

**Interim Condensed Consolidated  
Financial Information and Review Report  
Gulf North Africa Holding Company – KPSC  
and Subsidiaries  
Kuwait  
30 September 2021 (Unaudited)**

# **Gulf North Africa Holding Company–KPSC and Subsidiaries**

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## Report on review of interim condensed consolidated financial information

To the Board of Directors  
Gulf North Africa Holding Company – KPSC  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf North Africa Holding Company (Kuwaiti Public Shareholding Company) (the "Parent Company") and its subsidiaries (collectively the "Group") as of 30 September 2021 and the interim condensed consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the nine month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 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 34, "Interim Financial Reporting".

## Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the nine month period ended 30 September 2021 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations, during the nine month period ended 30 September 2021 that might have had material effect on the business of the Parent Company or on its financial position.


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**Rabea Saad Al-Muhanna**  
License No. 152 A  
Crowe Al-Muhanna & Co

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Financial Position as at 30 September**  
**2021 (Unaudited)**

	Notes	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	8,372,775	8,537,087	8,734,070
Intangible assets		496,528	527,778	538,194
Investment properties	6	7,249,314	7,311,396	7,307,601
Financial assets at fair value through other comprehensive income		421,772	544,672	993,042
Investment in associates	7	8,393	10,149	11,959
Advance for purchase of investment property		-	315,153	365,153
<b>Total non-current assets</b>		<b>16,548,782</b>	<b>17,246,235</b>	<b>17,950,019</b>
<b>Current assets</b>				
Accounts receivable and other assets	8	1,719,781	1,388,691	443,687
Financial assets at fair value through profit or loss		-	2,988	2,988
Cash and cash equivalents	9	3,224,055	800,309	1,361,562
<b>Total current assets</b>		<b>4,943,836</b>	<b>2,191,988</b>	<b>1,808,237</b>
<b>Total assets</b>		<b>21,492,618</b>	<b>19,438,223</b>	<b>19,758,256</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		15,000,000	15,000,000	15,000,000
Statutory reserve		751,821	751,821	751,821
Voluntary reserve		751,821	751,821	751,821
Foreign currency translation reserve		1,493,481	1,530,221	1,544,624
Fair value reserve		(1,391,150)	(1,300,219)	(851,677)
Accumulated losses		(5,883,254)	(5,979,714)	(6,166,948)
Total equity attributable to the owners of the parent company		10,722,719	10,753,930	11,029,641
Non-controlling interests		5,957,148	5,912,352	6,214,065
<b>Total equity</b>		<b>16,679,867</b>	<b>16,666,282</b>	<b>17,243,706</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	10	2,168,800	577,000	840,500
Accounts payable and other liabilities – non current portion	11	363,568	334,714	395,834
Provision for employees' end of service benefits		140,505	98,544	87,149
<b>Total non-current liabilities</b>		<b>2,672,873</b>	<b>1,010,258</b>	<b>1,323,483</b>
<b>Current liabilities</b>				
Borrowings – current portion	10	542,200	638,643	455,500
Accounts payable and other liabilities	11	1,597,678	1,123,040	735,567
<b>Total current liabilities</b>		<b>2,139,878</b>	<b>1,761,683</b>	<b>1,191,067</b>
<b>Total liabilities</b>		<b>4,812,751</b>	<b>2,771,941</b>	<b>2,514,550</b>
<b>Total equity and liabilities</b>		<b>21,492,618</b>	<b>19,438,223</b>	<b>19,758,256</b>

  
Mishari Ayman Boodai  
Chairman

  
Saleh Mohammad Alroomi  
Vice Chairman & CEO

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Profit or Loss for the period ended**  
**30 September 2021 (Unaudited)**

	Notes	Three months ended		Nine months ended	
		30 Sept	30 Sept	30 Sept	30 Sept
		2021	2020	2021	2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		KD	KD	KD	KD
<b>Continuing operations</b>					
<b>Revenue</b>					
Tuition fees and related income		638,974	375,627	2,114,124	1,303,005
Management fees		2,250	115,844	6,750	133,144
Loss on settlement of advance for purchase of investment property		(2,494)	-	(2,494)	-
Realised gain on disposal of investments at fair value through profit or loss		-	-	273	-
Realised gain on disposal of investment properties		-	4,426	-	4,426
Share of results of associate		(585)	(35,818)	(1,756)	(30,424)
Loss on derecognition of associate		-	(16,462)	-	(16,462)
Foreign exchange (loss)/gain		(307)	255	(258)	(1,884)
Lease rent concession		19,208	-	30,733	-
Other income		28,209	1,776	48,717	9,756
Gain on disposals of property, plant and equipment		94	-	184	-
		<b>685,349</b>	<b>445,648</b>	<b>2,196,273</b>	<b>1,401,561</b>
<b>Expenses and other charges</b>					
Direct cost of tuition fees and related income		(553,456)	(605,654)	(1,328,270)	(1,170,932)
General and administrative expenses		(138,555)	(17,758)	(261,373)	(247,527)
Depreciation		(111,735)	(114,236)	(326,769)	(349,778)
Amortisation of intangible assets		(10,416)	(10,417)	(31,250)	(31,251)
Finance costs		(14,930)	(22,601)	(51,706)	(74,812)
		<b>(829,092)</b>	<b>(770,666)</b>	<b>(1,999,368)</b>	<b>(1,874,300)</b>
<b>(Loss)/profit for the period from continuing operations</b>		<b>(143,743)</b>	<b>(325,018)</b>	<b>196,905</b>	<b>(472,739)</b>
Profit from discontinued operation	4	-	-	35,484	-
<b>(Loss)/profit before NLST and ZAKAT</b>		<b>(143,743)</b>	<b>(325,018)</b>	<b>232,389</b>	<b>(472,739)</b>
Provision for NLST		3,008	-	(3,521)	-
Provision for Zakat		1,204	-	(1,408)	-
<b>(Loss)/profit for the period</b>		<b>(139,531)</b>	<b>(325,018)</b>	<b>227,460</b>	<b>(472,739)</b>
<b>Attributable to:</b>					
Owners of the parent company		(126,357)	(159,587)	93,937	(312,234)
Non-controlling interests		(13,174)	(165,431)	133,523	(160,505)
<b>(Loss)/profit for the period</b>		<b>(139,531)</b>	<b>(325,018)</b>	<b>227,460</b>	<b>(472,739)</b>
<b>Basic and diluted (loss)/earnings per share attributable to the owners of the parent company</b>	12	<b>(0.84) Fils</b>	<b>(1.06) Fils</b>	<b>0.63 Fils</b>	<b>(2.08) Fils</b>

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company–KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Profit or Loss and Other**  
**Comprehensive Income for the period ended 30 September 2021 (Unaudited)**

	Three months ended		Nine months ended	
	30 Sept 2021 (Unaudited) KD	30 Sept 2020 (Unaudited) KD	30 Sept 2021 (Unaudited) KD	30 Sept 2020 (Unaudited) KD
(Loss)/profit for the period	(139,531)	(325,018)	227,460	(472,739)
<b>Other comprehensive income/(loss):</b>				
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>				
Changes in fair value of investments at fair value through other comprehensive income (FVOCI)	(122,900)	(97,373)	(122,743)	(97,373)
<i>Items that will be reclassified subsequently to consolidated statement of profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(6,336)	34,659	(60,338)	131,999
Exchange difference arising on translation of foreign operation transferred to profit & loss	-	-	(19,782)	-
Total other comprehensive (loss)/income for the period	(129,236)	(62,714)	(202,863)	34,626
<b>Total comprehensive (loss)/income for the period</b>	<b>(268,767)</b>	<b>(387,732)</b>	<b>24,597</b>	<b>(438,113)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent company	(217,676)	(176,841)	(33,764)	(250,761)
Non-controlling interests	(51,091)	(210,891)	58,361	(187,352)
<b>Total comprehensive (loss)/income for the period</b>	<b>(268,767)</b>	<b>(387,732)</b>	<b>24,597</b>	<b>(438,113)</b>

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Changes in Equity for the period ended 30 September 2021 (Unaudited)**

	Equity attributable to the owners of the Parent Company									
	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Foreign currency translation reserve		Fair value reserve KD	Accumulated losses KD	Sub-total KD	Non-controlling interests KD	Total KD
				KD	KD					
Balance at 1 January 2021	15,000,000	751,821	751,821	1,530,221	(1,300,219)	(5,979,714)	10,753,930	5,912,352	16,666,282	
Profit for the period	-	-	-	-	-	93,937	93,937	133,523	227,460	
Other comprehensive loss	-	-	-	(36,740)	(90,961)	-	(127,701)	(75,162)	(202,863)	
Total comprehensive (loss)/income for the period	-	-	-	(36,740)	(90,961)	93,937	(33,764)	58,361	24,597	
Acquisition of minority interest from existing subsidiaries	-	-	-	-	-	2,553	2,553	(13,565)	(11,012)	
Transfer upon de-recognition of FVOCI investments	-	-	-	-	30	(30)	-	-	-	
<b>Balance at 30 Sept 2021</b>	<b>15,000,000</b>	<b>751,821</b>	<b>751,821</b>	<b>1,493,481</b>	<b>(1,391,150)</b>	<b>(5,883,254)</b>	<b>10,722,719</b>	<b>5,957,148</b>	<b>16,679,867</b>	
Balance at 1 January 2020	15,000,000	751,821	751,821	1,409,674	(991,062)	(5,647,523)	11,274,731	6,200,914	17,475,645	
Loss for the period	-	-	-	-	-	(312,234)	(312,234)	(160,505)	(472,739)	
Other comprehensive income/(loss)	-	-	-	134,950	(73,477)	-	61,473	(26,847)	34,626	
Total comprehensive income/(loss) for the period	-	-	-	134,950	(73,477)	(312,234)	(250,761)	(187,352)	(438,113)	
Transfer upon de-recognition of FVOCI investments	-	-	-	-	212,862	(212,862)	-	-	-	
Acquisition of minority interest from existing subsidiaries	-	-	-	-	-	5,671	5,671	200,503	206,174	
<b>Balance at 30 Sept 2020</b>	<b>15,000,000</b>	<b>751,821</b>	<b>751,821</b>	<b>1,544,624</b>	<b>(851,677)</b>	<b>(6,166,948)</b>	<b>11,029,641</b>	<b>6,214,065</b>	<b>17,243,706</b>	

The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Interim Condensed Consolidated Statement of Cash Flows for the period ended**  
**30 September 2021 (Unaudited)**

Note	Nine months ended 30 Sept 2021 (Unaudited) KD	Nine months ended 30 Sept 2020 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) for the period	227,460	(472,739)
Adjustments for:		
Depreciation	326,769	349,778
Amortisation of intangible assets	31,250	31,251
Loss on derecognition of associate	-	16,462
Realised gain on disposal of investment properties	-	(4,426)
Realised gain on disposal of investment at fair value through profit or loss	(273)	-
Loss on settlement of advance for purchase of investment property	2,494	-
Gain on disposals of property, plant and equipment	(184)	-
Share of results of associate	1,756	30,424
Finance costs	51,706	74,812
Provision for employees' end of service benefits	43,252	31,580
	<u>684,230</u>	<u>57,142</u>
Changes in operating assets and liabilities:		
Accounts receivable and other assets	(331,090)	(182,165)
Accounts payable and other liabilities	503,492	51,645
Cash from/(used in) operations	856,632	(73,378)
Employees' end of service benefits paid	(1,291)	(22,772)
<b>Net cash from/(used in) operating activities</b>	<u>855,341</u>	<u>(96,150)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investment at fair value through profit or loss	3,261	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	157	-
Proceeds from sale of investment properties	-	56,919
Purchase of property, plant and equipment	(162,494)	(22,468)
Return of capital from associate	-	550,119
Proceeds from disposals of property, plant and equipment	221	-
Proceeds from settlement of advance for purchase of investment property	312,659	-
<b>Net cash from investing activities</b>	<u>153,804</u>	<u>584,570</u>
<b>FINANCING ACTIVITIES</b>		
Change in borrowings	1,495,357	(129,500)
Finance costs paid	(51,706)	(52,211)
Payment for acquiring non-controlling	(11,012)	(21,338)
<b>Net cash from/( used) in financing activities</b>	<u>1,432,639</u>	<u>(203,049)</u>
Net impact of foreign currency translation adjustments	(18,038)	(5,904)
Increase in cash and cash equivalents	2,423,746	279,467
Cash and cash equivalents on acquisition of subsidiary	-	193,267
Cash and cash equivalents at the beginning of the period	800,309	888,828
<b>Cash and cash equivalents at the end of the period</b>	<u>3,224,055</u>	<u>1,361,562</u>

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*The notes set out on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.*



**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Notes to the Interim Condensed Consolidated Financial Information for the period**  
**ended 30 September 2021 (Unaudited)**

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**1 Incorporation and activities**

Gulf North Africa Holding Co. – KPSC (the Parent Company) was incorporated on 3 December 2005 as a Kuwaiti Public Shareholding Company. The General Assembly meeting for establishment of the Parent Company was held at the Ministry of Commerce and Industry on 14 December 2005. The Parent Company's shares were listed on the Kuwait Stock Exchange on 23 March 2010.

The main objectives of the parent company are as follows:

- Extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trade marks or royalties and any other property related thereto, and renting such properties to the others whether inside Kuwait or abroad.
- Acquisition of properties and buildings necessary to carry out the business activities as allowable by the law.
- Ownership of shares in Kuwaiti and foreign shareholding companies in addition to ownership of shares in Kuwaiti and foreign limited liability companies and the participation in the share capital of both types of companies including management, lending and guaranteeing against third parties.
- Utilizing excess funds through investing in financial portfolios managed by specialized companies and institutions.

The parent company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The parent company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the company in achieving its objectives whether in Kuwait or abroad. The parent company has the right to establish, participate in or acquire such institutions.

The parent company's shares are listed on Kuwait Stock Exchange. The group comprises the parent company and its subsidiaries.

In all cases, the Parent Company is governed in all its activities by Islamic Sharia'a and all activities which are in compliance of Islamic Sharia'a board are obligatory to the Parent Company.

The address of the Parent Company's registered office is PO Box 4425, Safat 13045, State of Kuwait.

The interim condensed consolidated financial information of the group for the period ended 30 Sept 2021 was authorised for issue by the parent company's board of directors on 10 October 2021.

**2 Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. 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 2020.

*New standards, interpretations and amendments*

The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these condensed consolidated interim financial statements.

This interim condensed consolidated financial information does not include all information and disclosures required to complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine months ended 30 Sept 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2020.

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

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Notes to the Interim Condensed Consolidated Financial Information for the period**  
**ended 30 September 2021 (Unaudited)**

**3 Judgement and estimates**

The preparation of interim condensed consolidated 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 interim condensed consolidated 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 annual audited consolidated financial statements as at and for the year ended 31 December 2020.

**4 Subsidiaries**

Composition of the Group

Set out below details of the subsidiaries held by the Group:

	Country of incorporation	Voting capital held			Activities
		30 Sept 2021	31 Dec. 2020	30 Sept 2020	
Al-Janזור Real Estate Company S.P.C.	Kuwait	100%	100%	100%	Real estate
Gulf Morocco Co. S.P.C.*	Saudi Arabia	-	100%	100%	Real estate
Casablanca Real Estate Co. Ltd	Cayman Islands	48.29%	48.29%	48.29%	Real estate
Dream Real Estate Co. Ltd	Cayman Islands	47.09%	47.09%	47.09%	Real estate
SARL EL Awrās El Khalijia Promotion Immo	Algeria	100%	100%	100%	Real estate
Morocco North Africa Holding Company Ltd.	Morocco	100%	100%	100%	Real estate
Al-Siraj Group Holding Company – KSCC	Kuwait	63.45%	63.28%	58.27%	Education
Rawaj Holding Company K.S.C.(Closed)	Kuwait	54.49%	54.49%	54.166%	Real estate

**\*Discontinued operation**

Gulf Morocco Co. S.P.C. was liquidated during the period and its liquidation did not have any significant impact on the interim condensed consolidated statement of financial position. Profit from discontinued operation during the period mainly consisted of exchange difference arising on translation of foreign operation transferred to profit & loss and certain tax refund received.

**5 Property, plant and equipment**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
At the beginning of the year	8,537,087	9,061,380	9,061,380
Additions	162,494	32,646	22,468
Disposal	(37)	-	-
Depreciation	(326,769)	(456,939)	(349,778)
Impairment loss	-	(100,000)	-
	<u>8,372,775</u>	<u>8,537,087</u>	<u>8,734,070</u>

**6 Investment properties**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
At the beginning of the year	7,311,396	7,222,191	7,222,191
Disposals	-	(52,221)	(52,221)
Change in fair value	-	(2,056)	-
Foreign currency translation change	(62,082)	143,482	137,631
	<u>7,249,314</u>	<u>7,311,396</u>	<u>7,307,601</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Notes to the Interim Condensed Consolidated Financial Information for the period**  
**ended 30 September 2021 (Unaudited)**

**7 Investment in associates**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
At the beginning of the year	10,149	828,196	828,196
Share of results of associates	(1,756)	(32,234)	(30,424)
Return of capital from an associate	-	(550,119)	(550,119)
Loss on derecognition on transfer to investment in subsidiary	-	(16,462)	(235,694)
Transfer to investment in subsidiary	-	(219,232)	-
	<u>8,393</u>	<u>10,149</u>	<u>11,959</u>

**8 Accounts receivable and other assets**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
Accounts receivable	1,381,080	1,335,211	407,493
Prepaid expenses	6,525	2,098	6,152
Letter of guarantee deposit	256,310	-	-
Other receivables	75,866	51,382	30,042
	<u>1,719,781</u>	<u>1,388,691</u>	<u>443,687</u>

**9 Cash and cash equivalents**

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise of the following:

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
Saving accounts	8,426	8,526	8,849
Cash in hand	4,157	1,382	4,786
Bank balances	3,211,057	782,914	1,346,579
Balance in investment portfolio account	415	7,487	1,348
	<u>3,224,055</u>	<u>800,309</u>	<u>1,361,562</u>

**10 Borrowings**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
Murabaha and wakala facilities	2,711,000	1,215,643	1,296,000
Less: current portion	(542,200)	(638,643)	(455,500)
Murabaha and wakala facilities – non-current portion	<u>2,168,800</u>	<u>577,000</u>	<u>840,500</u>

**11 Accounts payable and other liabilities**

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
Accounts payable and accruals	1,319,081	991,393	529,975
Lease liabilities	394,440	408,129	436,814
Due to related parties (note : 13)	180,318	117,818	114,179
Staff leave provision	58,857	31,764	41,783
Dividend payable	8,550	8,650	8,650
	<u>1,961,246</u>	<u>1,457,754</u>	<u>1,131,401</u>
Amount due after one year	<u>(363,568)</u>	<u>(334,714)</u>	<u>(395,834)</u>
	<u>1,597,678</u>	<u>1,123,040</u>	<u>735,567</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**12 Basic and diluted (loss)/earnings per share**

Basic and diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the period by the weighted average number of shares in issue excluding treasury shares.

	Three months ended		Nine months ended	
	30 Sept 2021 (Unaudited)	30 Sept 2020 (Unaudited)	30 Sept 2021 (Unaudited)	30 Sept 2020 (Unaudited)
(Loss)/profit for the period attributable to the owners of the parent company (KD)	(126,357)	(159,587)	93,937	(312,234)
Weighted average number of shares	150,000,000	150,000,000	150,000,000	150,000,000
Basic and diluted (loss)/earnings per share	(0.84) Fils	(1.06) Fils	0.63 Fils	(2.08) Fils

**13 Related party transactions**

These represent transactions with certain related parties (directors and executive officers of the parent company and their related concerns) entered into by the group in the ordinary course of business and key management compensation. Details of significant related party transactions and balances are as follows:

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
<b>Included in the interim condensed consolidated financial position:</b>			
<b>Due to related parties (note :11)</b>			
Due to associate	65,000	-	-
Due to minority shareholder of a subsidiary	115,318	117,818	114,179
	<u>180,318</u>	<u>117,818</u>	<u>114,179</u>

	Three months ended		Nine months ended	
	30 Sept 2021 (Unaudited) KD	30 Sept 2020 (Unaudited) KD	30 Sept 2021 (Unaudited) KD	30 Sept 2020 (Unaudited) KD
<b>Transaction included in the interim condensed consolidated statement of profit or loss</b>				
Management fees	2,250	115,844	6,750	128,144
<b>Key management compensation:</b>				
Salaries and other short term benefits	10,363	10,364	41,255	31,851
End of service benefits	516	515	1,530	1,535
<b>Total</b>	<u>10,879</u>	<u>10,879</u>	<u>42,785</u>	<u>33,386</u>

**14 Segmental analysis**

	Local KD	International KD	Total KD
<b>Three months ended 30 Sept 2021 (Unaudited)</b>			
Revenue	685,656	-	685,656
Segment loss	(133,381)	(5,843)	(139,224)
Foreign exchange loss			(307)
Loss for the period			<u>(139,531)</u>
	Local KD	International KD	Total KD
<b>Three months ended 30 Sept 2020 (Unaudited)</b>			
Revenue	440,967	4,426	445,393
Segment (loss)/profit	(326,567)	1,294	(325,273)
Foreign exchange gain			255
Loss for the period			<u>(325,018)</u>

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**14 Segmental analysis (continued)**

	Local KD	International KD	Total KD
<b>Nine months ended 30 Sept 2021 (Unaudited)</b>			
Revenue	2,196,531	-	2,196,531
Segment profit	205,995	21,723	227,718
Foreign exchange loss			(258)
Profit for the period			227,460
Total assets	13,769,349	7,723,269	21,492,618
Total liabilities	4,690,818	121,933	4,812,751
	Local KD	International KD	Total KD
<b>Nine months ended 30 Sept 2020 (Unaudited)</b>			
Revenue	1,399,019	4,426	1,403,445
Segment loss	(383,963)	(86,892)	(470,855)
Foreign exchange loss			(1,884)
Loss for the period			(472,739)
Total assets	11,039,213	8,719,043	19,758,256
Total liabilities	2,393,797	120,753	2,514,550

**15 General assembly**

The Annual General Assembly of shareholders held on 11 May 2021, approved the consolidated financial statements for the year ended 31 December 2020 and the directors' proposal not to distribute any dividends for the year then ended.

**16 Fair value measurement**

**16.1 Fair value hierarchy**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**16.2 Fair value measurement of financial instruments**

The carrying amounts of the group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	30 Sept 2021 (Unaudited) KD	31 Dec. 2020 (Audited) KD	30 Sept 2020 (Unaudited) KD
<b>Financial assets:</b>			
<b>Amortised cost:</b>			
Cash and cash equivalents	3,224,055	800,309	1,361,562
Accounts receivable and other assets	1,713,256	1,386,593	437,535
<b>Fair value through profit or loss:</b>			
Financial assets at fair value through profit or loss	-	2,988	2,988
<b>Fair value through other comprehensive income:</b>			
Financial assets at fair value through other comprehensive income	421,772	544,672	993,042
	<u>5,359,083</u>	<u>2,734,562</u>	<u>2,795,127</u>

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
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**16 Fair value measurement (continued)**

16.2 Fair value measurement of financial instrument (continued)

**Financial liabilities:**

*Financial liabilities at amortised cost:*

Accounts payable and other liabilities	1,961,266	1,457,754	1,131,401
Borrowings	<u>2,711,000</u>	<u>1,215,643</u>	<u>1,296,000</u>
	<u>4,672,266</u>	<u>2,673,397</u>	<u>2,427,401</u>

Management considers that the carrying amounts of the financial assets and all financial liabilities, which are stated at amortised cost, approximate their fair values. The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

		Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>30 Sept 2021 (Unaudited)</b>					
<b>Financial assets at FVOCI</b>					
Unquoted securities	(c)	-	-	421,772	421,772
		-	-	<u>421,772</u>	<u>421,772</u>
<b>31 December 2020 (Audited)</b>					
<b>Financial assets at FVTPL</b>					
Local managed funds	(b)	-	2,988	-	2,988
<b>Financial assets at FVOCI</b>					
Unquoted securities	(c)	-	-	544,672	544,672
		-	2,988	544,672	<u>547,660</u>
<b>30 Sept 2020 (Unaudited)</b>					
<b>Financial assets at FVTPL</b>					
Local Managed funds	(b)	-	2,988	-	2,988
<b>Financial assets at FVOCI</b>					
Unquoted securities	(c)	-	-	993,042	993,042
		-	2,988	993,042	<u>996,030</u>

There have been no significant transfers between levels 1 and 2 during the reporting period.

**Measurement at fair value**

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

**a) Quoted securities**

All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

**b) Local managed funds**

The underlying investments in local managed funds primarily comprise of local quoted securities whose fair values has been determined by reference to their quoted bid prices at the reporting date.

**c) Unquoted securities**

Unlisted securities are 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.

**d) Financial liabilities**

The group does not have any financial liabilities at fair value.

**Gulf North Africa Holding Company – KPSC and Subsidiaries**  
**Notes to the Interim Condensed Consolidated Financial Information for the period**  
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**16 Fair value measurement (continued)**

**16.2 Fair value measurement of financial instrument (continued)**

**Level 3 fair value measurements**

The group's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	Unquoted Equity investments at FVOCI		
	30 Sept 2021 KD	31 Dec. 2020 KD	30 Sept 2020 KD
Opening balances	544,672	801,060	801,060
Related to subsidiary acquired	-	338,993	338,993
Disposals	(157)	(49,638)	(49,638)
Loss recognised in:			
- Other comprehensive loss	(122,743)	(545,743)	(97,373)
Closing balance	421,772	544,672	993,042

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The impact on interim condensed consolidated statement profit or loss and consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

**17 Impact of Covid-19**

The outbreak of the novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities. The Group is continually monitoring its impact to manage the potential disruption of the Covid-19 outbreak. The Group's main revenue generating activity is providing education services. In response to the current situation the Group has used online learning (or e-learning) facilities to reach learners remotely and limit the disruption of education services. The Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the condensed consolidated interim financial information. Below are the key assumptions about the future and other key source of estimation that may have a significant risk of causing material adjustment to the condensed consolidated interim financial information:

**Impairment of non-financial assets including fair valuation of investment properties**

The Group has considered any impairment indicators arising due to the above situation and any significant uncertainties around its property, plant and equipment, intangible assets, other non-financial assets and fair valuation of investment properties arising due to disruption to business and concluded that there is no material impact due to Covid-19 during the period.

**Impairment of financial assets**

The Group has assessed its financial assets for any indicators of impairment and concluded there is no material impact on account of Covid-19 during the period.

**Commitments and contingent liabilities**

The Group has assessed the impact of any operational disruptions with a view of potential increase in contingent liabilities and commitments and no major impact was identified during the period.

**Going concern**

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The Group has concluded that it has enough resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, this condensed consolidated interim financial information has been prepared on a going concern basis.