



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

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the nine month period ended 30 September 2022



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



The Board of Directors

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

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Livestock Transport and Trading Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2022 and the related condensed consolidated interim statements of income and comprehensive income for the three-month and nine-month periods then ended and the statements of changes in equity and cash flows for the nine-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

Except as explained in the following paragraph, 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 interim financial statements 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.

Basis for qualified conclusion

The Group's condensed consolidated interim statement of financial position includes property, plant and equipment with a carrying amount of KD 35,926,330 and right-of-use assets with a carrying amount of KD 1,045,656. During the three-month period ended 30 September 2022, the Group experienced a more marked down-turn in trading performance, which is considered to be an indicator of impairment in accordance with IAS 36, 'Impairment of assets'. However, management has not carried out an impairment review to determine whether any impairment write down should be applied to the amounts recorded in the condensed consolidated interim statement of financial position at 30 September 2022. In the absence of relevant information with regards to the recoverability of these assets, we were unable to determine whether adjustments to the condensed consolidated interim financial information might be required.

Qualified conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its executive regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2022, 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 violations during the nine-month period ended 30 September 2022 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Group or its consolidated financial position.

Khalid Ebrahim Al-Shatti

Licence No. 175 A
PricewaterhouseCoopers (Al-Shatti &Co.)

14 November 2022

Kuwait


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Condensed consolidated interim statement of financial position (Unaudited)

As at 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	5	35,926,330	34,975,954	36,043,908
Investment in an associate		434,948	454,529	450,994
Right-of-use assets		1,045,656	1,295,800	1,397,340
Financial assets at fair value through other comprehensive income	4	1,041,506	1,068,573	1,079,719
		38,448,440	37,794,856	38,971,961
Current assets				
Financial assets at amortised cost	6	-	305,950	1,533,302
Inventories	7	3,677,576	6,516,834	6,784,199
Trade and other receivables	8	11,239,485	12,100,284	13,605,536
Bank balances and cash	9	6,450,309	5,265,765	4,496,044
		21,367,370	24,188,833	26,419,081
Total assets		59,815,810	61,983,689	65,391,042
Equity and liabilities				
Equity				
Share capital		21,659,057	21,659,057	21,659,057
Share premium		4,967,805	4,967,805	4,967,805
Treasury shares	10	(1,647,126)	(1,647,126)	(1,647,126)
Statutory reserve		11,825,560	11,825,560	11,825,560
Voluntary reserve		4,489,130	4,489,130	4,489,130
Other reserves	11	207,862	133,506	97,221
Accumulated losses		(9,692,932)	(6,598,575)	(5,019,688)
Net equity		31,809,356	34,829,357	36,371,959
Liabilities				
Non-current liabilities				
Employees' end of service benefits		1,399,893	1,399,205	1,438,680
Bank borrowing	12	14,821,951	16,621,951	18,421,951
Lease liabilities – non-current		734,726	967,830	1,081,818
		16,956,570	18,988,986	20,942,449
Current liabilities				
Bank borrowing	12	3,600,000	2,750,000	1,900,000
Bank overdraft	9	2,297,541	235,768	36,704
Trade and other payables	13	4,854,447	4,807,776	5,795,062
Lease liabilities – current		297,896	371,802	344,868
		11,049,884	8,165,346	8,076,634
Total liabilities		28,006,454	27,154,332	29,019,083
Total equity and liabilities		59,815,810	61,983,689	65,391,042


Nael Mohammad AlHumoud
Chairman


Osama Khaled Bodai
Chief Executive Officer

Condensed consolidated interim statement of income (Unaudited)

For the three and nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating revenue		7,130,435	13,727,922	31,544,207	38,712,408
Operating costs		(7,028,603)	(14,601,189)	(29,452,688)	(37,636,105)
Gross profit / (loss)		101,832	(873,267)	2,091,519	1,076,303
Other operating income		300,761	204,747	782,006	776,607
Marketing expenses		(395,724)	(293,061)	(1,265,587)	(1,110,386)
General and administrative expenses	14	(1,123,525)	(1,228,140)	(3,385,471)	(3,329,418)
Other operating expenses		(369,771)	(295,480)	(391,181)	(338,920)
Impairment of trade and other receivables		(15,328)	(11,683)	(53,126)	(1,620,215)
Operating loss		(1,501,755)	(2,496,884)	(2,221,840)	(4,546,029)
Net investment income		5,997	28,723	28,220	103,266
Group's share in an associate's results		(5,003)	(22,037)	24,970	(15,963)
Finance costs		(184,969)	(228,494)	(572,241)	(537,905)
Foreign currency exchange loss		(459,020)	(250,151)	(412,902)	(140,512)
Loss before subsidiaries' tax		(2,144,750)	(2,968,843)	(3,153,793)	(5,137,143)
Reversal of income tax on subsidiaries		13,999	210,646	59,436	252,493
Loss after subsidiaries' tax		(2,130,751)	(2,758,197)	(3,094,357)	(4,884,650)
Loss for the period		(2,130,751)	(2,758,197)	(3,094,357)	(4,884,650)
Basic and diluted earnings per share (fils)	15	(10.19)	(13.18)	(14.79)	(23.35)

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

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the three month and nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Loss for the period	<u>(2,130,751)</u>	<u>(2,758,197)</u>	<u>(3,094,357)</u>	<u>(4,884,650)</u>
Other comprehensive income:				
<i>Items that may be reclassified to the condensed consolidated interim statement of income:</i>				
Exchange differences on translation of foreign operations	106,999	(24,528)	139,114	(13,671)
<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	<u>(15,918)</u>	<u>(24,381)</u>	<u>(64,758)</u>	<u>(21,699)</u>
Other comprehensive income / (loss) for the period	<u>91,081</u>	<u>(48,909)</u>	<u>74,356</u>	<u>(35,370)</u>
Total comprehensive loss for the period	<u>(2,039,670)</u>	<u>(2,807,106)</u>	<u>(3,020,001)</u>	<u>(4,920,020)</u>

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 nine month period ended 30 September 2022

(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
At 1 January 2022 (Audited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	133,506	(6,598,575)	34,829,357
Loss for the period	-	-	-	-	-	-	(3,094,357)	(3,094,357)
Other comprehensive income for the period	-	-	-	-	-	74,356	-	74,356
Total comprehensive income / (loss) for the period	-	-	-	-	-	74,356	(3,094,357)	(3,020,001)
At 30 September 2022 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	207,862	(9,692,932)	31,809,356
At 1 January 2021 (Audited)	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	-	-	-	-	-	-	(4,884,650)	(4,884,650)
Other comprehensive loss for the period	-	-	-	-	-	(35,370)	-	(35,370)
Total comprehensive loss for the period	-	-	-	-	-	(35,370)	(4,884,650)	(4,920,020)
At 30 September 2021 (Unaudited)	21,659,057	4,967,805	(1,647,126)	11,825,560	4,489,130	97,221	(5,019,688)	36,371,959

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 nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	For the nine months ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Loss for the period		(3,094,357)	(4,884,650)
Adjustments for:			
Depreciation		2,957,666	3,453,106
Gain on sale of property, plant and equipment		(56,171)	(6,447)
Interest expense - lease liability		55,471	64,878
Interest expense - term borrowing		516,768	473,027
Net investment income		(28,220)	(103,266)
Group's share in associate's results		(24,970)	(15,963)
Impairment of trade and other receivables		53,126	(1,620,215)
Foreign currency exchange gain		412,902	140,512
Employees' end of service benefits		183,990	136,679
		<u>976,205</u>	<u>(2,362,339)</u>
Changes in working capital:			
Inventories		2,839,258	780,253
Trade and other receivables		795,893	2,549,378
Trade and other payables		(364,951)	(1,131,496)
Cash generated from / (used in) operations		<u>4,246,405</u>	<u>(164,204)</u>
Employees' end of service benefits paid		(186,736)	(93,970)
Net cash flows generated from / (used in) operating activities		<u>4,059,669</u>	<u>(258,174)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3,760,888)	(1,421,854)
Proceeds from disposal of property, plant and equipment		70,006	7,218
Financial assets at fair value through other comprehensive income		(37,691)	26,487
Redemption for financial assets at amortised cost		305,950	1,200,000
Investment income received		28,220	103,266
Net cash flows used in investing activities		<u>(3,394,403)</u>	<u>(84,883)</u>
Cash flows from financing activities			
Additions of term borrowing		-	14,500,000
Repayment of term borrowing		(950,000)	(950,000)
Interest paid on term borrowing		(516,768)	(473,027)
Dividends paid		(1,280)	(1,175)
Principal element of lease payments		(413,333)	(379,646)
Net cash flows (used in) / generated from financing activities		<u>(1,881,381)</u>	<u>12,696,152</u>
Net foreign exchange differences		338,886	176,362
Net (decrease) / increase in cash and cash equivalents		<u>(877,229)</u>	<u>12,529,457</u>
Cash and cash equivalents at beginning of the period	9	5,029,997	(8,070,117)
Cash and cash equivalents at end of the period	9	<u>4,152,768</u>	<u>4,459,340</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 nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

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

The head office of the Parent Company is located at Sulaibiya, Agricultural Area, Block 12, Kuwait. Kuwait Investment Authority is the principal shareholder in the Parent Company. The Parent Company is listed on 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.
2. To construct and buy farms, pastures, barns, land and real estate deemed necessary to achieve the Parent Company’s objectives.
3. To carry out all transportation operations deemed necessary or for others similar businesses.
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.
5. To run any business or processing activity relating to meat production and transportation, wool and leather trade.
6. To own, lease and rent of real estates, buildings, workshops, docks and stores.
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.
10. Utilisation of financial surplus through investment in portfolios managed by specialised Companies and Authorities.
11. To run any trade or industry for food processing, opening restaurants and preparing healthy food.
12. To run any trade or manufacture of foodstuffs.
13. To run any trade or manufacture of fertilizers.
14. Import, export, breeding and sale of livestock.
15. Importing, exporting, manufacturing and selling medicines, veterinary tools and supplies, and veterinary medicine.
16. To run any trade or manufacture of animal and pet food.
17. Agricultural Contracting.
18. Delivery of consumer and food orders.
19. To run any trade or industry related to supermarkets and/or mini supermarkets and/or groceries.
20. To run the activities of butchery and butcheries and exhibitions of selling meat and its products of all kinds.

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 nine month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (Continued)

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

Name of subsidiaries	Shareholding interest (%)			Activity	Country of incorporation
	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (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
Al Messilah United for Sea and Shore Shipping Company W.L.L.	100	-	-	Sea transportation of miscellaneous goods	Kuwait
Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.	100	-	-	Sea transportation of miscellaneous goods	Kuwait

During September 2022, the Parent Company incorporated two new subsidiaries "Al Messilah United for Sea and Shore Shipping Company W.L.L." and "Al Kuwait Vessel for Sea and Shore Shipping Company W.L.L.". The two subsidiaries did not start operations and their share capital has not been paid as at 30 September 2022.

The financial information of the subsidiaries has been consolidated based on financial information prepared by management as at 30 September 2022.

The condensed consolidated interim financial information was authorised for issue by Parent Company's Board of Directors' on 14 November 2022.

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.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

Operating results for the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2021.

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 2021 and the corresponding interim reporting period.

(a) New standards, amendments and interpretations effective for the financial period beginning on 1 January 2022:

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Group has adopted all standards, amendments and improvements which came effective for the first time for the financial period beginning on or after 1 January 2022 and none resulted in a significant impact on the condensed consolidated interim financial information.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2022 and have not been early adopted by the Group:

Certain new accounting standards and interpretations have been published that are not mandatory for annual reporting periods ending 31 December 2022 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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 2021.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION

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

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

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

	Level 1	Level 2	Level 3	Total fair value
30 September 2022 (Unaudited)				
Financial assets at fair value through other comprehensive income	698,610	22,637	320,259	1,041,506
31 December 2021 (Audited)				
Financial assets at fair value through other comprehensive income	722,450	21,992	324,131	1,068,573
30 September 2021 (Unaudited)				
Financial assets at fair value through other comprehensive income	733,172	22,416	324,131	1,079,719

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

The following table represents the changes in Level 3 instruments:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Opening balance	324,131	395,042	395,042
Disposals	-	(97,065)	(97,065)
Change in fair value	(3,872)	26,154	26,154
Ending balance	320,259	324,131	324,131

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Opening balance	34,975,954	37,881,803	37,881,803
Additions	3,760,888	1,313,201	1,421,854
Disposals	(475,464)	(48,125)	(48,056)
Depreciation charge	(2,655,819)	(4,119,217)	(3,149,049)
Depreciation relating to disposals	461,629	47,352	47,285
Foreign currency translation differences	(140,858)	(99,060)	(109,929)
	35,926,330	34,975,954	36,043,908

For the period ended 30 September 2022, depreciation expenses amounting to KD 2,217,241, KD 92,155 and KD 346,423 (31 December 2021: KD 3,598,363, KD 142,031 and KD 378,823; 30 September 2021: KD 2,564,118, KD 111,406 and KD 473,525) 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 28,588 as at 30 September 2022 (31 December 2021: KD 39,661; 30 September 2021: KD 43,396) are mortgaged as a security against long term borrowing.

Vessel included in property, plant and equipment with a carrying value of KD 13,899,153 as at 30 September 2022 (31 December 2021: KD 14,660,697; 30 September 2021: 15,248,587) is mortgaged as a security against long term borrowing (Note 12).

6. FINANCIAL ASSETS AT AMORTISED COST

The Group had local Sukuk at annual yield rates of 6.50%. Local Sukuk matured during March 2022.

7. INVENTORIES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Livestock and meat (net)	1,728,128	5,028,819	2,436,187
Fodder	234,655	221,574	162,437
Medicines, fertilisers and others	744,501	682,577	795,237
	2,707,284	5,932,970	3,393,861
Goods in transit	-	38,620	2,777,655
Production materials and spare parts	970,292	545,244	612,683
	3,677,576	6,516,834	6,784,199

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. TRADE AND OTHER RECEIVABLES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Trade receivables	7,175,155	8,375,349	8,525,596
Accrued Government subsidy*	16,330,630	16,330,630	16,330,630
	23,505,785	24,705,979	24,856,226
Loss allowance	(15,618,880)	(15,553,974)	(14,345,801)
	7,886,905	9,152,005	10,510,425
Advances to suppliers	1,465,322	1,220,512	1,920,774
Prepaid expenses	358,851	89,060	190,882
Refundable deposits	115,942	113,672	113,403
Staff receivables	3,828	25,200	25,165
Others	1,408,637	1,499,835	844,887
	11,239,485	12,100,284	13,605,536

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

The Government subsidy due from Ministry of Commerce and Industry (the "Ministry") as a result of the subsidy granted to the Parent Company to meet the increased prices of certain foodstuff and consumer goods in accordance with the previous ministerial Decrees' amounted to KD 16,330,630 as at 30 September 2022 (KD 16,330,630 as at 31 December 2021, KD 16,330,630 as at 30 September 2021). 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. As at 30 September 2022, the provision for impairment maintained against the total accrued Government subsidy balance amounted to KD 13,225,204 (KD 13,225,204 as at 31 December 2021, KD 12,730,079 as at 30 September 2021).

9. CASH AND CASH EQUIVALENTS

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Cash on hand and at banks	4,210,983	3,392,053	4,441,221
Time deposits maturing within 3 months	2,196,354	1,808,759	-
Cash at investment portfolios	42,972	64,953	54,823
Bank balances and cash	6,450,309	5,265,765	4,496,044
Less: bank overdraft	(2,297,541)	(235,768)	(36,704)
Cash and cash equivalents	4,152,768	5,029,997	4,459,340

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. TREASURY SHARES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 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	848,399	1,239,400	1,379,571

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

11. OTHER RESERVES

	Change in fair value reserve	Foreign currency translation reserve	Total
At 1 January 2022	76,381	57,125	133,506
Change in fair value of financial assets at fair value through other comprehensive income	(64,758)	-	(64,758)
Foreign currency translation differences	-	139,114	139,114
30 September 2022 (Unaudited)	11,623	196,239	207,862
At 1 January 2021	109,016	23,575	132,591
Change in fair value of financial assets at fair value through other comprehensive income	(21,699)	-	(21,699)
Foreign currency translation differences	-	(13,671)	(13,671)
30 September 2021 (Unaudited)	87,317	9,904	97,221

12. BORROWING

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Current portion	3,600,000	2,750,000	1,900,000
Non-current portion	14,821,951	16,621,951	18,421,951

Bank borrowing is denominated in Kuwaiti Dinars ("KD") obtained from a local bank with a total maximum limit amounted to KD 24,121,952 and carry an effective interest rate of 3.5% (3.5% as at 31 December 2021, 3.5% as at 30 September 2021) per annum. Payment is on semi-annual basis till 15 June 2030.

Bank borrowings are secured by machinery and equipment and vessels included in property, plant and equipment amounting to KD 28,588 and KD 13,899,153, respectively (31 December 2021: KD 39,661 and KD 14,660,697, 30 September 2021 : KD 43,369 and KD 15,248,587) (Note 5).

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. TRADE AND OTHER PAYABLES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Trade payables	1,949,035	1,273,277	2,112,973
Advances from customers	1,173,064	947,158	514,710
Dividends payable (Note 17)	42,874	44,154	44,495
Accrued expenses	1,443,241	2,168,469	2,506,403
Refundable deposits	79,601	72,991	71,376
Provision for NLST, Zakat and KFAS	16,807	75,734	75,734
Other payables	149,825	225,993	469,371
	4,854,447	4,807,776	5,795,062

14. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Staff costs	498,360	714,650	1,523,931	1,559,506
Depreciation (right of use assets and property, plant and equipment)	175,630	201,476	512,392	775,039
Insurance	42,098	56,961	135,534	141,573
Professional fees	25,090	36,815	135,097	141,781
Maintenance and repair	160,083	145,007	511,990	365,705
Bank charges	20,569	18,261	57,155	68,687
Stationery	5,978	4,219	16,643	18,693
Subscription, registration and certification fees	38,987	21,827	108,893	92,558
Fuel and transportation expenses	13,593	7,216	45,582	60,127
Other expenses	143,137	21,708	338,254	105,749
	1,123,525	1,228,140	3,385,471	3,329,418

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Loss for the period	(2,130,751)	(2,758,197)	(3,094,357)	(4,884,650)
Weighted average number of outstanding shares (less treasury shares)	209,213,192	209,213,192	209,213,192	209,213,192
Loss per share (fils)	(10.19)	(13.18)	(14.79)	(23.35)

The Parent Company had no outstanding dilutive shares.

16. CONTINGENT LIABILITIES

	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Letters of guarantee	1,484,515	2,003,890	1,372,347

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 30 September.

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

Transactions	Three months ended 30 September		Nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Key management benefits	119,723	107,487	351,498	337,569
Balances				
Key management long term balances - included in employees' end of service benefits		256,125	337,636	326,576
Key management short term balances - included in accrued expenses		72,964	75,644	86,447
Dividends payable (Note 13)		42,874	44,154	44,495

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

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022
(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 operational segments:

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

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

18.1.1.Segments revenues (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	30 September		30 September		30 September		30 September	
	2022	2021	2022	2021	2022	2021	2022	2021
	KD 000's							
Kuwait	21,397	24,764	1,613	1,507	25	100	23,035	26,371
UAE	7,105	7,404	-	-	-	-	7,105	7,404
Australia	1,051	1,198	-	-	-	-	1,051	1,198
South Africa	1,257	5,858	-	-	-	-	1,257	5,858
Total	30,810	39,224	1,613	1,507	25	100	32,448	40,831
Intersegment eliminations							(447)	(1,127)
Total*							32,001	39,704

*Total reconciles to the following statement of income items:

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

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



Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. OPERATING SEGMENTS (Continued)

18.1.2. Segments results (Unaudited)

	Commercial segment		Food processing segment		Investments segment		Total	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	30 September		30 September		30 September		30 September	
	2022	2021	2022	2021	2022	2021	2022	2021
	KD 000's							
Kuwait	(2,110)	(3,418)	(17)	604	25	100	(2,102)	(2,714)
UAE	(724)	(1,082)	-	-	-	-	(724)	(1,082)
Australia	(104)	(299)	-	-	-	-	(104)	(299)
South Africa	(153)	(649)	-	-	-	-	(153)	(649)
Total	(3,091)	(5,448)	(17)	604	25	100	(3,083)	(4,744)
Unallocated items:								
Other unallocated costs							-	(136)
Loss for the period							(3,083)	(4,880)
Intersegment eliminations							(11)	(5)
Total							(3,094)	(4,885)

18.1.3. Segmental distribution of assets and liabilities (Unaudited)

	Commercial segment			Food processing segment			Investments segment			Total		
	30	31 December	30	30	31 December	30	30	31 December	30	31 December	30	
	September	2021	September	September	2021	September	September	2021	September	2021	September	
	2022	(Audited)	2021	2022	(Audited)	2021	2022	(Audited)	2021	2022	(Audited)	2021
	KD 000's											
Assets	53,378	55,464	57,664	5,396	5,145	5,114	1,042	1,375	2,613	59,816	61,984	65,391
Liabilities	27,871	27,079	28,958	135	75	61	-	-	-	28,006	27,154	29,019

Intersegment assets and liabilities are eliminated on consolidation.

Notes to the condensed consolidated interim financial information (Unaudited)

For the nine month period ended 30 September 2022

(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. OPERATING SEGMENTS (Continued)

18.1.4. Geographical distribution of assets and liabilities (Unaudited)

	30 September 2022				
	Kuwait	UAE	Australia KD 000's	South Africa	Total
Assets	48,669	7,278	2,345	1,524	59,816
Liabilities	26,566	964	386	90	28,006

	31 December 2021 (Audited)				
	Kuwait	UAE	Australia KD 000's	South Africa	Total
Assets	50,465	6,894	2,540	2,085	61,984
Liabilities	25,419	1,060	458	217	27,154

	30 September 2021				
	Kuwait	UAE	Australia KD 000's	South Africa	Total
Assets	54,649	6,162	2,642	1,938	65,391
Liabilities	17,153	7,895	514	3,457	29,019

19. ANNUAL GENERAL ASSEMBLY MEETING

The Parent Company's Ordinary Annual General Assembly meeting ("AGM"), held on 11 April 2022, approved the annual consolidated financial statements for the financial year ended 31 December 2021.