



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

**Condensed consolidated interim financial information (Unaudited)  
and independent auditor's review report for the three month period ended 31 March 2021**



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

**Condensed consolidated interim financial information (Unaudited)  
and independent auditor's review report for the three month period ended 31 March 2021**

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## **The Board of Directors**

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

### **Report on review of condensed consolidated interim financial information**

#### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2021, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

#### **Scope of review**

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

#### **Conclusion**

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

#### **Report on review of other legal and regulatory requirements**

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three month period ended 31 March 2021, that might have had a material effect on the business of the Group or its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the three month period ended 31 March 2021 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations.

Ahmed Mohammed Abdulrahman Al-Rasheed  
License No. 39 A  
PricewaterhouseCoopers  
(Al-Shatti & Co.)


11 May 2021  
Kuwait

Condensed consolidated interim statement of financial position (unaudited)

As at 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	37,710,448	37,881,803	39,447,428
Investment in an associate		492,255	501,109	405,178
Right-of-use assets		1,565,170	1,679,781	1,892,354
Financial assets at fair value through other comprehensive income	4	924,456	1,127,905	1,144,144
Financial assets at amortised cost	6	-	305,950	2,733,302
		<u>40,692,329</u>	<u>41,496,548</u>	<u>45,622,406</u>
<b>Current assets</b>				
Financial assets at amortised cost	6	1,933,302	2,427,352	-
Inventories	7	7,301,494	7,564,452	7,600,543
Trade and other receivables	8	12,900,329	14,536,582	15,556,515
Cash and cash equivalents	9	5,090,495	1,777,062	5,669,147
		<u>27,225,620</u>	<u>26,305,448</u>	<u>28,826,205</u>
<b>Total assets</b>		<u>67,917,949</u>	<u>67,801,996</u>	<u>74,448,611</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	10	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	11	45,302	132,591	(168,148)
Accumulated losses		(1,257,862)	(135,038)	(550,829)
<b>Net equity</b>		<u>40,081,866</u>	<u>41,291,979</u>	<u>40,575,449</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		1,442,311	1,396,624	1,347,312
Long term borrowing	12	4,871,951	4,871,951	6,771,951
Lease liabilities - non-current		1,233,069	1,312,937	1,502,606
		<u>7,547,331</u>	<u>7,581,512</u>	<u>9,621,869</u>
<b>Current liabilities</b>				
Bank borrowing	12	1,900,000	1,900,000	1,900,000
Bank overdraft	9	11,682,264	9,847,179	15,703,080
Trade and other payables	13	6,319,555	6,787,221	6,274,956
Lease liabilities – current		386,933	394,105	373,257
		<u>20,288,752</u>	<u>18,928,505</u>	<u>24,251,293</u>
<b>Total liabilities</b>		<u>27,836,083</u>	<u>26,510,017</u>	<u>33,873,162</u>
<b>Total equity and liabilities</b>		<u>67,917,949</u>	<u>67,801,996</u>	<u>74,448,611</u>

  
Waleed Abdullah Al-Romi  
Chairman

  
Osama Khaled Bodai  
Chief Executive Officer

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

**Condensed consolidated interim statement of income (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31 March	
		2021 (Unaudited)	2020 (Unaudited)
Operating revenues		14,138,382	19,622,701
Operating costs		(12,675,870)	(16,869,468)
<b>Gross profit</b>		<b>1,462,512</b>	<b>2,753,233</b>
Other operating income		382,772	59,620
Marketing expenses		(378,678)	(420,935)
General and administrative expenses	14	(1,062,244)	(1,389,041)
Other operating expenses		-	(17,781)
Impairment of trade and other receivables	8	(1,595,564)	(292,065)
<b>Operating (loss) / profit</b>		<b>(1,191,202)</b>	<b>693,031</b>
Net investment income		42,637	50,015
Group's share in an associate's results		(1,149)	6,376
Finance costs		(135,077)	(75,672)
Foreign currency exchange gain / (loss)		137,093	(103,461)
<b>(Loss) / profit before subsidiaries' tax and deductions</b>		<b>(1,147,698)</b>	<b>570,289</b>
Reversal of income tax on subsidiaries		24,874	-
<b>(Loss) / profit after subsidiaries' tax and before deductions</b>		<b>(1,122,824)</b>	<b>570,289</b>
National Labour Support Tax ("NLST")		-	(14,257)
Zakat		-	(5,703)
Kuwait Foundation for the Advancement of Sciences ("KFAS")		-	-
<b>(Loss) / profit for the period</b>		<b>(1,122,824)</b>	<b>550,329</b>
<b>Basic and diluted (loss) / earnings per share (fils)</b>	15	<b>(5.367)</b>	<b>2.630</b>

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

**Condensed consolidated interim statement of comprehensive income (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	For the three months ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
(Loss) / profit for the period	(1,122,824)	550,329
<b>Other comprehensive loss:</b>		
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>		
Exchange differences on translation of foreign operations	(61,070)	(85,354)
<i>Items that will not be reclassified to the condensed consolidated interim statement of income:</i>		
Changes in fair value of financial assets at fair value through other comprehensive income	(26,219)	(40,367)
<b>Other comprehensive loss for the period</b>	<b>(87,289)</b>	<b>(125,721)</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(1,210,113)</b>	<b>424,608</b>

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

**Condensed consolidated interim statement of changes in equity (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves	Accumulated losses	Total equity
<b>At 1 January 2021</b>	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	132,591	(135,038)	41,291,979
Loss for the period	-	-	-	-	-	-	(1,122,824)	(1,122,824)
Other comprehensive loss for the period	-	-	-	-	-	(87,289)	-	(87,289)
Total comprehensive loss for the period	-	-	-	-	-	(87,289)	-	(87,289)
<b>At 31 March 2021 (Unaudited)</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>45,302</b>	<b>(1,257,862)</b>	<b>40,081,866</b>
<b>At 1 January 2020</b>	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	(42,427)	(1,101,158)	40,150,841
Profit for the period	-	-	-	-	-	-	550,329	550,329
Other comprehensive loss for the period	-	-	-	-	-	(125,721)	-	(125,721)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(125,721)	-	(125,721)
<b>At 31 March 2020 (Unaudited)</b>	<b>21,659,057</b>	<b>4,967,805</b>	<b>(1,647,126)</b>	<b>11,825,560</b>	<b>4,489,130</b>	<b>(168,148)</b>	<b>(550,829)</b>	<b>40,575,449</b>

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

**Condensed consolidated interim statement of cash flows (unaudited)**  
For the three month period ended 31 March 2021  
(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the three months ended 31 March	
		2021 (Unaudited)	2020 (Unaudited)
<b>Cash flows from operating activities</b>			
(Loss) / profit for the period		(1,122,824)	550,329
<b>Adjustments for:</b>			
Depreciation		1,109,658	876,375
Interests on deposits and call accounts		(2,608)	(13,474)
Interest expense – lease liability		20,462	26,719
Loss allowance		1,595,564	292,065
Net investment income		(40,029)	(36,541)
Group's share in an associate's results		1,149	(6,376)
Foreign currency exchange (gain) / loss		(137,093)	103,461
Employees' end of service benefits		53,391	51,816
		<u>1,477,670</u>	<u>1,844,374</u>
<b>Changes in working capital:</b>			
Inventories		262,958	(1,334,024)
Trade and other receivables		39,821	1,113,591
Trade and other payables		(330,142)	(529,784)
<b>Cash generated from operations</b>		<u>1,450,307</u>	<u>1,094,157</u>
Employees' end of service benefits paid		(7,436)	(122,198)
<b>Net cash flows generated from operating activities</b>		<u>1,442,871</u>	<u>971,959</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(855,763)	(16,666,816)
Proceeds from disposal of financial assets at fair value through other comprehensive income		177,230	72,732
Redemption for financial assets at amortised cost		800,000	-
Interest received on deposits and call accounts		2,608	13,474
Investment income received		40,029	36,541
<b>Net cash flows generated from / (used in) investing activities</b>		<u>164,104</u>	<u>(16,544,069)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		(431)	(349)
Principal elements of lease payments		(106,412)	(102,071)
<b>Net cash flows used in financing activities</b>		<u>(106,843)</u>	<u>(102,420)</u>
Net foreign exchange differences		(21,784)	132,355
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>1,478,348</u>	<u>(15,542,175)</u>
Cash and cash equivalents at beginning of the period		(8,070,117)	5,508,242
<b>Cash and cash equivalents at end of the period</b>	9	<u>(6,591,769)</u>	<u>(10,033,933)</u>

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



**Notes to the condensed consolidated interim financial information (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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**1. INCORPORATION AND ACTIVITIES**

Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") was incorporated in accordance with the memorandum of association authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department under No. 70 /D/Vol. 2 on 24 November 1973. On 20 January 1974, the Parent Company has been incorporated in accordance with the resolution of the founders' General Assembly meeting of the Parent Company.

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

The Parent Company's objectives are as follows:

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

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

**Notes to the condensed consolidated interim financial information (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**1. INCORPORATION AND ACTIVITIES (Continued)**

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

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

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 31 March 2021.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 11 May 2021.

**2. BASIS OF PREPARATION**

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

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

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

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

**Notes to the condensed consolidated interim financial information (unaudited)**

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**2. BASIS OF PREPARATION (Continued)**

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

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

*(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2021 and have not been early adopted by the Group*

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

**3. JUDGEMENT AND ESTIMATES**

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

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

**3.1 Implications of COVID-19**

The economic fallout of COVID-19 crisis continues to be significant in the region the Group operates and is rapidly evolving. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. However, due to the nature of the services the Group provides, there is no direct impact of COVID-19 on the business. The Group's operating revenues decreased 27.95%, largely as a result of lower demand.

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

**4. FAIR VALUE ESTIMATION**

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

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

Notes to the condensed consolidated interim financial information (unaudited)

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**4. FAIR VALUE ESTIMATION (Continued)**

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

31 March 2021 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	578,048	22,278	324,130	924,456
31 December 2020 (Audited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	709,865	22,998	395,042	1,127,905
31 March 2020 (Unaudited)	Level 1	Level 2	Level 3	Total fair value
Financial assets at fair value through other comprehensive income	640,185	23,436	480,523	1,144,144

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

The fair value of the financial assets and liabilities other than those mentioned above are not materially different than their carrying value.

The following table represents the changes in Level 3 instruments:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Opening balance	395,042	483,172	483,172
Disposals	(97,065)	-	-
Change in fair value	26,153	(88,130)	(2,649)
Ending balance	324,130	395,042	480,523

**5. PROPERTY, PLANT AND EQUIPMENT**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Opening balance	37,881,803	23,732,113	23,732,113
Additions	855,763	17,784,007	16,666,816
Disposals	-	(13,356,280)	-
Depreciation relating to disposals	-	13,355,448	-
Depreciation charge	(996,968)	(3,745,470)	(772,114)
Foreign currency translation differences	(30,150)	111,985	(179,387)
	37,710,448	37,881,803	39,447,428

Notes to the condensed consolidated interim financial information (unaudited)

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**5. PROPERTY, PLANT AND EQUIPMENT (Continued)**

For the period ended 31 March 2021, depreciation expenses amounting to KD 553,293, KD 41,232 and KD 402,443 (31 December 2020: KD 3,202,592, KD 161,891 and KD 380,987; 31 March 2020: KD 338,619, KD 44,428 and KD 389,067) were charged to operating costs, marketing expenses and general and administrative expenses, respectively.

Machinery and equipment included in property, plant and equipment with a carrying value of KD 50,878 (31 December 2020: KD 54,957; 31 March 2020: KD 70,034) are mortgaged as a security against long term borrowing.

**6. FINANCIAL ASSETS AT AMORTISED COST**

During the period ended 31 March 2021, the Group has local Sukuk at annual yield rates ranging from 6.25% to 6.50% and local bonds at annual interest rates ranging from 6.25% to 6.50%. Bonds are classified as non-current on the basis of their maturities. The local bonds and sukuk mature within the range of May 2021 and March 2022.

**7. INVENTORIES**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Livestock and meat (net)	5,530,543	3,170,626	3,530,171
Fodder	283,980	325,862	109,571
Medicines, fertilisers and others	774,793	576,977	512,232
	<u>6,589,316</u>	<u>4,073,465</u>	<u>4,151,974</u>
Production materials and spare parts	712,178	526,975	755,832
Goods in transit	-	2,964,012	2,692,737
	<u>7,301,494</u>	<u>7,564,452</u>	<u>7,600,543</u>

**8. TRADE AND OTHER RECEIVABLES**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Trade receivables	8,518,336	8,825,652	8,413,898
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	<u>24,848,966</u>	<u>25,156,282</u>	<u>24,744,528</u>
Loss allowance	(14,322,990)	(12,728,294)	(12,332,648)
	<u>10,525,976</u>	<u>12,427,988</u>	<u>12,411,880</u>
Advances to suppliers	1,413,883	1,341,185	1,330,370
Prepaid expenses	261,796	154,759	1,466,589
Refundable deposits	112,085	48,797	111,662
Others	586,589	563,853	236,014
	<u>12,900,329</u>	<u>14,536,582</u>	<u>15,556,515</u>

Notes to the condensed consolidated interim financial information (unaudited)

For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**8. TRADE AND OTHER RECEIVABLES (Continued)**

Movement in the loss allowances for trade receivables is as follows:

	Three months ended	
	31 March	
	2021 (Unaudited)	2020 (Unaudited)
At 1 January	12,728,294	12,040,583
Increase in loss allowance recognised in the condensed consolidated interim statement of income	1,595,564	292,065
Foreign exchange differences	(868)	-
	<b>14,322,990</b>	<b>12,332,648</b>

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

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

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

**9. CASH AND CASH EQUIVALENTS**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Cash on hand and at banks	1,914,983	1,652,788	2,717,919
Time deposits maturing within 3 months from placement date	2,124,188	-	2,872,650
Cash at investment portfolios	1,051,324	124,274	78,578
	5,090,495	1,777,062	5,669,147
Less: bank overdraft	(11,682,264)	(9,847,179)	(15,703,080)
<b>Cash and cash equivalents</b>	<b>(6,591,769)</b>	<b>(8,070,117)</b>	<b>(10,033,933)</b>

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For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**10. TREASURY SHARES**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2021 (Unaudited)
Number of shares	7,377,383	7,377,383	7,377,383
Percentage of issued shares (%)	3.41%	3.41%	3.41%
Market value	1,342,684	1,313,174	1,320,552

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

**11. OTHER RESERVES**

	Change in fair value reserve	Foreign currency translation reserve	Total
<b>At 1 January 2021</b>	109,016	23,575	132,591
Change in fair value of financial assets at fair value through other comprehensive income	(26,219)	-	(26,219)
Foreign currency translation differences	-	(61,070)	(61,070)
<b>31 March 2021 (Unaudited)</b>	<b>82,797</b>	<b>(37,495)</b>	<b>45,302</b>
<b>At 1 January 2020</b>	111,789	(154,216)	(42,427)
Change in fair value of financial assets at fair value through other comprehensive income	(40,367)	-	(40,367)
Foreign currency translation differences	-	(85,354)	(85,354)
<b>31 March 2020 (Unaudited)</b>	<b>71,422</b>	<b>(239,570)</b>	<b>(168,148)</b>

**12. BORROWING**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Current portion	1,900,000	1,900,000	1,900,000
Non-current portion	4,871,951	4,871,951	6,771,951

Borrowing obtained from a local bank and carry a profit rate of 3.5% (3.5% as at 31 December 2020, 3.5% as at 31 March 2020) per annum. Payment is on semi-annual basis till June 2024.

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**13. TRADE AND OTHER PAYABLES**

	31 March 2021 (Unaudited)	31 December 2020 (Audited)	31 March 2020 (Unaudited)
Trade payables	3,023,485	2,647,187	2,326,443
Contract liabilities *	269,883	684,902	878,090
Dividends payable (Note 17)	45,239	45,670	46,644
Accrued expenses	2,227,716	2,625,869	2,443,425
Refundable deposits	49,171	94,129	169,839
Provision for NLST, Zakat and KFAS	47,127	47,127	40,215
Other payables	656,934	642,337	370,300
	<b>6,319,555</b>	<b>6,787,221</b>	<b>6,274,956</b>

\* Contract liabilities primarily relate to the consideration received from customers for which goods have not yet been delivered. The Group recognised the full amount included in the contract liabilities at the beginning of the year as a revenue in the current reporting period. The ending balance of contract liabilities represent the consideration received during the year from customers for which goods have not yet been delivered.

**14. GENERAL AND ADMINISTRATIVE EXPENSES**

	Three months ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
Staff costs	424,384	559,174
Depreciation	280,135	389,067
Insurance	36,022	40,047
Professional fees	25,784	41,542
Maintenance and repair	154,097	212,248
Rent	7,250	5,018
Other expenses	134,572	141,945
	<b>1,062,244</b>	<b>1,389,041</b>

**15. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE**

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

	Three months ended 31 March	
	2021 (Unaudited)	2020 (Unaudited)
(Loss) / profit for the period	(1,122,824)	550,329
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192
(Loss) / earnings per share (fils)	<b>(5.367)</b>	<b>2.630</b>

The Parent Company had no outstanding dilutive shares.



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For the three month period ended 31 March 2021

(All amounts are in Kuwaiti Dinar unless otherwise stated)

**16. CONTINGENT LIABILITIES**

	<b>31 March 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>	<b>31 March 2020 (Unaudited)</b>
Letters of guarantee	<b>1,349,144</b>	1,247,104	750,694

**17. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 31 March.

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

Transactions	<b>Three months ended 31 March</b>		
	<b>2021 (Unaudited)</b>	<b>2020 (Unaudited)</b>	<b>2020 (Unaudited)</b>
Key management benefits	<b>66,854</b>	66,854	66,854
	<b>31 March 2021 (Unaudited)</b>	<b>31 December 2020 (Audited)</b>	<b>31 March 2020 (Unaudited)</b>
<b>Balances</b>			
Key management long term balances – included in employees' end of service benefits	<b>254,858</b>	247,648	225,692
Key management short term balances – included in accrued expenses	<b>50,177</b>	45,884	47,996
Dividends payable (Note 13)	<b>45,239</b>	45,670	46,644

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

**18. OPERATING SEGMENTS**

**18.1 Geographical and operational segments of the revenues, results, assets and liabilities**

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

The Group conducts its activities through three main geographical segments:

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

Notes to the condensed consolidated interim financial information (unaudited)  
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## 18. OPERATING SEGMENTS (Continued)

### 18.1 Geographical and operational segments of the revenues, results, assets and liabilities (Continued)

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

#### 18.1.1. Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	KD 000's							
Kuwait	9,821	11,287	788	2,333	41	37	10,650	13,657
UAE	2,454	2,868	-	-	-	-	2,454	2,868
Australia	560	749	-	-	-	-	560	749
South Africa	924	2,405	-	-	-	-	924	2,405
<b>Total</b>	<b>13,759</b>	<b>17,309</b>	<b>788</b>	<b>2,333</b>	<b>41</b>	<b>37</b>	<b>14,588</b>	<b>19,679</b>
<b>Unallocated items:</b>								
Miscellaneous revenues							-	95
<b>Total segment revenue</b>							<b>14,588</b>	<b>19,774</b>
Intersegment eliminations							(25)	(35)
<b>Total</b>							<b>14,563</b>	<b>19,739</b>

#### 18.1.2. Segments results (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	KD 000's							
Kuwait	(1,405)	412	448	113	41	37	(916)	562
UAE	(170)	(3)	-	-	-	-	(170)	(3)
Australia	37	31	-	-	-	-	37	31
South Africa	(64)	(20)	-	-	-	-	(64)	(20)
<b>Total</b>	<b>(1,602)</b>	<b>420</b>	<b>448</b>	<b>113</b>	<b>41</b>	<b>37</b>	<b>(1,113)</b>	<b>570</b>
<b>Unallocated items:</b>								
Other unallocated costs							-	(10)
<b>(Loss) / profit for the period</b>							<b>(1,113)</b>	<b>560</b>
Intersegment eliminations							(10)	(10)
<b>Total</b>							<b>(1,123)</b>	<b>550</b>



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

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

**18. OPERATING SEGMENTS (Continued)**

**18.1 Geographical and operational segments of the revenues, results, assets and liabilities (Continued)**

**18.1.4. Geographical distribution of assets and liabilities (Unaudited)**

	31 March 2021 (Unaudited)					Total
	Kuwait	UAE	Australia	South Africa	Eliminations	
	KD 000's					
Assets	56,784	6,287	3,188	1,786	(127)	67,918
Liabilities	25,591	1,173	443	642	(13)	27,836

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

	31 March 2020 (Unaudited)					Total
	Kuwait	UAE	Australia	South Africa	Eliminations	
	KD 000's					
Assets	63,546	7,535	2,802	588	(22)	74,449
Liabilities	32,068	503	456	855	(9)	33,873

**19. ANNUAL GENERAL ASSEMBLY MEETING**

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