

**Kuwait Resorts Company K.P.S.C.**  
And its Subsidiary  
State of Kuwait

**Interim Condensed Consolidated Financial Information**  
**For the three months ended 31 March 2023**  
**And review report**  
**(Unaudited)**

**Kuwait Resorts Company K.P.S.C.**  
And its Subsidiary  
State of Kuwait

**Interim Condensed Consolidated Financial Information**  
**For the three months ended 31 March 2023**  
**And review report**  
**(Unaudited)**

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**Kuwait Resorts 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 statement of financial position of Kuwait Resorts Company K.P.S.C. (the "Parent Company") and its subsidiary (together referred to as the "Group") as at 31 March 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

*Emphasis of Matter*

We draw attention to Notes 4 and 17 of the interim financial information, which describe management's assumptions relating to the renewal of the lease contract for the Hilton Kuwait Resort. Our conclusion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim 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, the Executive Regulation, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-months period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations 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 2023, that might had a material effect on the business of the Parent Company or on its financial position.



**Talal Y. Al-Muzaini**

License No. 209 A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 15 May 2023

**Interim Condensed Consolidated Statement of Financial Position as at 31 March 2023**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2023	31 December 2022 (audited)	31 March 2022
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		79,277	30,711	28,160
Investment properties	5	10,766,539	10,764,914	8,671,776
Investment in associate		101,890	101,806	101,009
Financial assets at fair value through OCI	6	20,853,525	20,252,270	19,480,713
		<u>31,801,231</u>	<u>31,149,701</u>	<u>28,281,658</u>
<b>Current assets</b>				
Receivables and other debit balances	7	480,024	423,978	4,510,134
Cash, bank accounts and time deposits	8	1,130,586	1,682,583	1,615,692
		<u>1,610,610</u>	<u>2,106,561</u>	<u>6,125,826</u>
<b>Total assets</b>		<u>33,411,841</u>	<u>33,256,262</u>	<u>34,407,484</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		21,021,809	21,021,809	21,021,809
Statutory reserve		3,751,312	3,751,312	3,645,960
Treasury shares	9	(932,669)	(932,669)	(948,122)
Change in fair value reserve		784,731	644,126	2,355,464
Foreign currency translation reserve		(158,440)	(153,025)	(172,802)
Retained earnings		4,675,412	4,265,220	4,967,202
		<u>29,142,155</u>	<u>28,596,773</u>	<u>30,869,511</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provision for employees' end of service indemnity		912,205	915,207	833,902
<b>Current liabilities</b>				
Due to banks	10	1,527,922	2,107,163	1,779,511
Payables and other credit balances	11	1,829,559	1,637,119	924,560
		<u>3,357,481</u>	<u>3,744,282</u>	<u>2,704,071</u>
<b>Total liabilities</b>		<u>4,269,686</u>	<u>4,659,489</u>	<u>3,537,973</u>
<b>Total equity and liabilities</b>		<u>33,411,841</u>	<u>33,256,262</u>	<u>34,407,484</u>

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



**Adwan Mohammad Al-Adwani**  
Chairman



**Ibrahim Mohamed Al-Ghanim**  
Vice Chairman and CEO

**Interim Condensed Consolidated Statement of Income for the three-months ended 31 March 2023  
(Unaudited)**

*(All amounts are in Kuwaiti Dinars)*

	Note	Three months ended 31 March	
		2023	2022
Operating revenue		1,610,600	1,427,744
Operating cost		(1,131,842)	(967,128)
Gross operating profit	12	478,758	460,616
Cash dividend from investments at fair value through other comprehensive income		76,221	144,038
Gain from sale of investment properties	5	-	163,188
Other gains		8,694	5,844
General and administrative expenses		(105,233)	(95,891)
Finance costs		(29,478)	(10,405)
<b>Net profit before deductions</b>		428,962	667,390
Contribution to KFAS		(3,861)	(6,007)
National Labor Support Tax		(10,649)	(18,106)
Zakat expense		(4,260)	(7,242)
<b>Net profit for the period</b>		410,192	636,035
<b>Earnings per share (fils)</b>	13	2.12	3.25

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 2023  
(Unaudited)**

*(All amounts are in Kuwaiti Dinars)*

	<b>Three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
Net profit for the period	410,192	636,035
<b>Other comprehensive income/(loss) items</b>		
<i>Items that may not be reclassified subsequently to the statement of income</i>		
Investments at fair value through other comprehensive income:		
Change in fair value through other comprehensive income	140,605	(140,390)
<i>Items that may be reclassified subsequently to the statement of income</i>		
Foreign currency translation adjustment	(5,415)	20,708
Total other comprehensive income / (loss)	135,190	(119,682)
<b>Total comprehensive income for the period</b>	<b>545,382</b>	<b>516,353</b>

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 2023  
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Share capital	Statutory reserve	Treasury shares	Change in fair value reserve	Foreign currency translation reserve	Retained earnings	Total
<b>Balance as at 1 January 2022</b>	21,021,809	3,645,960	(948,122)	2,495,854	(193,510)	4,331,167	30,353,158
Net profit for the period	-	-	-	-	-	636,035	636,035
Other comprehensive income / (loss) items	-	-	-	(140,390)	20,708	-	(119,682)
<b>Balance as at 31 March 2022</b>	<u>21,021,809</u>	<u>3,645,960</u>	<u>(948,122)</u>	<u>2,355,464</u>	<u>(172,802)</u>	<u>4,967,202</u>	<u>30,869,511</u>
<b>Balance as at 1 January 2023</b>	21,021,809	3,751,312	(932,669)	644,126	(153,025)	4,265,220	28,596,773
Net profit for the period	-	-	-	-	-	410,192	410,192
Other comprehensive income / (loss) items	-	-	-	140,605	(5,415)	-	135,190
<b>Balance as at 31 March 2023</b>	<u>21,021,809</u>	<u>3,751,312</u>	<u>(932,669)</u>	<u>784,731</u>	<u>(158,440)</u>	<u>4,675,412</u>	<u>29,142,155</u>

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 2023  
(Unaudited)**

*(All amounts are in Kuwaiti Dinars)*

		Three months ended 31 March	
		2023	2022
<b>Cash flows from operating activities</b>			
Net profit for the period		410,192	636,035
<b>Adjustments:</b>			
Depreciation		18,022	7,728
Cash dividends from investments at fair value through other comprehensive income		(76,221)	(144,038)
Gain from sale of investment property	5	-	(163,188)
loss from foreign exchange differences of investment properties		(1,625)	-
Finance costs		29,478	10,405
Provision for employees' end of service indemnity		67,098	57,981
Operating profits before working capital changes		446,944	404,923
Receivables and other debit balances	7	(56,046)	(414,925)
Guarantee cheque	8	500,000	-
Payables and other credit balances	11	183,117	(543,033)
Payment of end of service indemnity		(70,100)	(1,140)
Net cash generated from / (used in) operating activities		1,003,915	(554,175)
<b>Cash flows from investing activities</b>			
Paid for purchase of property, plant and equipment		(66,588)	(31,340)
Purchase of Financial assets at fair value through OCI		(460,650)	(1,698,175)
Cash dividends received		76,221	144,038
Proceeds from sale of investment property	5	-	1,190,558
Net cash used in investing activities		(451,017)	(394,919)
<b>Cash flows from financing activities</b>			
Repayment to banks and financial institutions		(579,241)	(340,815)
Proceeds from banks and financial institutions		-	1,780,451
Finance costs paid		(25,654)	(10,405)
Net cash (used in) / generated from financing activities		(604,895)	1,429,231
Net (decrease) / increase in cash and cash equivalents		(51,997)	480,137
Cash and cash equivalents at the beginning of the period		1,182,583	1,135,555
<b>Cash and cash equivalents at the end of the period</b>	8	1,130,586	1,615,692

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 2023  
(Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**1. Incorporation and activities**

Kuwait Resorts Company is a Kuwaiti Shareholding Company (Public) "the Parent Company" - Kuwait established in Kuwait, under article of incorporation No. 4179 dated 7 August 2002 and registered in the commercial register under No. 91093 dated 22 September 2002.

The registered office of the Parent Company is at P.O. Box No. 7887, Fahaheel 64009, State of Kuwait.

The Parent Company's objectives are as follows:

- 1- Design, construct, manage and utilize Mangaf Resort (Plage 13) according to contract signed with Touristic Enterprise Company (KSC) and its annexure signed with Ministry of Finance, which includes five stars hotel, ballroom, shops, chalets and gyms.
- 2- Purchase and rent equipment, machines, catering and consumables that serve the Company's objectives.
- 3- Owning, selling and acquiring real estate and lands and developing them in the Company's favor, inside and outside Kuwait, also managing others' properties, without violating the laws relating to private residential houses.
- 4- Owning, selling and acquiring real estate company's shares and bonds only in favor of the Company inside and outside Kuwait.
- 5- Preparing studies and providing consultations in the field of real estate.
- 6- Owning and managing hotels, gyms and touristic facilities and renting them.
- 7- Conducting maintenance activities relating to buildings and real estates owned by the Company including civil, mechanic and electrical works and elevators and air condition maintenance that maintain safety of the buildings.
- 8- Managing, operating, investing and renting all kind of hotels, clubs, motels, rest houses, resorts, parks, exhibitions, restaurants, cafeterias, residential compounds, health and touristic resorts, entertaining and sport projects and shops including all basic and supporting services and facilities.
- 9- Organizing real estate exhibitions relating to the Company's real estate projects according to rules and practices in the ministry.
- 10- Conducting real estate auctions according to rules and practices in the ministry.
- 11- Owning and managing commercial complexes and residential compounds.
- 12- Investing the surplus funds in investment and real estate portfolios managed by specialized companies.

The Company conducts the above-mentioned activities inside and outside Kuwait by itself or through agent.

The Company can incorporate, acquire interest or participate in all means with corporations with similar activities or assist in achieving the Company's objectives inside and outside Kuwait.

The activities of the Parent Company are carried out in accordance with Noble Islamic Sharia principles.

The Parent Company owns a five-star hotel "Hilton Kuwait Resort" in the State of Kuwait.

The Parent Company was listed on the Kuwait Stock Exchange on 21 July 2007.

The interim condensed consolidated financial information for the Group includes the financial information of the Parent Company and its wholly owned subsidiary Bahraini Resort Company W.L.L., together referred as "The Group". The subsidiary has been consolidated based on management accounts as at 31 March 2023.

The Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2022 at the annual general assembly meeting held on 19<sup>th</sup> April 2023 (Note 14).

These interim condensed consolidated financial information for the three months ended 31 March 2023 was authorized for issue by the board of directors of the Parent Company on 15<sup>th</sup> May 2023.

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023  
(Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**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 2023 are not necessarily indicative of results that may be expected for the year ending 31 December 2023. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2022.

The Group's component Hilton Kuwait Resort financial statements for year ended 31 December 2022 have been prepared on a going concern basis as the management believes that The Owner expects the lease term to be renewed on the basis that this renewal is in line with the terms of the ministerial decision for regulating the procedures to renew leases of state and private real estate properties issued by the Minister of Finance and the Minister of State for Economic Affairs and Investments in December 2022. Furthermore, the Owner is considering various scenarios for the renegotiation of the lease terms, including the increase of the lease consideration. According to the legal advisory opinion obtained, the contract period is deemed renewed up to 31 December 2025 as the Owner has submitted the renewal request one year before expiry. Accordingly, these financial statements have been prepared on a going concern basis.

**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 2022. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2023 did not have any material impact on the accounting policies, financial position, or performance 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.

**3. Fair value estimation**

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

- Level 1: Quoted prices in active markets for quoted financial instruments.
- Level 2: 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 3: Valuation methods in which the inputs that are not based on any comparative market data.

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

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

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31/03/2023	31/12/2022	31/03/2022				
Quoted Shares	7,006,845	6,901,809	8,561,426	1	Last bid price	-	-
Unquoted shares	9,157,035	9,156,399	9,221,113	3	Adjusted book value	Adjusted carrying amount	The higher discount rate and market risk results in lower fair value
Investment Funds	4,689,645	4,194,062	1,698,174	3	Transaction price which valuation was estimated using the Income approach	-	-

**Reconciliation of Level 3 fair value measurements**

	Unquoted investments		
	31 March 2023	31 December 2022 (Audited)	31 March 2022
Balance as at beginning period/ year	13,350,462	9,221,112	9,221,113
Change in fair value	35,183	(51,713)	-
Addition	461,036	4,181,062	1,698,174
Balance as at ending period/ year	13,846,681	13,350,461	10,919,287

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

**4. Estimates**

The preparation of interim condensed consolidated financial information requires management to make judgments, 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 judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022. The most significant judgements used by the management in preparation of the annual financial statements for the year ended 31 December 2022 and the interim condensed consolidated financial information for the period ended 31 March 2023 is the renewal of hotel lease as below:

**Hotel lease renewal**

The Group is operating Hilton Kuwait Resort based on the utilization right contract with the Ministry of Finance (MoF). The Utilization right contract expired in December 2020. but the Group is still operating the Hotel. The Group has paid the rent for the years 2021 and 2022 and is still attempting to renew the lease for 2023. The Group management believes that it is very likely to renew the lease during 2023.

The management is currently negotiating with the Ministry of Finance for renewal of the contract. The Group therefore expects the lease to be renewed for another term (notes 2.1 and 17).

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**5. Investment properties**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Balance as at 1 January	10,764,914	9,687,927	9,687,927
Transfer from receivables and other debit balances	-	3,472,455	-
Disposal	-	(1,027,370)	(1,027,370)
Change in fair value	-	(1,396,911)	-
Foreign currency translation adjustment	1,625	28,813	11,219
	<u>10,766,539</u>	<u>10,764,914</u>	<u>8,671,776</u>

**6. Financial assets at fair value through OCI**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Quoted investments	7,006,845	6,901,809	8,561,426
Unquoted investments	9,157,035	9,156,399	9,221,113
Investments in funds	4,689,645	4,194,062	1,698,174
	<u>20,853,525</u>	<u>20,252,270</u>	<u>19,480,713</u>

Financial assets at fair value through OCI mainly represent investments in related entities (Note 15).

Financial assets at fair value through OCI include investments with total carrying value of KD 12,000,711 pledged to banks as at 31 March 2023 (KD 11,923,479 - 31 December 2022, KD 13,344,165 - 31 March 2022) against facilities granted to the Group and the investee Company.

**7. Receivables and other debit balances**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Trade receivables	338,331	288,541	272,288
Less: Provision for loss allowance	(120,575)	(120,575)	(117,000)
	<u>217,756</u>	<u>167,966</u>	<u>155,288</u>
Prepayments	154,931	89,301	164,879
Advance payments to acquire investment properties	-	-	3,544,206
Due from related parties (Note 15)	7,815	7,815	519,696
Other receivables	99,522	158,896	126,065
	<u>480,024</u>	<u>423,978</u>	<u>4,510,134</u>

**8. Cash, bank accounts and time deposits**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Cash in hand	13,198	12,520	14,320
Cash at banks and portfolios	1,117,388	1,170,063	1,601,372
Total cash and cash equivalents	<u>1,130,586</u>	<u>1,182,583</u>	<u>1,615,692</u>
Guarantee cheque	-	500,000	-
	<u>1,130,586</u>	<u>1,682,583</u>	<u>1,615,692</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**9. Treasury shares**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Number of shares (share)	16,059,393	16,059,393	15,175,354
Ownership percentage (%)	7.64	7.64	7.22
Market value (KD)	1,100,068	1,259,056	1,441,659

The Parent Company is committed to maintain 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.

**10. Due to banks**

Due to banks are secured by investment properties, financial assets through OCI (Note 6), and secured by a mortgage of certain real estate properties owned by a major shareholder and his guarantee. The average effective finance cost of credit facilities as at 31 March 2023 was 5.5% (3.75%- 31 December 2022, 3.25% - 31 March 2022).

**11. Payables and other credit balances**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Trade payables	85,758	187,551	88,682
Accrued expenses and leave	607,562	443,747	95,487
Contribution to KFAS	147,508	143,647	209,923
Dividends payables	41,868	42,054	40,815
Others	946,863	820,120	489,653
	<u>1,829,559</u>	<u>1,637,119</u>	<u>924,560</u>

**12. Gross operating profit**

	<b>For the three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
Revenues from hotel operation	1,610,600	1,427,744
Hotel expenses	(1,113,988)	(959,692)
Other expenses	(17,854)	(7,436)
	<u>478,758</u>	<u>460,616</u>

This item mainly represents the gross operating profit from Hilton Kuwait Resort operations.

**13. Earnings per share**

Earnings per share is computed by dividing net profit for the period by the weighted average number of ordinary shares outstanding, which is determined based on number of issued capital shares outstanding during the period, taking into account treasury shares, as follows:

	<b>Three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
Net profit for the period (KD)	410,192	636,035
Weighted average number of outstanding shares during the period after deduction of treasury shares (shares)	193,037,529	195,836,888
Earnings per share (fils)	<u>2.12</u>	<u>3.25</u>

Earnings per share for the current period has been amended taking into consideration the effect of bonus share from treasury shares distributed in subsequent period (Note 14).

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023 (Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**14. Dividends**

On 19th April 2023, the General Assembly Meeting of the shareholders has approved the consolidated financial statements for the year ended 31 December 2022 and approved distribution of cash dividends of 3 fils per share and distribution 3 treasury shares of the Parent Company for each 100 share (distribution of cash dividends of 3 fils per share and distribution of 2 bonus shares for each 100 shares from treasury shares -2021).

**15. Related party transactions**

Related parties comprise of the Parent Company's shareholders who are members in the board of directors, major shareholders, and key management personnel. In the ordinary course of business, the Group entered into transactions with related parties during the period. The following are the transactions and balances resulted from these transactions included in the interim condensed consolidated financial information:

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
<b>Balances</b>			
Investments at FVOCI	15,416,915	15,296,317	17,153,985
Due from related parties	7,815	7,815	519,696

The amounts due from/to related parties are non-interest bearing and are recoverable/payable on demand.

financial assets at fair value through OCI include investments with total carrying value of KD 12,000,711 pledged to banks as at 31 March 2023 (KD 11,923,479 - 31 December 2022, KD 13,344,165 - 31 March 2022) against facilities granted to the Group and the investee Company.

	<b>Three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
<b>Transactions</b>		
Key management benefits	56,972	56,481
Gains from investments	-	144,038

**16. Contingent commitments and liabilities**

	<b>31 March 2023</b>	<b>31 December 2022 (audited)</b>	<b>31 March 2022</b>
Letter of Guarantees	440,225	440,225	440,225

**Notes to the Interim Condensed Consolidated Financial Information for the three-months ended 31 March 2023**  
**(Unaudited)**

*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**17. Segment reporting**

The Group is organized into three major operating segments; hotels, investment and real estate. The segments results are reported to senior executive management. Further, Group's operating results, assets and liabilities are reported according to geographical areas in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of consolidated financial statements. Segment analysis in line with internal reports submitted to management is as follows:

	31 March 2023				31 March 2022			
	Hotels	Financial Investment	Real Estate	Total	Hotels	Financial Investment	Real Estate	Total
Revenues	1,610,600	76,221	8,063	1,694,884	1,427,744	144,038	167,970	1,739,752
Expenses	(1,131,842)	-	-	(1,131,842)	(967,128)	-	-	(967,128)
Segments results	478,758	76,221	8,063	563,042	460,616	144,038	167,970	772,624
Other income	13	906	-	919	1,012	-	-	1,012
Un allocated expenses	(124,291)	(29,478)	-	(153,769)	(137,601)	-	-	(137,601)
Net profit for the year	354,480	47,649	8,063	410,192	324,027	144,038	167,970	636,035
Segments assets	1,437,700	20,853,525	11,120,616	33,411,841	1,419,673	19,480,711	13,507,098	34,407,482
Segments liabilities	1,930,743	1,527,922	811,021	4,269,686	1,188,487	-	2,349,486	3,537,973

**Geographic distribution**

	31 March 2023				31 March 2022			
	State of Kuwait	GCC	USA	Europe	Total	State of Kuwait	GCC	Total
Segment revenue	1,611,519	8,063	66,045	10,176	1,695,803	1,572,794	167,970	1,740,764
Segment expenses	(1,254,653)	(1,480)	(29,478)	-	(1,285,611)	(1,104,046)	(683)	(1,104,729)
Segment result	356,866	6,583	36,567	10,176	410,192	468,748	167,287	636,035
Segments assets	17,472,459	11,249,737	4,111,549	578,096	33,411,841	24,918,142	9,489,342	34,407,484
Segments liabilities	2,741,764	-	1,527,922	-	4,269,686	1,758,462	1,779,511	3,537,973

Hilton Kuwait Resorts is operated by the Group based on the utilization rights contract with the Ministry of Finance that ended in December 2020. The Group has paid the annual rent for 2021 and 2022. The Group's management expects to renew this contract in 2023, however this has not yet been materialized as of the date of the issuance of the financial statements, while the Hilton Kuwait Resorts is still operating. The utilization contract requires the transfer of all Hilton Kuwait Resorts tangible assets to the Ministry of Finance without any consideration or compensation on maturity of the lease contract. Also, the higher of annual utilization fee KD 500,000 or 10% of annual revenue is payable to the Ministry of Finance