



شركة السينما الكويتية الوطنية
KUWAIT NATIONAL CINEMA COMPANY...

Kuwait National Cinema Company K.P.S.C.
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
and Review Report
For the three months ended 31 March 2022
(Unaudited)



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Kuwait National Cinema Company K.P.S.C

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait National Cinema Company - K.P.S.C ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2022 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated 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.

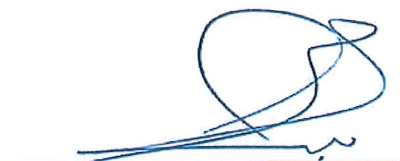
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. To the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2022, that might have had a material effect on the business of Group or on its consolidated financial position.



Bader A. Al-Wazzan

Licence No. 62 A

Deloitte & Touche - Al-Wazzan & Co.

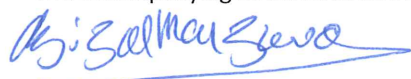
Kuwait, 10 May 2022

Interim Condensed Consolidated Statement of Financial Position as at 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	31 March 2022	31 December 2021 (Audited)	31 March 2021
ASSETS				
Non-current assets				
Property, plant and equipment	4	23,183,332	23,003,423	37,681,814
Investments properties	5	55,637,063	49,157,893	4,656,722
Right-of-use assets	6	20,618,153	20,936,692	21,658,477
Intangible assets		10,549	10,628	61,989
Investments in an associate	7	41,255,644	41,322,455	36,704,504
Investments at FVTOCI	8	7,823,306	6,929,794	5,159,224
Trade and other receivables		775,060	727,513	784,046
		<u>149,303,107</u>	<u>142,088,398</u>	<u>106,706,776</u>
Current assets				
Inventories		1,145,521	827,932	863,455
Trade and other receivables		2,510,638	280,059	451,472
Cash at banks, on hand and investment portfolios	9	21,236,411	20,102,191	19,746,132
		<u>24,892,570</u>	<u>21,210,182</u>	<u>21,061,059</u>
Total assets		<u>174,195,677</u>	<u>163,298,580</u>	<u>127,767,835</u>
Equity and liabilities				
Equity				
Share capital		10,106,250	10,106,250	10,106,250
Treasury shares	10	(8,201,231)	(8,201,231)	(8,201,231)
Statutory reserve		5,065,834	5,065,834	5,065,834
Voluntary reserve		14,697,632	14,697,632	14,241,729
Other reserves	11	20,149,769	18,918,829	16,310,186
Retained earnings		31,741,382	32,736,361	28,296,734
Equity attributable to the Parent Company's shareholders		<u>73,559,636</u>	<u>73,323,675</u>	<u>65,819,502</u>
Non-controlling interest		11,816	15,736	14,101
		<u>73,571,452</u>	<u>73,339,411</u>	<u>65,833,603</u>
Liabilities				
Non-current liabilities				
Trade and other payables	12	5,524,310	3,696,364	2,200,263
Lease liabilities	6	31,013,934	31,447,275	19,926,258
Loans and bank facilities	13	29,435,686	23,174,496	5,000,000
Post-employment benefits		1,481,850	1,424,061	1,434,145
		<u>67,455,780</u>	<u>59,742,196</u>	<u>28,560,666</u>
Current liabilities				
Trade and other payables	12	13,913,223	11,078,300	7,740,698
Lease liabilities	6	2,245,207	2,130,754	2,226,887
Loans and bank facilities	13	17,010,015	17,007,919	23,405,981
		<u>33,168,445</u>	<u>30,216,973</u>	<u>33,373,566</u>
Total liabilities		<u>100,624,225</u>	<u>89,959,169</u>	<u>61,934,232</u>
Total equity and liabilities		<u>174,195,677</u>	<u>163,298,580</u>	<u>127,767,835</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.



Abdulaziz Dawoud Marzouq Al-Marzouq
Chairman

Hisham Fahad Al-Ghanim
Vice Chairman

**Interim Condensed Consolidated Statement of Income for the three months ended 31 March 2022
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March	
		2022	2021
Operating revenues		3,156,936	634,332
Operating costs		<u>(3,123,104)</u>	<u>(1,492,354)</u>
Gross profit /(loss)		33,832	(858,022)
Other operating income		2,368,889	612,987
General and administrative expenses		(536,730)	(422,795)
Other operating expenses		(993,433)	(479,457)
Net losses of financial investments		(1,554)	(1,193)
Group's share in an associate results	7	1,466,619	977,109
Finance costs		<u>(500,473)</u>	<u>(335,510)</u>
Net profit/(loss) before deductions		1,837,150	(506,881)
Contribution to Kuwait Foundation for the Advancement of Sciences		(3,933)	-
National Labor Support Tax		(46,421)	-
Zakat		<u>(3,903)</u>	<u>-</u>
Net profit/(loss) for the period		<u>1,782,893</u>	<u>(506,881)</u>
Attributable to:			
Parent Company's shareholders		1,783,064	(509,516)
Non-controlling interest		<u>(171)</u>	<u>2,635</u>
		<u>1,782,893</u>	<u>(506,881)</u>
Earnings/(Loss) per share (fils)	15	<u>19.26</u>	<u>(5.50)</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Note	Three months ended 31 March	
		2022	2021
Net profit/(loss) for the period		<u>1,782,893</u>	<u>(506,881)</u>
Other comprehensive income items:			
<i>Items that will not be reclassified subsequently to statement of income:</i>			
Net changes in fair value of financial investments at FVTOCI		893,513	(381,685)
Group's share in an associates' change in fair value reserves	7	<u>258,716</u>	<u>(472,866)</u>
		<u>1,152,229</u>	<u>(854,551)</u>
<i>Items that may be reclassified subsequently to statement of income:</i>			
Group's share in an associate's reserve	7	7,854	(5,601)
Foreign currency translation differences of a subsidiary		<u>70,857</u>	<u>2,395</u>
		<u>78,711</u>	<u>(3,206)</u>
Other comprehensive profit/ (loss) for the period		<u>1,230,940</u>	<u>(857,757)</u>
Total comprehensive profit/ (loss) for the period		<u>3,013,833</u>	<u>(1,364,638)</u>
Attributable to:			
Parent Company's shareholders		3,014,004	(1,367,273)
Non-controlling interest		<u>(171)</u>	<u>2,635</u>
		<u>3,013,833</u>	<u>(1,364,638)</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Equity attributable to shareholders of the Parent Company					Total	Non-controlling Interest	Total
	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (Note 11)			
Balance as at 1 January 2021	10,106,250	(8,201,231)	5,065,834	14,241,729	17,167,943	28,806,250	18,215	67,204,990
Net loss for the period	-	-	-	-	-	(509,516)	2,635	(506,881)
Other comprehensive loss for the period	-	-	-	-	(857,757)	-	-	(857,757)
Total comprehensive loss for the period	-	-	-	-	(857,757)	(509,516)	2,635	(1,364,638)
Cash dividends in subsidiaries	-	-	-	-	-	-	(6,749)	(6,749)
Balance as at 31 March 2021	10,106,250	(8,201,231)	5,065,834	14,241,729	16,310,186	28,296,734	14,101	65,833,603
Balance as at 1 January 2022	10,106,250	(8,201,231)	5,065,834	14,697,632	18,918,829	32,736,361	15,736	73,339,411
Net profit for the period	-	-	-	-	-	1,783,064	(171)	1,782,893
Other comprehensive income for the period	-	-	-	-	1,230,940	-	-	1,230,940
Total comprehensive income for the period	-	-	-	-	1,230,940	1,783,064	(171)	3,013,833
Cash dividends (Note 19)	-	-	-	-	-	(2,778,043)	-	(2,778,043)
Cash dividends in subsidiaries	-	-	-	-	-	-	(3,749)	(3,749)
Balance as at 31 March 2022	10,106,250	(8,201,231)	5,065,834	14,697,632	20,149,769	31,741,382	11,816	73,571,452

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Cash Flows for the three months ended 31 March 2022
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Three months ended 31 March	
	2022	2021
Cash flows from operating activities		
Net profit/ (loss) for the period	1,782,893	(506,881)
<i>Adjustments:</i>		
Depreciation and amortization	369,290	428,348
Depreciation of right-of-use leased assets	599,863	541,463
Waiver of lease payments	(22,883)	(263,033)
Net losses from investments at FVTOCI	1,554	1,193
Group's share in an associate's results	(1,466,619)	(977,109)
Post-employment benefits	81,301	31,388
Finance costs	276,049	172,477
Interest portion of lease liability	224,424	163,033
Operating profit/ (loss) before changes in operating assets and liabilities	1,845,872	(409,121)
Change in inventories	(317,589)	27,695
Change in trade and other receivables	(388,023)	(68,739)
Change in trade and other payables	1,221,750	311,408
Cash generated from/(used in) operating activities	2,362,010	(138,757)
Post-employment benefits paid	(23,512)	(59,279)
Net cash generated from/(used in) operating activities	2,338,498	(198,036)
Cash flows from investment activities		
Paid for purchase of property, plant and equipment	143,512	(4,278,516)
Paid for acquisition of investment properties	(6,479,170)	-
Paid for purchase of intangible assets	-	(155,800)
Dividends received	-	(1,193)
Net cash used in investing activities	(6,335,658)	(4,435,509)
Cash flows from financing activities		
Net proceed from loans and bank facilities	6,263,286	4,559,969
Finance costs paid	(307,902)	(187,944)
Repayment of lease liability	(577,329)	(144,167)
Repayment of interest of lease liability	(224,424)	(163,033)
Dividends paid	(22,251)	(6,749)
Net cash generated from financing activities	5,131,380	4,058,076
Net change in cash and cash equivalents	1,134,220	(575,469)
Cash and cash equivalents at the beginning of the period	20,106,633	20,326,043
Cash and cash equivalents at the end of the period (note 9)	21,240,853	19,750,574

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. **Company's incorporations**

Kuwait National Cinema Company K.P.S.C. "the Parent Company" is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 5 October 1954 and is licensed to engage in all activities relating to the cinema industry, entertainment, and cultural events.

The Parent Company is listed on Boursa Kuwait.

The Parent Company's address is Old Khaitan area, block number 9, building Number 164, second floor, office (1+2), P.O. Box 502 Safat, 13006 Safat, Kuwait.

This Consolidated financial information includes the financial information of the Parent Company and the financial information of its following subsidiaries together referred to as "the Group":

	Ownership percentage (%)	Activity	Incorporation country
International Film Distribution Company K.S.C.C.	99.25	Publishing and film distribution	Kuwait
Al-Kout Film Production and Distribution Company S.A.E.	100	Production and film distribution	Egypt

On March 30, 2022, the extraordinary general assembly of the shareholders of the parent company approved the amendment of the memorandum of association and articles of association of the parent company by adding the activity of owning movables and real estate necessary to carry out its activities within the permissible limits according to the law.

The interim condensed consolidated financial information for the three months ended 31 March 2022 was authorized for issuance by the Board of Directors on 10 May 2022.

2. **Basis of preparation and significant accounting policies**

2.1 **Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

2.2 **Summary of changes in significant accounting policies**

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2022 and which did not result in any material impact on the interim condensed consolidated financial information of the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no material impact on the interim condensed consolidated financial information of the Group as there were no significant modifications of the Group's financial instruments during the period.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

3. Fair value estimation

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

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market 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 three: valuation techniques that are not based on observable market data.

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

	Fair value as at			Fair value hierarchy	Significant unobservable inputs	Valuation technique(s) and Key input(s)	Relation of unobservable inputs to fair value
	31 March 2022	31 December 2021	31 March 2021				
<i>Equity instruments designated as FVTOCI</i>							
Quoted shares	6,859,256	5,965,744	4,243,558	Level 1	N/A	Last bid price	N/A
Investment funds	-	-	4,168	Level 2	N/A	Net assets value	N/A
Unquoted shares	52,832	52,832	52,832	Level 3	Discount rate		Higher discount results in value decline
Unquoted shares	32,016	32,016	32,016	Level 3	Discount rate	Discounted cash flows	Higher discount results in value decline
Unquoted shares	879,202	879,202	826,650	Level 3	N/A	Adjusted book value	N/A

The fair value of other financial assets and financial liabilities approximately equal its book value as at the interim financial information date.

4. Property, plant and equipment

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Net carrying value at the beginning of the period / year	23,003,423	34,420,143	34,420,143
Additions during the period / year	569,919	22,371,464	3,595,179
Revaluation of lands	-	6,600	-
Transferred to investments Properties	-	(32,426,194)	-
Disposals during the period / year	-	(20,866)	-
Depreciation during the period / year	(390,010)	(1,347,724)	(333,508)
Net carrying value at the end of the period / year	23,183,332	23,003,423	37,681,814

5. Investment properties

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Investment properties	4,673,005	4,673,005	4,656,722
Investment properties under development	50,964,058	44,484,888	-
	55,637,063	49,157,893	4,656,722

Movement on investment properties are as follows:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Balance at the beginning of the period/year	49,157,893	4,656,722	4,656,722
Additions during the period/year	6,479,170	-	-
Transferred from property, plant and equipment	-	32,426,194	-
Transferred from right of use of leased assets	-	11,958,694	-
Change in fair value	-	116,283	-
Balance at the end of the period/year	55,637,063	49,157,893	4,656,722

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. Right-of-use assets

The Group as a lessee has leased several assets including buildings and lands. The average lease term is 20 years. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Net carrying amount	20,936,692	22,199,940	22,199,940
1 January	281,324	13,865,256	-
Additions	(599,863)	(1,939,735)	(541,463)
Amortization	-	(11,958,694)	-
Transferred to investments properties	-	(1,230,075)	-
As at end of the period/ year	<u>20,618,153</u>	<u>20,936,692</u>	<u>21,658,477</u>
Lease liabilities			
	31 March 2022	31 December 2021 (Audited)	31 March 2021
Non-Current lease liabilities			
Amounts due for settlement after 12 months	31,013,934	31,447,275	19,926,258
Current lease liabilities			
Amounts due for settlement within 12 months	<u>2,245,207</u>	<u>2,130,754</u>	<u>2,226,887</u>
	<u>33,259,141</u>	<u>33,578,029</u>	<u>22,153,145</u>

Maturity analysis

Maturity dates of undiscounted lease liabilities are as follows:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Not later than 1 year	2,245,207	2,130,754	2,226,887
Later than 1 year and not later than 5 years	13,348,161	14,787,839	11,693,455
Later than 5 years	25,453,803	24,640,385	11,992,639
	<u>41,047,171</u>	<u>41,558,978</u>	<u>25,912,981</u>

The breakdown of related lease amounts recognised in profit and loss is as follows:

	Three months ended 31 March	
	2022	2021
Amortization expense on right-of-use assets	599,863	541,463
Interest expense on lease liabilities	224,424	163,033
Expense relating to short-term leases	3,987	78,513
Expense relating to variable lease payments not included in the measurement of the lease liability	281,125	4,732
	<u>1,109,399</u>	<u>787,741</u>

waiver of lease payments granted by lessors during the three-month period ending on March 31, 2022 amounted to KD 22,883 (KD 263,033 during the three-month period ending on March 31, 2021).

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

7. Investments in an associate

This represents the Group's investment in Tamdeen Shopping Center K.S.C. (Closed) at 30%.

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Balance as at the beginning of the period/ year	41,322,455	36,205,862	36,205,862
Group's share in an associate's results	1,466,619	4,723,121	977,109
<u>Group's share from an associate's reserve:</u>	258,716	393,472	(472,866)
Changes in fair value reserves	7,854	-	(5,601)
Foreign currency translation reserve	(1,800,000)	-	-
Balance at the end of the period/ year	<u>41,255,644</u>	<u>41,322,455</u>	<u>36,704,504</u>

8. Investments at FVTOCI

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Quoted shares	6,859,256	5,965,744	4,243,558
Unquoted shares	964,050	964,050	911,498
Investment funds	-	-	4,168
	<u>7,823,306</u>	<u>6,929,794</u>	<u>5,159,224</u>

Fair value is determined based on valuation techniques disclosed in (Note 3).

9. Cash at banks, on hand and investment portfolios

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Cash on hand	45,078	33,520	29,024
Banks' current accounts	7,154,894	6,093,340	5,742,384
Cash in investment portfolios	14,040,881	13,979,773	13,979,166
	21,240,853	20,106,633	19,750,574
Expected credit losses	(4,442)	(4,442)	(4,442)
	<u>21,236,411</u>	<u>20,102,191</u>	<u>19,746,132</u>

10. Treasury shares

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Number of treasury shares (share)	8,460,323	8,460,323	8,460,323
Percentage to issued shares (%)	8.37	8.37	8.37
Market value	7,614,291	7,453,545	6,116,814

The Parent Company should keep reserves and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

11. Other reserves	Land revaluation reserve	Change in fair value reserve	Foreign currency translation reserve	Treasury shares reserve	Total
Balance at 1 January 2021	11,663,070	5,068,789	308,991	127,093	17,167,943
Changes in fair value of financial investments at FVTOCI	-	(854,551)	-	-	(854,551)
Foreign currency translation reserve	-	-	(3,206)	-	(3,206)
Other comprehensive income for the period	-	(854,551)	(3,206)	-	(857,757)
Balance at 31 March 2021	<u>11,663,070</u>	<u>4,214,238</u>	<u>305,785</u>	<u>127,093</u>	<u>16,310,186</u>
Balance at 1 January 2022	11,669,670	6,815,918	306,148	127,093	18,918,829
Changes in fair value of financial investments at FVTOCI	-	1,152,229	-	-	1,152,229
Foreign currency translation reserve	-	-	78,711	-	78,711
Other comprehensive loss for the period	-	1,152,229	78,711	-	1,230,940
Balance at 31 March 2022	<u>11,669,670</u>	<u>7,968,147</u>	<u>384,859</u>	<u>127,093</u>	<u>20,149,769</u>

Land revaluation reserve includes the following:

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Revaluation reserve for land within property, plant and equipment	8,199,694	8,199,694	8,193,094
Revaluation reserve for land within investment properties	2,363,735	2,363,735	2,363,735
Revaluation reserve for land sold to an associate	1,106,241	1,106,241	1,106,241
	<u>11,669,670</u>	<u>11,669,670</u>	<u>11,663,070</u>

12. Trade and other payables

	31 March 2022	31 December 2021 (Audited)	31 March 2021
<u>Non-current</u>			
Retention payable	3,346,440	2,633,009	1,340,647
Others' deposits	2,177,870	1,063,355	859,616
	<u>5,524,310</u>	<u>3,696,364</u>	<u>2,200,263</u>
<u>Current</u>			
Trade payables	4,456,933	4,235,091	2,852,115
Provision for claims	2,154,065	2,154,065	2,154,065
Dividends payable	3,847,506	1,087,965	1,180,981
Construction contract payables	1,346,528	1,466,249	-
Expenses and accrued leaves	1,171,986	1,155,540	714,393
Deferred income	710,810	760,268	640,785
Due to related parties (Note 17)	11,776	-	163,576
Board of Directors' remuneration	50,000	60,000	-
Taxes and deductions	134,035	130,279	7,905
Other payables	29,584	28,843	26,878
	<u>13,913,223</u>	<u>11,078,300</u>	<u>7,740,698</u>
	<u>19,437,533</u>	<u>14,774,664</u>	<u>9,940,961</u>

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. Loans and bank facilities

	31 March 2022	31 December 2021 (Audited)	31 March 2021
Long term			
Long term loans	26,200,000	21,200,000	5,000,000
Bank facilities	3,235,686	1,974,496	-
	<u>29,435,686</u>	<u>23,174,496</u>	<u>5,000,000</u>
Short term			
Short term loans	17,000,000	17,000,000	20,000,000
Banks - overdraft	10,015	7,919	3,405,981
	<u>17,010,015</u>	<u>17,007,919</u>	<u>23,405,981</u>
	<u>46,445,701</u>	<u>40,182,415</u>	<u>28,405,981</u>

- Loans and bank facilities -long term- granted to the Group from local banks against commitments from the Group represents mainly in transferring the revenues of project under process to the company's accounts with those banks.
- The repayment period of long-term loans ranges between 2 to 8 years.
- The effective interest rate on loans and bank facilities was 2.82% during three month ended 31 March 2022 (2.65% during year 2021, 2.58% during three month ended 31 March 2021).

14. Other operating income/Expenses

This item includes revenue and expenses of cinema's buffets and cafeterias, and any other revenue and expenses other than those resulted from the main activity.

15. Earnings/ (Losses) per share

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

	Three months ended 31 March	
	2022	2021
Net profit / (loss) attributable to Parent Company's shareholders	1,782,893	(509,516)
Weighted average number of outstanding shares (share)	<u>92,602,177</u>	<u>92,602,177</u>
earnings/ (Losses) per share (fils)	<u>19.26</u>	<u>(5.50)</u>

Both basic and diluted earnings per share are equal since the Parent Company does not have diluted outstanding instruments.

16. Segments information

The main objective of the Group is to engage in all activities relating to the cinema industry, entertainment, and culture events. In addition, the Group invests its available excess funds through investment portfolios. The following is the Group's segment information which consists with the internal reporting presented to management:

- Cinema division: which represents all activities related to cinema shows and movies selling.
- Concession division: which represents all activities related to concessions supplemented to theaters.
- Investments division: which represents investments in shares, funds and investment property.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

The following schedule presents the information about revenues, profit, and assets for each division:

Divisions activity as at 31 March 2022					
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	3,156,936	1,884,504	1,570,701	380,303	6,992,444
Costs	(3,123,104)	(694,654)	(32,476)	(1,360,646)	(5,210,880)
Segment's profit/ (loss)	33,832	1,189,850	1,538,225	(980,343)	1,781,564
Assets	40,367,821	799,845	107,272,896	25,755,115	174,195,677

Divisions activity as at 31 March 2021					
	Cinema division	Concession division	Investment division	Unallocated items	Total
Net revenues	634,332	180,484	1,054,409	354,010	2,223,235
Costs	(1,492,354)	(312,503)	(10,386)	(914,873)	(2,730,116)
Segment's loss	(858,022)	(132,019)	1,044,023	(560,863)	(506,881)
Assets	41,831,527	613,394	46,835,450	38,487,464	127,767,835

17. Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Those transactions were conducted in the ordinary course of business and with the usual terms and conditions. Transactions with related parties are subject to the approval of the General Assembly of Shareholders. The volume and nature of those transactions during the period and the related balances:

Related parties transactions	31 March 2022	31 March 2021
Key management compensation	46,750	33,450
Expenses (rents, consultancy and others)	309,677	116,048
Other income	26,085	25,582

	31 March 2022	31 December 2021	31 March 2021
Balances resulting from those transactions:		(Audited)	
Due from related parties	1,108	-	-
Due to related parties	11,776	-	163,577
Cash at investment portfolios	756,883	756,972	760,737
Key management compensation balance long term	(157,106)	(105,424)	(98,965)
Key management compensation balance short term	(47,154)	(16,923)	(22,500)

A related party manages investment portfolios on behalf of the Group. The book value of such portfolio is amounted to KD 7,823,306 as at 31 March 2022 (KD 5,536,741 as at 31 December 2021, KD 5,155,056 as at 31 March 2021).

All transactions are subject to the approval of the shareholders in the General Assembly meeting.

18. Capital commitments and Contingent liabilities

18.1 Capital commitments

	31 March 2022	31 December 2021	31 March 2021
		(Audited)	
Estimated capital expenditure contracted for at the consolidated financial position date	17,061,841	23,713,567	31,336,669
Future commitments for purchasing films	377,431	377,431	9,696

18.2.1 Contingent liabilities

letters of guarantee	2,386,680	2,386,680	2,386,680
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**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2022
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Ordinary general assembly meeting

The ordinary General Assembly of shareholders was held on 30 March 2022, and approved the financial statements for the year ended 31 December 2021. It also approved the distribution of cash dividends of 30 fils per share after deducting treasury shares, with a total amount of 2,778,043 Kuwaiti dinars. The accrued dividends are included in Trade and other payables.

20. Impact of Covid-19

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in interim condensed consolidated financial information and explained the changes related to the critical judgement and estimates for the period ended 31 March 2022.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimize any negative impact on the Group.

21. Comparative figures

Certain prior period amounts have been reclassified to conform to current year presentation with no effect on net profit or equity.