



شركة التسهيلات التجارية ش.م.ك
COMMERCIAL FACILITIES CO. s.a.k

**Commercial Facilities Company S.A.K.P.
and Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
and Independent Auditors' Review Report
for the nine-month period ended 30 September 2021
(Unaudited)**



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Commercial Facilities Company S.A.K.P.
State of Kuwait

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Facilities Company S.A.K.P. ("the Parent Company") and its subsidiaries (collectively referred to as "the Group") as at 30 September 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, for the three month and nine month periods then ended, and changes in equity and cash flows for the nine-months 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 the basis of preparation as disclosed in Note (2). 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 the basis of preparation set out in Note (2).

Report on Other Legal and Regulatory Requirements

Further, 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, we have not become aware of any violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2021 that might have had a material effect on the business of the Group or on its financial position.

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 material violations of the provisions of Law No. 32 of 1968 as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulation or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2021, that might had a material effect on the business of the Group or on its consolidated financial position.

Talal Yousef Al-Muzaini
License No. 209 A
Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 10 November 2021

Rashed Ayoub Alshadad
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Interim Condensed Consolidated Statement of Profit or Loss for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Notes	Three-month period ended		Nine-month period ended	
		30 September		30 September	
		2021	2020	2021	2020
Financing income		3,108	4,168	9,799	10,981
Share of results of associates	8	193	145	338	261
Other income		4	48	22	66
Interest income		(55)	134	136	550
Net gain from investments	12	1,889	1,277	4,290	148
Rental income from investment properties		38	80	141	162
Net foreign exchange gains		30	-	-	42
Total other income		2,099	1,684	4,927	1,229
Finance costs		(571)	(786)	(1,733)	(2,765)
Staff costs and related expenses		(502)	(552)	(1,731)	(1,683)
General and administrative expenses		(359)	(320)	(1,088)	(936)
Net foreign exchange loss		-	(56)	(65)	-
Loss on deferment of instalment credit	17	-	-	-	(3,207)
Total expenses		(1,432)	(1,714)	(4,617)	(8,591)
Profit before provision for credit losses and impairment losses		3,775	4,138	10,109	3,619
Reversal/ (provision) on expected credit loss	17	1,270	(1,133)	2,643	(13,463)
Profit/ (loss) before taxation and Directors' remuneration		5,045	3,005	12,752	(9,844)
Provision for KFAS		(51)	-	(128)	-
Provision for NLST and Zakat		(175)	-	(435)	-
Provision for Directors' remuneration		(36)	-	(108)	-
Profit/ (loss) for the period		4,783	3,005	12,081	(9,844)
Attributable to:					
Shareholders of the Parent Company		4,782	3,005	12,077	(9,847)
Non-controlling interests		1	-	4	3
		4,783	3,005	12,081	(9,844)
Earnings/ (loss) per share – Fils	13	9 Fils	6 Fils	24 Fils	(19 Fils)

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

**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the nine-month period ended 30 September 2021
(Unaudited)**

(All amounts are in Kuwaiti Dinar Thousand)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021	2020	2021	2020
Profit/ (loss) for the period	4,783	3,005	12,081	(9,844)
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange translation	(112)	126	(209)	192
<i>Items that will not be reclassified subsequently to consolidated profit or loss</i>				
Change in fair value of investments at FVOCI	114	(239)	(253)	(166)
Other comprehensive income/ (losses) for the period	2	(113)	(462)	26
Total comprehensive income/ (losses) for the period	4,785	2,892	11,619	(9,818)
Attributable to:				
Shareholders of the Parent Company	4,784	2,892	11,615	(9,821)
Non-controlling interests	1	-	4	3
	4,785	2,892	11,619	(9,818)

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

Interim Condensed Consolidated Statement of Changes in Equity for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Equity attributable to shareholders of the Parent Company										Non-Controlling Interest	Total	
	Share capital	Share premium	Legal reserve	Voluntary reserve	Fair value reserve	Foreign currency translation reserve	Land revaluation reserve	Treasury shares	Gain on sale of treasury shares	Retained earnings / (Accumulated losses)			Total
Balance at 31 December 2020	53,676	1,433	50,788	48,093	1,030	985	852	(11,271)	14	7,485	153,085	42	153,127
Profit for the period	-	-	-	-	-	-	-	-	-	12,077	12,077	4	12,081
Foreign exchange translation adjustments	-	-	-	-	-	(209)	-	-	-	-	(209)	-	(209)
Change in fair value of investments at FVOCI	-	-	-	-	(253)	-	-	-	-	-	(253)	-	(253)
Loss on sale of investments	-	-	-	-	11	-	-	-	-	(11)	-	-	-
Total comprehensive income for the period	-	-	-	-	(242)	(209)	-	-	-	12,066	11,615	4	11,619
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(5,078)	(5,078)	-	(5,078)
Balance at 30 September 2021	53,676	1,433	50,788	48,093	788	776	852	(11,271)	14	14,473	159,622	46	159,668
Balance at 1 January 2020	53,676	1,433	50,788	48,093	2,779	720	965	(11,271)	14	16,761	163,958	32	163,990
Loss for the period	-	-	-	-	-	-	-	-	-	(9,847)	(9,847)	3	(9,844)
Foreign exchange translation adjustments	-	-	-	-	-	192	-	-	-	-	192	-	192
Change in fair value of investments at FVOCI	-	-	-	-	(166)	-	-	-	-	-	(166)	-	(166)
Profit on sale of investments	-	-	-	-	(108)	-	-	-	-	108	-	-	-
Total comprehensive income/ (loss) for the period	-	-	-	-	(274)	192	-	-	-	(9,739)	(9,821)	3	(9,818)
Dividends (Note 16)	-	-	-	-	-	-	-	-	-	(9,141)	(9,141)	-	(9,141)
Balance at 30 September 2020	53,676	1,433	50,788	48,093	2,505	912	965	(11,271)	14	(2,119)	144,996	35	145,031

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

Interim Condensed Consolidated Statement of Cash Flows for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand)

	Note	Nine-month period ended	
		30 September	
		2021	2020
Operating activities			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration		12,752	(9,844)
Adjustments for:			
Depreciation		151	88
Unrealised (gain)/ loss on investments at FVTPL		(2,616)	1,548
Realised gain on investments at FVTPL		(88)	-
Interest income		(136)	(550)
Dividend income		(1,586)	(1,696)
Share of results of associates		(338)	(261)
Borrowing cost		1,733	2,765
Provision for staff indemnity		166	149
(Reversal)/ provision for credit loss expense		(2,643)	13,463
		7,395	5,662
Finance receivables		12,998	25,241
Other receivables and prepayments		(3,111)	330
Trade creditors and other liabilities		378	150
Cash from operations		17,660	31,383
Staff indemnity paid		(171)	(287)
Interest received		136	550
Dividends received		1,496	1,696
Net cash from operating activities		19,121	33,342
Investing activities			
(Increase)/ decrease in deposits with banks		(4,477)	65
Purchase of investments at FVTPL		(8,009)	(422)
Purchase of investments at FVOCI		(4,423)	(2,866)
Proceeds from sale of investments at FVTPL		1,358	-
Proceeds from sale of investments at FVOCI		2,365	977
Purchase of property and equipment		(323)	-
Dividend received from associates		464	203
Net cash used in investing activities		(13,045)	(2,043)
Financing activities			
Drawdown/(repayment) of term loans		1,815	(25,486)
Dividends paid		(5,390)	(8,484)
Borrowing cost paid		(1,760)	(2,811)
Net cash used in financing activities		(5,335)	(36,781)
Net increase / (decrease) in cash and cash equivalents		741	(5,482)
Cash and cash equivalents at beginning of the period		12,459	14,178
Cash and cash equivalents at end of the period	5	13,200	8,696

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

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

1. Incorporation and principal activities

Commercial Facilities Company S.A.K.P. ("the Parent Company") was incorporated on 16 January 1977 in accordance with the Commercial Companies Law in the State of Kuwait. The Parent Company's shares were listed on the Kuwait Stock Exchange on 29 September 1984.

The main activities of the Group consist of financing activities, investments, and brokerage.

The address of the Parent Company's registered office is P.O. Box 24284, Safat 13103, State of Kuwait.

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 10 November 2021.

2. Basis of preparation and significant accounting policies

2.1 Basis of presentation

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

The interim condensed consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") and the Capital market Authority ("CMA") in the State of Kuwait. These regulations require financial institutions regulated by CBK to adopt the International Financial Reporting Standards ("IFRS") with the following amendment:

- Expected credit loss ("ECL") on credit facilities to be measured at the higher of ECL computed under IFRS 9 - Financial Instruments ("IFRS") in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as 'IFRS as adopted by CBK for use by the State of Kuwait'.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

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 30 September 2021 are not necessarily indicative of results that may be expected for the year ending 31 December 2021.

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2020. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2021 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Financial risk management

3.1 Fair value estimation

Fair value is 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. The Group's financial assets are measured at fair value at the end of each reporting period. The following tables give information about how the fair values of these financial assets are determined.

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

Financial assets	Fair value as at			Fair value Hierarchy	Sector
	30 September 2021	31 December 2020 (Audited)	30 September 2020		
investments at FVTPL – Quoted securities	15,823	10,148	10,902	Level 1	Financial institutions
	<u>15,823</u>	<u>10,148</u>	<u>10,902</u>		
investments at FVTPL – Unquoted debt securities	4,826	1,146	1,156	Level 2	Financial institutions
investments at FVOCI – Unquoted funds	5,050	5,076	5,126	Level 2	Financial institutions
investments at FVOCI – Unquoted debt	2,942	3,831	5,830	Level 2	Financial institutions
	1,250	1,250	1,250	Level 2	Conglomerate
	2,500	2,500	2,500	Level 2	Real estate
	<u>16,568</u>	<u>13,803</u>	<u>15,862</u>		
investments at FVOCI – Unquoted securities	21,834	19,586	22,073	Level 3	Real estate
	1,672	2,331	1,774	Level 3	Conglomerate
	525	1,394	1,672	Level 3	Services
	1,605	-	-	Level 3	Financial institutions
	-	-	733	Level 3	Services
investments at FVOCI – Unquoted debt	453	455	459	Level 3	Financial institutions
	<u>26,089</u>	<u>23,766</u>	<u>26,711</u>		
	<u>58,480</u>	<u>47,717</u>	<u>53,475</u>		

Movement in level 3 is as follows:

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Opening balance	23,766	24,288	24,288
Change in fair value	(445)	(443)	502
Purchases/ transfers	4,223	3,111	2,866
Sales	(1,455)	(3,190)	(945)
Closing balance	<u>26,089</u>	<u>23,766</u>	<u>26,711</u>

The fair values of equity investments are obtained from quoted market prices and other models.

Valuation techniques include observable market information of comparable companies and net asset values. Significant unobservable inputs used in valuation techniques mainly include market multiples such as price to book and price to earnings. The most significant unobservable input used is the illiquidity discount in the level 3 hierarchy. A sensitivity analysis on fair value estimations, by varying input assumptions by a reasonable margin, did not indicate any material impact on the interim condensed consolidated statement of financial position or interim condensed consolidated statement of profit or loss.

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

3.2 Financial risk

The Group has exposure to credit risk, market risk, liquidity risk and operational risk related to its activities. The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 31 December 2020.

4. Critical judgments and key sources of estimation uncertainty

The critical judgements and estimates used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 except as disclosed in note 17.

5. Cash and bank balances

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Cash on hand	17	25	34
Bank balances	13,415	12,434	8,662
Deposits with banks	9,063	9,828	9,908
	22,495	22,287	18,604
Less: deposits with original maturity over three months	(9,063)	(9,828)	(9,908)
Less: due to banks	(232)	-	-
Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows	13,200	12,459	8,696

The Group's term deposits denominated in USD and Lebanese Pound KD 11,238 thousand (KD 11,188 thousand - 31 December 2020 and KD 11,274 thousand - 30 September 2020) are with banks in Lebanon. The Group's management believes that these amounts are recoverable. The Expected credit losses related to bank balances and term deposits is KD 6,601 thousand (KD 1,360 thousand - 31 December 2020 and KD 1,366 thousand - 30 September 2020).

6. Finance receivables

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Commercial loans	26,538	23,944	24,254
Personal loans	198,031	215,068	227,023
	224,569	239,012	251,277
Less: deferred income	(17,954)	(19,564)	(20,889)
	206,615	219,448	230,388
Less: provision for expected credit losses	(38,042)	(45,950)	(52,408)
	168,573	173,498	177,980

As at 30 September 2021, provisions for credit losses in accordance with the requirements of the Central Bank of Kuwait amounted to KD 29,070 thousand (KD 31,933 thousand - 31 December 2020 and KD 32,421 thousand - 30 September 2020), less than the expected credit losses for credit facilities which were calculated in accordance with the requirements of IFRS 9 in accordance with the Central Bank of Kuwait guidelines.

The average interest rate earned from finance receivables for the nine-month period ended 30 September 2021 was 3.56% (3.86% - 31 December 2020 and 3.03% - 30 September 2020) per annum.

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

7. Investment securities

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Investments at FVTPL	20,649	11,294	12,058
Investments at FVOCI	37,831	36,423	41,417
	<u>58,480</u>	<u>47,717</u>	<u>53,475</u>

8. Investments in associates

	Place of incorporation and operation	Proportion of ownership interest	Principal activity
Real Estate Facilities and Investment Company K.S.C. (Closed)	Kuwait	30.21%	Investment in real estate
Priority Automobile Company K.S.C. (Closed)	Kuwait	44.56%	Renting and leasing of luxury cars

Group's share from associates' results amount to KD 338 thousand for the period ended 30 September 2021 (KD 261 thousand – 30 September 2020). This financial information has been prepared based on the financial information prepared by the associates' managements.

9. Term loans

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Loans denominated in KD	104,937	100,595	112,636
Loans denominated in USD	-	2,527	3,827
	<u>104,937</u>	<u>103,122</u>	<u>116,463</u>

During the period, the Group signed KD loan agreements amounting to KD 46 million (KD Nil - 31 December 2020 and KD Nil - 30 September 2020).

The effective interest rate on KD loans outstanding at 30 September 2021 was 2.42% per annum and on USD loans was 2.91% per annum (2.66% per annum and 3.23% per annum respectively - 31 December 2020 and 2.73% per annum and 3.34% per annum respectively - 30 September 2020).

The Group's outstanding term loans at 30 September 2021 are borrowed under floating rate agreements. The interest rates were determined at normal commercial rates available from the debt market on an arm's length basis. The Group has assigned customer contracts amounting to KD 96,495 thousand (KD 132,575 thousand - 31 December 2020 and KD 99,924 thousand - 30 September 2020) as security over 10 term loans (15 term loans - 31 December 2020 and 15 term loans - 30 September 2020) with balances outstanding of KD 104,937 thousand (KD 103,122 thousand - 31 December 2020 and KD 116,463 thousand - 30 September 2020).

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021
(Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

10. Related party transactions

Related parties comprise associated companies, major shareholders, directors and key management personnel of the Group, their families and companies of which they are the principal owners. The Group enters into transactions with related parties. Pricing policies and terms are approved by the Group's management.

The related party transactions and balances included in this interim condensed consolidated financial information are as follows:

a) Compensation of key management personnel of the Parent Company

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021	2020	2021	2020
Salaries and other short-term benefits	58	135	267	404
Post-employment benefits	22	20	(76)	71
	<u>80</u>	<u>155</u>	<u>191</u>	<u>475</u>

b) Instalment debtors

	30 September 2021		31 December 2020 (Audited)		30 September 2020	
Balance at 1 January	21	32	21		32	
Loan advanced during the period	-	-	69		-	
Instalment repayment received	(2)	(1)	(8)		(4)	
Balance at 30 September	<u>19</u>	<u>31</u>	<u>82</u>		<u>28</u>	

11. Treasury shares

	30 September 2021	31 December 2020 (Audited)	30 September 2020
Number of shares purchased (000's)	-	-	-
Cost of shares purchased during the period/ year (KD'000)	-	-	-
Market value of total treasury shares (KD'000)	5,731	5,296	5,296
Percentage of issued shares	5.39	5.39	5.39
Total number of shares (000's)	28,942	28,942	28,942

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

12. Net gains from investments

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021	2020	2021	2020
Unrealised gain/ (loss) on investments at FVTPL	1,403	819	2,616	(1,548)
Realised gain on sale of investments at FVTPL	-	-	88	-
Dividend income	486	458	1,586	1,696
	<u>1,889</u>	<u>1,277</u>	<u>4,290</u>	<u>148</u>

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

13. Earnings/ (loss) per share

Earnings/ (loss) per share is computed by dividing profit/ (loss) for the period by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2021	2020	2021	2020
Profit/ (loss) for the period	4,782	3,005	12,077	(9,847)
	Shares			
Weighted average number of the Parent Company's issued and paid-up shares (000's)	536,764	536,764	536,764	536,764
Weighted average number of the Parent Company's treasury shares (000's)	(28,942)	(28,942)	(28,942)	(28,942)
Weighted average number of the Parent Company's outstanding shares (000's)	507,822	507,822	507,822	507,822
Earnings/ (loss) per share – Fils	9 Fils	6 Fils	24 Fils	(19 Fils)

14. Revenue and segmental analysis

The Group operates in one principal area of activity, the granting of consumer instalment credit facilities. Its consumer credit operations are carried out entirely in the domestic market in Kuwait. The Group has investments both inside and outside Kuwait.

A segmental analysis of profit from ordinary activities, total assets, total liabilities and net assets employed by geographical location is as follows:

	Kuwait	International	Total
At 30 September 2021			
Profit before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	11,331	1,421	12,752
Total assets	235,365	38,897	274,262
Total liabilities	(114,594)	-	(114,594)
Net assets employed	120,771	38,897	159,668
At 31 December 2020 (Audited)			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	(2,462)	1,822	(640)
Total assets	222,996	41,973	264,969
Total liabilities	(109,315)	(2,527)	(111,842)
Net assets employed	113,681	39,446	153,127
At 30 September 2020			
Profit/ (loss) before provisions for contribution to KFAS, NLST, Zakat and Directors' remuneration	(11,185)	1,341	(9,844)
Total assets	227,770	44,581	272,351
Total liabilities	(123,493)	(3,827)	(127,320)
Net assets employed	104,277	40,754	145,031

15. Commitments

The Group has capital commitments of KD Nil (KD 1,193 thousand - 31 December 2020 and KD Nil - 30 September 2020) on purchase of investments.

16. Annual general assembly

The shareholders' annual general assembly meeting held on 8 April 2021 approved the audited consolidated financial statements of the Group for the year ended 31 December 2020 and they approved to distribute a cash dividends of 10 fils per share (18 fils per share – 2019) amounting to KD 5,078 thousand (KD 9,140 thousand – 2019).

Notes to the Interim Condensed Consolidated Financial Information for the nine-month period ended 30 September 2021 (Unaudited)

(All amounts are in Kuwaiti Dinar Thousand unless otherwise stated)

17. Impact of COVID-19

The COVID-19 pandemic continues to spread across global geographies causing disruption to business and economic activities and bringing significant uncertainties to the global economic environment. Fiscal and monetary authorities worldwide launched extensive responses designed to mitigate the severe consequences of the pandemic.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of CBK and IFRS, and incorporated the outcome in these interim condensed consolidated financial information and explained the changes below for the period ended 30 September 2021:

Consumer and other instalment loans deferral scheme - 2021

The Group announced postponement of payment of consumer and instalment loans to eligible customers, upon request, in accordance with the CBK Circular No. 2/BS/IBS/IS/IIS/FS/476/2021 dated 18 April 2021 concerning the implementing provisions of Article No. (2) of Law No. (3) of 2021 ("the Law") regarding the deferral of the financial obligations for a six-month period with cancellation of interest resulting from this deferral ("the 2021 scheme"). The cost of instalment deferral is fully borne by the Government of Kuwait in accordance with the Law.

The Group implemented the 2021 scheme by postponing the instalments for a six-month period from the customer request date with a corresponding extension of the facility tenure. The instalment deferral resulted in a loss to the Group arising from the modification of contractual cash-flows, estimated at KD 2,224 thousand in accordance with IFRS 9. This loss was offset by an equivalent amount receivable from the Government of Kuwait as Government Grant in accordance with the Law. The Group has recorded the Government Grant income by setting it off against the modification loss from the 2021 scheme. The Government grant receivable is included in other assets in the interim condensed consolidated statement of financial position.

Consumer and other instalment loans deferral scheme – 2020

The board of directors deferred repayment of instalment due in April, May, and September 2020 resulting in extension of the maturity of the finance receivable by three months. The modification loss KD 3,207 thousand is presented as Loss on deferral of instalment credit in the interim condensed consolidated statement of income.

Expected credit loss estimate

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 30 September 2021. Revised ECLs were estimated based on a range of forecasted economic conditions at the reporting date and considering the fact that situation is fast evolving, the Group has also considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

Valuation estimates and judgements

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's financial and non-financial assets. The reported amounts best represent management's assessment based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

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 projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient liquid assets to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, this interim condensed consolidated financial information has been appropriately prepared on a going concern basis.