

AL MANAR

FINANCING & LEASING



2021



**Al Manar Financing and Leasing Company K.S.C. (Public)
and its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2021
With Review Report**



Al Manar Financing and Leasing Company K.S.C. (Public)
and its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2021
With Review Report

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Interim Condensed Consolidated Statement of Financial Position as at 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	31 March 2021	31 December 2020 (Audited)	31 March 2020
Assets				
Cash and cash equivalents	4	3,089,521	4,540,375	1,466,398
Investment in Murabaha receivables	5	4,347,321	4,347,321	4,347,321
Finance receivables	6	17,787,915	18,356,858	26,171,508
Other receivables and prepayments	7	1,391,654	1,299,381	1,602,555
Investments in financial securities	8	4,624,020	1,647,741	3,601,021
Investment properties		3,926,879	3,946,602	4,107,217
Right of use assets		-	-	116,959
Other assets		91,715	100,119	41,726
Total assets		35,259,025	34,238,397	41,454,705

Liabilities and equity

Liabilities				
Islamic finance payables	9	3,513,105	2,901,240	7,010,214
Accounts payable and other credit balances	10	757,680	924,880	855,958
Provision for staff indemnity		858,571	854,488	1,224,119
Total liabilities		5,129,356	4,680,608	9,090,291

Equity				
Share capital		30,874,759	30,874,759	30,874,759
Share premium		312,020	312,020	312,020
Gain on sale of treasury shares		4,995	-	-
Statutory reserve		2,000,722	2,000,722	2,000,722
Voluntary reserve		371,744	371,744	1,242,080
Fair value reserve		(378,985)	(400,536)	(138,036)
Accumulated losses		(3,055,586)	(3,600,920)	(1,934,781)
Total equity attributable to the shareholders of the Parent Company		30,129,669	29,557,789	32,356,764
Non-controlling interests		-	-	7,650
Total equity		30,129,669	29,557,789	32,364,414
Total liabilities and equity		35,259,025	34,238,397	41,454,705

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

Faisal Abdel Aziz Al-Nassar
Chairman

Bader Hamad Al-Rabiah
Vice Chairman & CEO

Interim Condensed Consolidated Statement of Income for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2021	2020
Revenues			
Finance revenues		509,924	693,537
Net Income from investment properties		48,787	62,177
Net gains / (losses) from investments	11	4,751	(166,708)
Other income		45,003	58,698
		608,465	647,704
Expenses			
Finance cost		71,569	116,888
Staff costs		244,737	252,795
(Reversal of)/ provide for provisions for credit losses	6	(438,998)	1,192,292
Other expenses		165,896	150,174
		43,204	1,712,149
Profit / (loss) before deductions		565,261	(1,064,445)
Zakat		5,693	-
NLST		14,234	-
Net profit / (loss) for the period		545,334	(1,064,445)
Distributed as follows:			
Parent Company's shareholders		545,334	(1,064,445)
Non-controlling interests		-	-
		545,334	(1,064,445)
Basic and diluted earnings / (loss) per share (fils)	12	1.77	(3.45)

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 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2021	2020
Net profit/ (loss) for the period	545,334	(1,064,445)
Items that will not be reclassified subsequently to interim condensed consolidated statement of comprehensive income:		
Change in fair value of equity investments at fair value through other comprehensive income	21,551	(524,980)
Other comprehensive income / (loss) for the period	21,551	(524,980)
Total comprehensive income / (loss)	566,885	(1,589,425)
Distributed as follows:		
Parent Company's shareholders	566,885	(1,589,425)
Non-controlling interests	-	-
	566,885	(1,589,425)

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

Interim Condensed Consolidated Statements of Changes in Equity for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Gain on sale of treasury shares	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses			
Balance at 1 January 2020	30,874,759	312,020	-	2,000,722	1,242,080	386,944	(870,336)	33,946,189	7,650	33,953,839
Other comprehensive loss for the period	-	-	-	-	-	(524,980)	-	(524,980)	-	(524,980)
Net loss for the period	-	-	-	-	-	-	(1,064,445)	(1,064,445)	-	(1,064,445)
Balance at 31 March 2020	30,874,759	312,020	-	2,000,722	1,242,080	(138,036)	(1,934,781)	32,356,764	7,650	32,364,414
Balance at 1 January 2021	30,874,759	312,020	-	2,000,722	371,744	(400,536)	(3,600,920)	29,557,789	-	29,557,789
Other comprehensive income for the period	-	-	-	-	-	21,551	-	21,551	-	21,551
Net profit for the period	-	-	-	-	-	-	545,334	545,334	-	545,334
Gain on sale of treasury shares	-	-	4,995	-	-	-	-	4,995	-	4,995
Balance at 31 March 2021	30,874,759	312,020	4,995	2,000,722	371,744	(378,985)	(3,055,586)	30,129,669	-	30,129,669

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 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended 31 March	
		2021	2020
Cash flows from operating activities			
Net profit / (loss) for the period		545,334	(1,064,445)
Adjustments for:			
Depreciation and amortization		29,748	63,752
(Gain)/ loss from investments	11	(4,751)	166,708
(Reversal of) / provide for provisions for credit losses		(438,998)	1,192,292
Income from Murabaha receivable		(11,489)	(22,418)
Finance costs		71,569	116,888
Provision for staff indemnity		40,756	24,470
Operating profit before changes in working capital		232,169	477,247
Finance receivables		1,007,941	1,304,275
Other receivables and prepayments		(87,522)	(122,023)
Accounts payable and other credit balances		(140,735)	(911,388)
Payment of staff indemnity		(36,673)	-
Net cash generated from operating activities		975,180	748,111
Cash flows from investing activities			
Investment in Murabaha receivables		11,489	22,418
Dividends income		-	80,240
Investments in financial securities		(2,954,728)	-
Purchase of equipment		(1,621)	(8,090)
Net cash (used in) / generated from investing activities		(2,944,860)	94,568
Cash flows from financing activities			
Paid for purchase of treasury shares		(200,000)	-
Proceeds from sale of treasury shares		204,995	-
Net movement of Islamic finance payables		611,865	(324,544)
Lease liability payment		-	(30,850)
Dividends paid		(26,465)	(12,165)
Finance costs paid		(71,569)	(116,888)
Net cash generated from / (used in) financing activities		518,826	(484,447)
Net (decrease) / increase in cash and cash equivalents		(1,450,854)	358,232
Cash and cash equivalents at beginning of the period		4,540,375	1,108,166
Cash and cash equivalents at end of the period	4	3,089,521	1,466,398

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 2021 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Formation and principal activities

Al Manar Financing and Leasing Company K.S.C. (Public) (“the Parent Company”) was incorporated in the State of Kuwait in 2003 by the authorized letter of incorporation no. 4857 file 1 dated 6 December 2003.

The main activities of the Parent Company and its subsidiaries (together referred to as “the Group”) are all financing and investing activities according to the Islamic Shari’a principles.

The Parent Company is subject to instructions and monitoring by the Central Bank of Kuwait and Capital Markets Authority.

The registered office of the Parent Company is P.O. Box 22828, Safat 13089, Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries (the Group) as follow:

Company name	Ownership percentage (%)			Activity	Country of incorporation
	31 March 2021	31 Dec 2020	31 March 2020		
Manarat Tasaheel Real Estate Company W.L.L	100	100	99	Real estate	Kuwait
Al-Manar Express for Marketing Consulting Company W.L.L	100	100	50	Consulting	Kuwait
Al- Manar Watania for Administrative Consulting Company W.L.L	100	100	50	Consulting	Kuwait

Subsidiaries’ management accounts have been used for the consolidation purposes as at 31 March 2021. The total assets of the subsidiaries are KD 4,712,407 (KD 4,752,424 as at 31 December 2020, KD 4,888,128 as at 31 March 2020), net losses of KD 13,553 during the three months ended 31 March 2021 (net losses KD 61,932 during the three months ended 31 March 2020).

On 21 April 2021, the General Assembly approved the consolidated financial statements for the year ended 31 December 2020

The interim condensed consolidated financial information was approved for issue by the Board of Directors on 3 May 2021.

2. Basis of presentation and significant accounting policies

2.1 Basis of presentation

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

The annual consolidated financial statements for the year ended 31 December 2020 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (‘ECL’) to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board (‘IASB’). (collectively referred to as IFRS, as adopted 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 IFRSs, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020 except for changes in significant accounting policies, critical judgements and estimates and financial risk management that have been disclosed in the accompanying interim condensed consolidated financial statements. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

2.2 Significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2021 and which did not result in any material impact on the accounting policies, financial position or performance of the Group.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2.3 Treasury shares

Treasury shares represent the Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity. When the treasury shares are disposed, gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account to the limit of its credit balance, any additional losses are charged to retained earnings, the reserves and to share premium. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

3. Fair value estimation

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

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable inputs)	Relationship of unobservable inputs to fair value
	31 March 2021	31 December 2020 (Audited)	31 March 2020				
Financial assets at fair value through profit or loss:							
Local unquoted shares	425,556	425,556	2,097,125	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
Foreign unquoted shares	169,634	169,634	188,845	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value
Local funds	2,551	2,551	2,551	Level 2	Net assets value	Net assets value	N/A
Financial assets at fair value through OCI:							
Foreign quoted shares	1,608,335	-	-	Level 1	Last bid prices		N/A
Foreign unquoted shares	1,352,397	1,050,000	1,312,500	Level 3	Market comparatives and Net assets value	Illiquidity discount	The higher the discount rate the lower the value

Fair values of the Group's other financial assets and financial liabilities are approximately equal to their carrying value.

4. Cash and cash equivalents

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Cash at banks and portfolios	3,087,771	4,538,273	1,465,248
Cash on hand	1,750	2,102	1,150
	3,089,521	4,540,375	1,466,398

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

5. Investment in Murabaha receivables

Investment in Murabaha receivables are the deposited amounts at a local financial institution according to Murabaha contracts. The average yield on those contracts is 0.9% per annum (1.197% per annum – 2020). Expected credit losses amounted to KD 17,679 as at 31 March 2021 (KD 17,679 as at 31 December 2020 and 31 March 2020).

6. Finance receivables

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Finance receivables	24,174,614	25,209,762	35,833,190
Less: deferred revenues	(3,058,222)	(3,194,128)	(5,009,614)
Less: provision for credit losses	(3,328,477)	(3,658,776)	(4,652,068)
Finance receivables – net	17,787,915	18,356,858	26,171,508

6.1 As at 31 March 2021, the expected credit losses for credit facilities, which were calculated in accordance with the requirements IFRS 9 in accordance with the Central Bank of Kuwait guidelines.

6.2 The movement in the provisions for expected credit losses effected during the current period is as follows:

	31 March 2021	31 March 2020
Balance at 1 January	3,658,776	3,314,970
Credit losses (reversed) / provided during the period	(330,299)	1,337,098
Balance at 31 March	3,328,477	4,652,068

6.3 The Group holds collateral amounting to KD 4,329,539 as at 31 March 2021 (KD 5,361,193 - 31 December 2020; KD 10,066,775 – 31 March 2020) as collateral over its finance receivables. Management believes that there is no further credit provision required in excess of the provision for credit losses.

6.4 During the current period the Group recovered an amount of KD 108,699 as at 31 March 2021 (KD 144,806 – 31 March 2020) from the written off finance receivables and reversed the same in the interim condensed consolidated statement of income in provision for credit loss.

7. Other receivables and prepayments

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Staff advances	495,680	532,139	837,204
Financial assets with call option	360,000	360,000	360,000
Due from related parties	196,346	92,583	111,211
Others (Net)	339,628	314,659	294,140
	1,391,654	1,299,381	1,602,555

- Staff receivable include an amount of KD 490,810 which represent a Qard Hassan granted to the employees against the guarantee of the end of service indemnity. This amount is due within 2021.

- The Group signed during 2019 an agreement of purchase and lease back a real-estate, with call option to repurchase the real-estate within the period of three years. The Group account for the financial asset applying IFRS 9 requirements. The fair value of the real-estate amounted to KD 400,000 as at 31 December 2020.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8. Investments in financial securities

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Financial assets at fair value through profit or loss ("FVTPL")			
Investments in unquoted local shares	425,256	425,256	2,097,125
Investments in unquoted foreign shares	169,934	169,934	188,845
Investments in unquoted local funds	2,551	2,551	2,551
	597,741	597,741	2,288,521
Financial assets at fair value through other comprehensive income			
Quoted foreign shares	1,608,335	-	-
Unquoted foreign shares	1,352,347	1,050,000	1,312,500
	2,960,682	1,050,000	1,312,500
Financial assets at amortized cost			
Local debt sukuk	757,349	-	-
Foreign debt sukuk	308,248	-	-
	1,065,597	-	-
	4,624,020	1,647,741	3,601,021

Fair value of investments has been determined in the manner described in Note 3.2.

9. Islamic finance payables

Islamic Murabaha and Wakala payables are obtained from local and foreign banks and are dominated in KD and USD. The average cost on Murabaha payables and Islamic Wakala is 5.75% (6.43% - 31 December 2020; 6.19% - 31 March 2020).

Islamic Murabaha and Wakala payables are guaranteed against the following:

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Investment in Murabaha receivables	4,347,321	4,347,321	4,347,321
Assigning receivables – net	1,975,649	2,285,221	3,937,207
Investment properties	966,535	851,835	3,166,732
Investment in financial securities	2,371,476	-	-

10. Accounts payable and other credit balances

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Trade payables	293,626	521,723	150,985
Dividends payable	147,908	174,373	180,803
Lease liability	5,137	5,137	131,050
Accrued salaries and other staff accruals	150,022	125,420	228,399
KFAS	21,270	21,270	21,270
NLST	14,234	-	25,475
Zakat	8,486	2,793	31,432
Others	116,997	74,164	86,544
	757,680	924,880	855,958

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

11. Net gains / (losses) from investments

	Three months ended 31 March	
	2021	2020
Income on financial assets at amortized cost	4,751	-
Dividends income	-	80,240
Change in fair value	-	(246,948)
	4,751	(166,708)

12. Basic and diluted earnings / (loss) per share (fils)

Basic and diluted earnings per share are calculated based on the profit / (loss) for the period divided by the weighted average number of shares outstanding during the period, as follows:

	Three months ended 31 March	
	2021	2020
Net profit / (loss) for the period	545,334	(1,064,445)
Weighted average number of the Parent Company's outstanding shares	308,747,591	308,747,591
Basic and diluted earnings / (loss) per share (fils)	1.77	(3.45)

13. Related parties' transactions and balances

Related parties consist of major shareholders, directors and executive officers of the Group, their families and companies of which they are the principal owners. All related parties' transactions approximate arm's length terms and are approved by the Group's management.

The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Balances:			
a) Finance receivable	9,200	-	-
b) Due from related parties	196,346	96,043	102,512
c) Key management's benefits payable	220,211	205,208	598,695
d) Advance to staff	57,730	57,730	180,120
e) Board of Directors committees' remunerations	31,000	31,000	55,000

	31 March 2021	31 December 2020 (Audited)	31 March 2020
Transactions:			
a) Compensation of key management personnel			
Salaries and other short-term benefits	49,056	192,259	168,784

The Group has entered into an agreement with a related party to collect the outstanding instalments from some of the finance receivables on behalf of the Group.

The cash collected through from that party on behalf of the Group during the period amounted to KD 911,848 (KD 1,292,746 – 31 March 2020). The fees paid to that party amounted to KD 4,000 (KD 4,000 – 31 March 2020).

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

14. Segmental information

Operating segments are to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The operating segments are divided into two major business segments. Business segments are distinguishable components of the Group that provide products or services subject to risks and returns different from those of other business segments.

31 March 2021

	Finance	Investment	Unallocated items	Total
Segment revenues	554,927	53,538	-	608,465
Segment expenses	367,429	-	(410,633)	(43,204)
Segment results	922,356	53,538	(410,633)	565,261
Segment assets	25,224,757	8,550,899	1,483,369	35,259,025
Segment liabilities	2,597,131	1,209,600	1,322,625	5,129,356

31 March 2020

	Finance	Investment	Unallocated items	Total
Segment revenues	766,362	(104,531)	(14,127)	647,704
Segment expenses	(1,309,180)	-	(402,969)	(1,712,149)
Segment results	(542,818)	(104,531)	(417,096)	(1,064,445)
Segment assets	31,985,227	7,708,238	1,761,240	41,454,705
Segment liabilities	7,171,381	-	1,918,910	9,090,291

15. General Assembly

On 22 February 2021, the Board of Directors proposed:

- Not to distribute dividends to the shareholders of the Parent Company for the year ended 31 December 2020.
- Board of Directors' remunerations amounting to Nil for year 2020 (Nil for year 2019).
- Board of Directors Committees' remunerations of KD 31,000 for year 2020 (KD 55,000 for year 2019).
- Amortization of accumulated losses amounting to KD 3,600,920 as of 31 December 2020 as follows:
 - An amount of KD 2,684,486 using voluntary reserve, legal reserve and share premium of KD 371,744, KD 2,000,722 and KD 312,020 respectively.
 - An amount of KD 916,434 by reducing share capital with the same amount, through cancelling 9,164,340 shares, while authorizing the Board of Directors to dispose the fractional shares resulting from reduction.
- Reducing the issued and paid-up share capital of the Parent Company by an amount of KD 1,958,325 equivalent to approximately 6.3% of the Parent Company's share capital through cancelling 19,583,250 shares and payment of the nominal value in cash to the company's shareholders on a pro rata basis, and authorizing the Board of Directors to dispose the fractional shares resulting from the reduction.
- Therefore, the share capital will be amounting KD 28,000,000 after the aforementioned reductions, comprised of 280,000,001 shares with 100 fils per share, and all the shares are in cash.

These proposals are subject to the approval of the shareholders of the Parent Company in the ordinary and extraordinary general assembly.

On 21 April 2021, the Ordinary General Assembly approved the consolidated financial statements for the year ended 31 December 2020 and approved the followings:

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2021 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

- Not to distribute dividends to the shareholders of the parent company for the year ended 31 December 2020.
- Board of Directors remuneration Nil for the year ended 31 December 2020.
- Amortization of accumulated loss amounted to KD 2,684,486 using voluntary reserve, legal reserve and share premium of KD 371,744, KD 2,000,722 and KD 312,020 respectively.

16. 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 31 March 2021:

Expected credit loss model

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 March 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 Group has sufficient resources 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.

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