

RELATED PARTY TRANSACTIONS REPORT – FY 2023

Related parties represent major shareholders, directors and key management personnel of the Group, and entities which they control or over which they exert significant influence.

Transactions and balances with related parties are as follows:

2023	<i>Major shareholders KD 000's</i>	<i>Other related parties KD 000's</i>	<i>Total KD 000's</i>
<i>Consolidated statement of income</i>			
Revenues	-	14,012	14,012
Cost of revenues	-	(50,557)	(50,557)
General and administrative expenses	-	(603)	(603)
Share of results of associates and joint ventures	(3,407)	9,594	6,187
Interest income	-	84	84
Finance Costs	-	(168)	(168)
<i>Consolidated statement of financial position</i>			
Investment in associates and joint ventures (Note 10)	17,983	126,983	144,966
Financial assets at fair value through profit or loss (Note 11)	-	112,783	112,783
Financial assets at fair value through other comprehensive income	-	10,798	10,798
Trade Receivables	-	10,991	10,991
Amounts due from related parties	39	1,325	1,364
Loans to related parties	-	226,042	226,042
Loan to an associate (Note 11)	-	35,711	35,711
Amounts due to related parties (Note 20 and 21)	452	33,364	33,816

Loans to related parties include KD 215,232 thousand (2022: KD 181,485 thousand) provided to a joint venture and represents amounts advanced by a subsidiary of the Group towards the construction and development of a Commercial Mall in UAE (“Project”). This amount bears compounded annual interest rates and can be converted to equity in the project on completion of construction subject to the project achieving certain operational targets and upon the discretion of the Group. The subsidiary has suspended recognition of interest income since the year ended 31 December 2020. Amount of interest attributable to the year ended 31 December 2023 amounts to KD 24,043 thousand (31 December 2022: KD 14,341 thousand). The suspension of interest is temporary and the subsidiary retains the right to reinstate it in the future. The subsidiary has also recognized allowance for expected credit loss on the loan amounting to KD 3,067 thousand (2022: Nil).

Compensation of key management personnel

The remuneration of board of directors and other members of key management (executives) during the year were as follows:

	2023 KD 000's
Short-term benefits (Key management)	3,021
Accrual for committee services to board of directors	350
Accrual for remuneration to board of directors	350
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	3,721 <hr/> <hr/>

Short term benefits include discretionary bonus amounting to KD 2,247 thousand (2022: KD 2,146 thousand) awarded to key management personnel.