the consolidated statement of financial position, profit or loss and other comprehensive income. Non-controlling interests are classified as financial liabilities to the extent to which there is an obligation that must be paid in cash or the delivery of other financial assets to settle the non-controlling interests.

When ownership of subsidiaries changes without loss of control, the transaction is accounted for within equity. However, when control is lost as a result of change in ownership, then:

- Derecognize the assets and liabilities of the subsidiaries reported in consolidated statement of financial position (including goodwill);
- Recognize any remaining investment of the subsidiaries at fair value at date of loss of control;
- Derecognize non–controlling interests.
- Recognize the profit or loss resulting from the loss of control in the consolidated statement of profit or loss.

4/3) Financial liabilities / equity

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

4/4) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by directly attributable transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

A financial asset (or, where applicable a part of financial asset or part of Group of similar financial assets) is derecognised when:

- rights to receive cash flows from the assets have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either
  - (a) The Group has transferred substantially all the risks and rewards of the asset.
  - (b) The Group has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in consolidated statement of profit or loss.

Classification of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through Other Comprehensive Income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)

The classification is determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial asset.

The Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria.

as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Subsequent measurement of financial assets

- **Financial assets at amortised cost**

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

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Group accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled to the consolidated statement of profit or loss upon derecognition of the asset (except for equity investments at FVTOCI as detailed below).

Equity investments at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as of FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is transferred to retained earnings within the consolidated statement of changes in equity.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss.

- **Financial assets at FVTPL**

  Financial assets that do not meet the criteria for measurement at amortised cost or FVOCI are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below). The category also contains investments in equity shares.

  Assets in this category are measured at fair value with gains or losses recognised in consolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Group's financial assets at FVTPL comprise of the following:

- Investment in bonds
- Investment in equity shares

Impairment

Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:
- default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider. otherwise;
- indications that a debtor will enter bankruptcy; or
- Observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The financial assets at amortised cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables, contracts assets and all lease receivables that result from transactions that are within the scope of IAS 17 with an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and information on credit risk assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due. The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising the guarantee (if any is held); or
- The financial asset is more than 365 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured with the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses the financial assets carried at amortised cost. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented under general and administrative expenses in the consolidated statement of profit or loss.

4/5) Business combinations

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer's previously held interest in the acquired (if any), the excess is recognised immediately in consolidated statement of profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-Transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously recognised in consolidated statements of profit or loss and other comprehensive income are reclassified to consolidated profit or loss where such treatment would be appropriate if that interest were disposed off.

4/6) Cash and cash equivalents

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

4/7) Investment in an associate

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The group's Investment in an associates is accounted for under the equity method of accounting, i.e. on the statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the associate, less any impairment and the consolidated statement of profit or loss reflects the group's share of the results of operations of associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill.

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the parent company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the group's share in the associate arising from changes in the associate's equity. Changes in the group's share in associate's equity are recognised immediately in the consolidated statement of changes in equity.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions with associate are eliminated to the extent of the group's share in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment in the asset transferred.

An assessment for impairment of Investment in an associates is performed when there is an indication that the asset has been impaired, or that impairment losses recognised in prior years no longer exist.

The associate's financial statements are prepared either to the parent company's reporting date or to a date not earlier than three months of the parent company's reporting date using consistent accounting policies. Where practicable, adjustments are made for the effect of significant transactions or other events that occurred between the reporting date of the associates and the parent company's reporting date.

Upon loss of significant influence over the associate, the group measures and recognises any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

4/8) Murabaha investments

Murabha is an Islamic treatment includes buying and selling an asset at cost plus agreed upon profit. Accrued amount is paid based on deferred payment. When credit risks are related to treatment related to financial institution, accrued amount is considered as Murabha investment. When credit risks are related to an institution which isn't financial, the accrued amount is classified as Murabha debtors. Murabha investments are recorded deducted by impairment provision if exists.

4/9) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The recoverable value of property and equipment are reviewed by the management at the consolidated financial position date. If the recoverable value of property and equipment decreased from the book value then the book value is written down to the recoverable value. If the useful lives are different from their estimated lives then the useful lives are adjusted from the beginning of the year in which the change occurred without going into retroactive periods.

Gains or losses on disposal of property and equipment in the consolidated statement of profit or loss by the difference between the net realizable value and net book value.

Property and equipment are depreciated on straight line over there estimated useful live which is Five years.

Properties in the course of construction for production or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these properties, on the same basis as other property and equipment, commences when the properties are ready for their intended use.

4/10) Impairment of tangible and intangible assets (including investment in an associate)

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets ha the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

If the impairment of tangible and intangible assets is reversed later, the book value is increased (CGU) to the amount of adjusted estimate for its recoverable amount to the extent that it doesn't exceed its book value which is determined in case of loss resulted of impairment of the value of the asset during prior years (CGU). Reversal of loss resulted from value impairment is recognized directly in consolidated statement of profit or loss except the asset is recorded with the revaluation amount, in that case the reversal from loss resulted from asset impairment is recorded as revaluation surplus.

4/11) Accounts receivable

Accounts receivable are stated at their nominal value, less the expected credit loss .The Company always measures the loss allowance for impairment for trade receivables at an amount equal to lifetime ECL.

4/12) Accounts payable and liabilities

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

4/13) Provision for end of service indemnity

Provision for end of service indemnity has been made as per the Labour Law in the private sector and signed contracts on the assumption of ending the services of all staff at the consolidated financial position date. This obligation is not funded. The management expects that based on this method of calculation a reasonable estimate is made of the obligation of the Group towards employees indemnity for previous and current periods.

4/14) Equity and reserves

- The share capital represents the nominal value of shares that have been issued and paid up.
- Statutory and voluntary reserves comprise appropriations of current and prior period profits in accordance with the requirements of the companies' law and the parent's articles of association.
- Change in fair value reserve – which comprise of profits and losses related to financial assets through other comprehensive income.
- Accumulated losses include all current and prior period profits and losses. All transactions with the shareholders of "the parent company" are recorded separately within equity.

4/15) Revenue recognition

- Revenue is recognized either at a certain time or over time when the Group meets performance obligations by transferring goods or services to its customers. The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognized either at a certain time or over time when the Group meets performance obligations by transferring goods or services to its customers .The Group recognizes contract obligation for amounts received in respect of unsatisfactory performance obligations and provides these, if any, as other liabilities in the consolidated statement of financial position. Similarly, if the Group fulfills a performance obligation before it receives the consideration, the Group recognizes either the origin of the contract or receivable, if any, in its consolidated statement of financial position, depending on whether there is anything other than the time required before the amounts are due.
- Revenue from services is recognized on time and material basis when services are provided. Bills are periodically issued to customers in accordance with individual contracts as the work progresses. Any remaining unearned amounts at the end of the reporting period are presented in the consolidated statement of financial position as receivables since only time is required before the payment is due.
- Gain on sale of investments included the difference between the net cash proceeds from sales and the carrying amount of the investment sold.
- Recognizes included by dividend income from investments when the right to receive.
- Other categories of income are recognized when earned at the time the related services are rendered on the basis of the terms of the contractual agreement of each activity.

4/16) Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event , it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each consolidated financial position date and adjusted to reflect the current best estimate.

4/17) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial position only when there is a legally enforceable right to set off the recognized amounts and the management intends to settle on a net basis so as to realize the assets and liabilities simultaneously.

4/18) Foreign currencies

The functional currency of the parent company is the Kuwaiti Dinar ("KD") and accordingly, the consolidated financial statements are presented in KD. Transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transaction. on-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in the consolidated equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in the consolidated equity.

The assets and liabilities of the Group's foreign operations are expressed in KD using exchange rates prevailing at the consolidated financial position date. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising (If any), are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognized in the consolidated statement of profit or loss in the period in which the foreign operation disposed.

4/19) National Labor Support Tax (NLST)

NLST is calculated in accordance with La w No. 19 of 2000 and the Minister of Finance Resolutions No.24 of 2006 at 2.5% of taxable profit of the Group after deducting directors' fees for the year. As per law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST have to be deducted from the profit for the year.

4/20) Kuwait Foundation for the Advancement of Science

The contribution to KFAS is calculated at 1% of taxable profit of the Group in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

4/21) Zakat

Contribution to Zakat is calculated at 1% of the profit of the group in accordance with the Ministry of Finance resolution No. 58/2007 effective from December 10, 2007.
Based on the regulations issued with respect to national labors support tax and zakat, no losses are carried forward to future periods or charging them to previous years.

4/22) Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote, contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

4/23) Segment reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. Such operating segments are classified as either business segments or geographical segments.

A business segment is a distinguishable component of the Group that is engaged in providing products or services, which is subject to risks and returns that are different from those of other segments.

A geographic segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment which is subject to risks and returns different from those of segments operating in other economic environments.

5- Significant management judgements and estimation uncertainty.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect amounts reported in these financial statements, as actual results could differ from these estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Judgments and estimates that are significant to the consolidated financial statements are shown below:

Judgments

Contingent liabilities / liabilities

Contingent liabilities are potential liabilities that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities is based on management's judgment.

Key sources of estimation uncertainty

Impairment of tangible assets and useful lives

The Group's management tests annually whether tangible assets have suffered impairment in accordance with accounting policies stated in note 4. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

The Group's management determines the useful lives and related depreciation and charge. The depreciation and charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Ekttitab Holding Company K.S.C - Public

and its subsidiaries
Kuwait

Notes to the consolidated financial statements for the year ended December 31, 2021
"All amounts are in Kuwaiti Dinar unless otherwise stated"

6- The subsidiaries companies

The consolidated financial statements include the financial statements of "the parent company" and its subsidiaries and its details are as follows:

Company name	Legal form	Activity	Country	Shareholding percentage% 2021	2020
Petro for Integrated Business Holding Company	K.S.C. closed	Holding Company	State of Kuwait	98.75%	98.75%
Ekttitab International Holding Group Company	W.L.L	Holding Company	State of Kuwait	%100	-

- The financial statements of the subsidiary company (Petro Integrated Business Holding Company K.S.C. Holding) have been consolidated based on audited financial statements as of December 31, 2021.
- The financial statements of the subsidiary company (Petro Integrated Business Holding Company - K.S.C. Closed Holding) were prepared on the basis of the going concern basis, although that company incurred accumulated losses amounting to KD 5,177,967 as of December 31, 2021, which is exceeded the company's capital. In accordance with Article (274) of the Companies Law, the General Assembly meeting of the subsidiary company has recommended to be held a General Assembly to consider the company's continuity and address the accumulated losses.
- During the current financial year, the parent company has established a new company (Ekttitab International Holding Group Company – W.L.L) with a direct ownership of %50 and indirect ownership of %50 registered in the name of a related party, and there is an un-authenticated written waiver of it in favor of the parent company. Accordingly, the parent company has control over the financial and operational policies of this company. The financial statements of that company have been consolidated by %100. The financial information of this company has been consolidated based on audited financial statements prepared by another auditor as of December 31, 2021.

7- Cash and cash equivalents

	2021	2020
Cash on hand	360	1,630
Cash at banks	3,624	23,187
Cash at investment portfolios	35,151	123,351
	39,135	148,168

8- Investments at fair value through profit or loss

	2021	2020
Investments in local shares – quoted	162,701	181,533
Investments in local funds – unquoted	20,800	20,800
	183,501	202,333

- The value of financial investment has been registered in unquoted local funds (Al-Madina Fund) based on the fund net unit value as of March 31, 2021, as this fund is under liquidation.
- Investments at fair value through profit or loss were evaluated according to the evaluation methods disclosed in (Note -22).

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9- Investments at fair value through other comprehensive income

	2021	2020
Investments in quoted shares	**69,879**	1,823,829
Investments in unquoted shares	**5,155,648**	3,983,920
	5,225,527	5,807,749

The movement in investments at fair value through other comprehensive income during the financial year is as follows:

	2021	2020
Balance at January 1,	**5,807,749**	5,282,385
Additions	**3,679,636**	4,155,976
Disposals*	**(4,030,098)**	(3,017,682)
Impact of disposal of subsidiary	-	(863,555)
Change in fair value	**(231,760)**	250,625
	5,225,527	5,807,749

- During the previous financial year, the Group held and signed a debt settlement contract with one of the related parties upon which the Group has acquired investments in unquoted shares with the amount of KD 2,244,100 in exchange for the waiver of the accrued debt balance due from this related party which resulted in a loss with the amount of KD 5,900 that has been recorded in the consolidated statement of profit or loss as of December 31, 2020. The acquired investments are investments in shares of Arabia Company for Public Utilities (W.L.L), and by the end of the current financial year, these shares of Arabia Company for Public Utilities (W.L.L) were disposed to one of the related parties (note -14) according to a share sale contract, and the effect of these transactions has been eliminated from the consolidated statement of cash flows as they are non-cash transactions. On a later date in the consolidated financial statements, the ownership was transferred in the name of the buyer party.

* The disposals mentioned above include an investment in Jiyad Holding Company - KSC (Public) in the amount of KD 2,420,559 which was disposed based on the decision of the Board of Directors held on December 28, 2021 to reflect the financial impact resulting from the decision of the Capital Markets Authority issued on April 1, 2021 with respect to the investee (Jiyad Holding Company - K.S.C. Public) and to cancel part of the capital increase shares. Accordingly, the Group has signed a financial settlement agreement with the decision relevant parties, according to which shares have been acquired in unquoted investments with an amount of KD 2,304,917 in return for excluding the investment in the shares of Jiyad Holding Company - KSC (Public) which were canceled according to the decision of the Capital Markets Authority and were included as additions during the current fiscal year. This transaction resulted in losses of KD 115,642 that were included in accumulated losses. The impact of these transactions has been eliminated from the consolidated statement of cash flows as they are non-cash transactions.

- On a date subsequent to that of the consolidated statement of financial position as of March 17, 2022, the Board of Directors of the parent company has decided to cancel the settlement concluded with related parties mentioned in the above paragraph. Accordingly, the management of the parent company excluded the investment in Jiyad Holding Company - K.S.C. (Public) and recognized the entire effect of disposal amounting to KD 2,420,559 in the accumulated losses, as shown in Note (25).

Investments with fair value are evaluated through other comprehensive income according to declared evaluation methods (note-22).

10- Investment in an associate

The investment in an associate item stated as follow:

	Shareholding percentage%		Value (KD)	
Company name	**2021**	2020	**2021**	2020
Dar Al Salam Takaful Insurance Company K.S.C (closed)	**44.48%**	44.48%	**3,758,099**	3,747,809

The Group' shares in results of the associate company were recognised based on audited financial statement prepared by another auditor as of December 31, 2021.

The investment's movement during the financial year was as follows:

	2021	2020
Balance at January 1,	**3,747,809**	3,977,907
"The Group" share in the business results	**1,731**	1,421
"The Group" share in an associate reserves	**8,559**	(231,519)
Balance at December 31,	**3,758,099**	3,747,809

The following are the summarized financial statements of the associate Dar El Salam for Takaful Insurance Company K.S.C (closed). The summarized financial statements mentioned below represent the amounts shown in accordance with the financial statements of that associate.

	2021	2020
Assets	**8,451,297**	8,425,739
Liabilities	**(2,425)**	-
Net assets	**8,448,872**	8,425,739
The group' share of an associate	**%44.48**	% 44.48
The group' share in assets	**3,758,099**	3,747,809
Net profit of the associate	**3,680**	3,195
The group' share in the business results	**1,731**	1,421

11- Musharka

This item represents:

- Musharka contract that has been signed during the previous financial year with a related party with an amount of KD 1,200,620 with annual profit percentage of %4 the payment is accrued within a year starting from the date of the consolidated statement of financial position.

- Musharka contract has been signed during the current financial period with a related party amounted to KD 390,552 with annual profit percentage of %4 the payment is accrued within a year starting from the date of the consolidated statement of financial position.

12- Receivable and other debit balances

	2021	2020
Refundable deposits	**5,022**	5,022
Accrued revenues	**48,025**	-
Other	**3,500**	48,822
	56,547	53,844

The maximum exposure to credit risks at the consolidated statement of financial position date is disclosed in (Note - 22) to these consolidated financial statements. The other classes within receivables and other receivables are neither past due nor impaired.

13- Payable and other credit balance

	2021	2020
Accrued expenses	**29,463**	41,237
Dividends payable	**23,583**	23,583
Taxable deductions	**246,029**	250,569
Other	**15,460**	37,486
	314,535	352,875

14- Related party transactions

Related parties are "the parent company" shareholders who have representation in the Board of Directors, members of the Board of Directors and major shareholders. In the normal course of business, subject to the Company's management approval, there were transactions with related parties, the existing major shareholder and its subsidiaries during the financial year ended; these transactions were in accordance with the terms of dealing with others and the Board of Director's approval.

The transactions and outstanding balances with related parties, other than what disclosed in other notes, were as follows:

	2021	2020
Consolidated Statement of Financial Position:		
Due from related parties*	**5,424,942**	3,408,769
Less: provision for expected credit losses	**(2,779,649)**	(1,000,000)
	2,645,293	2,408,769
Musharka (note 11)	**1,591,172**	1,200,620
Due to related parties	**3,190,281**	104,075

* The balance due from related parties includes an amount of KD 2,250,000 which represents a debt owed by one of the parties as a result of selling shares in one of the invested companies to that party, the effect of these transactions has been eliminated from the consolidated statement of cash flows, as they are non-cash transactions as shown in the note (9).

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	2021	2020
Consolidated statement of profit or loss:		
Musharka (note -11)	**48,025**	-
Gain from sale of a subsidiary	-	167,295
Debt adjustment losses	-	(5,900)

These transactions are subject to the approval of the Shareholders General Assembly.

The movement on provision for expected credit losses during the financial year was as follows:-

	2021	2020
Balance at January 1,	**1,000,000**	100,000
Expected credit losses charge for the year*	**1,790,609**	900,000
Provision no longer required	**(10,960)**	-
Balance at December 31,	**2,779,649**	1,000,000

* During the current financial year, the Group has assessed its expected credit losses which resulted in an increase in the allowance for expected credit losses by an amount of KD 1,790,609 (2020: KD 900,000) which was included in the consolidated statement of profit or loss, bringing the total provision for expected credit losses recorded to the amount of KD 2,779,649.

15- Share capital

The authorized, issued, and fully paid up capital of "the parent company" amounted to K.D 31,862,423 divided into 318,624,230 shares with a nominal value of 100 fils per share and all are cash shares.

16- Statutory reserve

In accordance with the Companies Law and "the parent company" company's Articles of Association, 10% of net profit before contribution to Kuwait Foundation for the Advancement of Science, Board of Directors' remuneration, Zakat and National Labor Support Tax has been transferred to the statutory reserve. "The Group" may discontinue such transfer when the reserve equal 50 % of share capital. This reserve is not available for distribution except in cases stipulated by the law. There were no transfers to the statutory reserve due to the accumulated losses.

17- Profit on investments

	2021	2020
Investments at fair value through profit or loss		
Realized gains	**10,154**	35,470
Change in fair value	**(1,311)**	(23,779)
	8,843	11,691

18- Loss per share attributable to shareholders of "the parent company"/ (fils)

Loss per share to shareholders of "the parent company" is calculated by dividing net loss for the financial year by the weighted average number of outstanding shares during the financial year, as follows the calculation of loss per share:

	2021	2020
Net loss for the year attributable to shareholders of "the parent company"	**(1,904,065)**	(911,256)
Weighted average number of outstanding shares during the year/(share)	**318,624,230**	318,624,230
Loss per share/(fils)	**(5.98)**	(2.86)

19- Proposed dividends

On April 26, 2022 the Board of Directors has proposed not to distribute dividends for the Board of Directors members nor calculating remuneration for Board of Directors of "the parent company" for the financial year ended December 31, 2021 (2020: Nil).

20- Shareholders' General Assembly

On June 6, 2021 the Annual General Assembly of the Shareholders held and approved the consolidated financial statements for the financial year ended December 31, 2020 and approved the Board of Directors' proposals to not distribute dividends for the financial year ended December 31, 2020.

21- Operating segments

The disclosure of operating segment information is based on the internal financial reporting structure of the Department, which is regularly reviewed by the chief operating decision maker. The Group practices most of its activities through a core segment in one area of business, main in investment activity.

Geographic information

"The Group" operates in one geographic region: The following tables show the distribution of the Group's revenue, assets and liabilities according to the geographic region.

22- Financial instruments

A) Financial instruments:
Significant accounting policies

Details of the significant accounting policies - including the criteria for measurement and recognition of revenue and expenses in respect of each class of financial assets and liabilities - are disclosed in note (4) to the consolidated financial statements.

Categories of financial instruments
The Group's financial assets and financial liabilities are categorized in the consolidated statement of financial position as follows:

Financial assets:	**2021**	2020
Cash and cash equivalents	**39,135**	148,168
Investments at fair value through profit or loss	**183,501**	202,333
Investments at fair value through other comprehensive income	**5,225,527**	5,807,749
Investments in an associate	**3,758,099**	3,747,809
Musharka	**1,591,172**	1,200,620
Receivables and other debit balances	**56,547**	53,844
Due from related parties	**2,645,293**	2,408,769
	13,499,274	13,569,292

Financial liabilities:	**2021**	2020
Payables and other credit balances	**314,535**	352,875
Due to related parties	**3,190,281**	104,075
	3,504,816	456,950

Fair value of financial instruments
The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. "the Group" has used the assumptions and accepted methods in the assessment of fair values of financial instruments. The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active market are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions and dealer quotes for similar instrument.
- Fair value of the non-derivative financial instruments is not materially different from its respective carrying value.

The following table presents financial assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy, where the hierarchy classifies the financial assets and liabilities to three levels based on the importance of the inputs used in the measurement of the fair value of the financial assets and liabilities.

The hierarchy levels of fair value are set out below:

- Level 1: prices included (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (inputs relating to prices);and
- Level 3: inputs for assets and liabilities that are not based on observable market information (non-observable information).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant inputs to the fair value measurement.

	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2021				
Assets:				
Investments at fair value through profit or loss				
Quoted shares	**162,701**	**-**	**-**	**162,701**
Investment funds	**-**	**20,800**	**-**	**20,800**
Investments at fair value through other comprehensive income				
Quoted shares	**69,879**	**-**	**-**	**69,879**
Unquoted shares	**-**	**-**	**5,155,648**	**5,155,648**
Net fair value	**232,580**	**20,800**	**5,155,648**	**5,409,028**

	Level 1	Level 2	Level 3	Total
December 31, 2020				
Assets:				
Investments at fair value through profit or loss				
Quoted shares	181,533	-	-	181,533
Investment funds	-	20,800	-	20,800
Investments at fair value through other comprehensive income				
Quoted shares	1,823,829	-	-	1,823,829
Unquoted shares	-	-	3,983,920	3,983,920
Net fair value	2,005,362	20,800	3,983,920	6,010,082

B) Financial risks management

"The Group's" use of financial instruments exposes it to a variety of financial risks such as credit risks, liquidity risks and market risks.

"The Group" continuously reviews its risks exposure and takes the necessary procedures to limit these risks to acceptable levels.

The Board of Director sets written bases for risk management frame work, and written policies covering certain areas like foreign currency risk, interest rate risk, credit risk and financial surpluses investment risk.

The main risks to the Group are:

- **Credit risks**

Credit risks are the risks that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets that primarily expose the Group to credit risks are mainly cash at banks, musharka and due from related parties. Cash at banks are placed with financial institutions with a high credit rating. The balance of receivables and due from related parties are recognized by net of provision for expected credit losses.

Concentration of maximum exposure to credit risks

Concentrations of credit risks arise from exposure to the risks of customers with similar characteristics in terms of the geographical location in which they operate or in the industrial sector in which they operate, so that their ability to meet contractual obligations may be similarly affected by changes in political, economic or other conditions.

Credit risks may also arise from large concentrations of the Group's assets with any counterparty. These risks are managed through diversification of portfolios.

The Group considers its maximum exposure to credit risks to be as follows:

	2021	2020
Cash at banks	**3,624**	23,187
Musharka	**1,591,172**	1,200,620
Due from related parties	**2,645,293**	2,408,769
	4,240,089	3,632,576

For further information, refer back to notes (7, 11&14). Financial assets whose maturity date has expired and its value have not impaired are disclosed in Note (14). The maturity date of the other financial assets has not expired.

- **Liquidity risks**

Liquidity risks are the risks that the Group will be unable to meet its cash obligations. The management of liquidity risks consists of keeping sufficient cash and arranging financing sources through enough credit facilities, managing highly liquid assets, and monitoring liquidity on a periodical basis by method of future cash flows.

The maturity of liabilities stated below is based on the period from the consolidated financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

The maturity of financial liabilities as of December 31, 2021 is as follows:

	within one year	More than one year	Total
Payables and other credit balances	299,075	15,460	314,535
Due to related parties	3,190,281	-	3,190,281
	3,489,356	15,460	3,504,816

The maturity of financial liabilities as of December 31, 2020 is as follows:

	within one year	More than one year	Total
Payables and other credit balances	315,397	37,478	352,875
Due to related parties	104,075	-	104,075
	419,472	37,478	456,950

- **Market risks**

Market risks comprise of foreign currencies risks, interest rate risks and equity price risks. These risks arise from changes in market prices, interest rates and foreign currencies prices.

Foreign currencies risks

Foreign currencies risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

These risks arise from transactions with foreign currencies. "the Group" manages these risks by setting limits on transaction with other foreign currencies and limiting its transaction business in major currencies (US Dollar) with reputable counterparties.

Interest rate risks

Interest rate risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates in the market.
Interest rate risks arise from long-term borrowings. Borrowings at variable interest rates expose "the Group" to cash flows interest rate risks.

"The Group" practices its operation in accordance with Islamic Shariaa thus "the Group" are not exposed to interest risk.

Equity price risks

An equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. This risk results due to the changes in the fair value of the investments in stocks.

The effect in the consolidated statement of profit or loss due to change in fair value of investment at fair value through profit or loss and the effect in change in fair value reserve of investment at fair value through other comprehensive income as a result of expected changes in Kuwait Stock Exchange by (±10%) and other variables held constant is as follows:

	Effect on consolidated statement of profit or loss		Effect on consolidated statement of changes in equity	
	2021	2020	**2021**	2020
Investments at fair value through profit or loss	**16,270**	18,153	-	-
Investments at fair value through statement of other comprehensive income	-	-	**6,988**	182,383

23- Capital risks management

The "the parent company" manages its capital to ensure that it will be able "the Group" to continue as a going concern while maximizing the return to shareholders and other beneficiaries through the optimization of the debt and equity.

The capital structure of the "the Group" consists of equity which comprises share capital, statutory reserve, change in fair value reserve, the Group' share in associate reserves, accumulated losses and Non-controlling interests

Currently, The Group does not have borrowings or bank facilities.

24- Lawsuits and possible claims

- "The Group" has some potential lawsuits represented in cases pending at various levels of courts with other parties and the results of which cannot be determined till the date of consolidated statement of financial position. "The Group" believes that there is no need to make provision for these amounts before determining the outcome of these claims and issues.
- On April 1, 2021 a decision was taken by the Capital Markets Authority against one of the investee companies (Jiyad Holding Company – K.S.C. (Public)) based on such decision, the subscription by Group's subsidiary was cancelled (Petro for integrated business holding company - KSC. closed) (Note-9) and as a result of this decision, the Group recognized the financial impact resulting from this decision, even with the existence of lawsuits from the Group against this decision and these lawsuits are still being considered by the competent authorities.

25- Significant events

- On April 1, 2021 a decision was taken by the Capital Markets Authority against one of the investee companies (Jiyad Holding Company – K.S.C. (Public)) based on such decision, the subscription by Group's subsidiary (Petro for integrated business holding company - KSC. closed) was cancelled (Note-9).
- On December 8, 2021, a decision was issued by the Kuwait Capital Markets Authority against the parent company that involved suspending the parent company's shares from trading on the Kuwait Stock Market and canceling the listing of the parent company's shares at the Kuwait Stock Market in the event that the company doesn't comply with the disciplinary Board's decision issued on April 1, 2021 against an investee company.
- On December 23, 2021, a decision was issued by the Board of Directors of the investee company (Jiyad Holding Company - KSC (Public)) according to in which it was approved to include the financial impact of implementing the disciplinary Board's decision issued on April 1, 2021 and its reflection on the figures of its interim condensed consolidated financial information for the financial period ending as of September 30, 2021. Accordingly, the parent company affected the interim condensed consolidated financial information figures during the period ending on September 30, 2021 to reflect the application of the decision, and this effect resulted in a loss of KD 2,420,559 (note -9).
- The outbreak of coronavirus ("COVID-19") pandemic across the globe has caused disruption to business and economic activities and uncertainties in the global economic environment. Management assessed the impact of the pandemic on the significant estimates and judgments applied by them in arriving at the Group's reported amounts of financial and non-financial assets as of December 31, 2021. Management also assessed that "the Group" has liquidity and plans in place to settle its current liabilities.
  The Group's management is continuously revising their assumptions, estimates and judgments and monitoring the liquidity position according to new event that may arise.

26- Subsequent events

- On March 17, 2022, the re-issue of the interim condensed consolidated financial information for the nine months ended September 30, 2021 was approved by the Board of Directors to recognize the effect of canceling the financial settlement dated December 30, 2021.
- On April 3, 2022 the trading of the parent company's shares in the Kuwait Stock Market was resumed based on the decision of the Board of Commissioners of the Capital Markets Authority No. (11) of 2021 held on March 30, 2021 due to the parent company's commitment to implement the decision of the Disciplinary Board issued on April 11, 2021 against one of the investee company.
- On April 7, 2022, the Disciplinary Board issued a decision to impose a fine against the parent company and members of its Board of Directors, and they were removed from their positions in the parent company.