

**THE SECURITIES HOUSE K.S.C.P. AND SUBSIDIARIES  
INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION  
(UNAUDITED)**

**AND INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2023**

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**The Securities House K.S.C.P.**

**Kuwait**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

## **Report on Review of Interim Condensed Consolidated Financial Information**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C.P (the Parent Company) and its subsidiaries (together called "the Group") as at 31 March 2023 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Accounting Standard 34 – Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

### **Report on Other Legal and Regulatory Requirements**

Based on our review, the accompanying interim condensed consolidated financial information is in agreement with the books of account 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 or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated 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. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.



**Talal Y. Al-Muzaini**

**License No. 209A**

**Deloitte & Touche -Al-Wazzan & Co.**

9 May 2023

Kuwait

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

		Kuwaiti Dinars	
		Three months ended	
		31 March	
	Notes	2023	2022
<b>INCOME</b>			
<b>From management, advisory and investment activities</b>			
Management fee income		577,207	509,923
Advisory fee income		41,903	255,166
Dividend income		38,338	47,919
Realised gain on sale of investments at fair value through profit or loss		20,905	736,978
Unrealised (loss)/gain on investments at fair value through profit or loss		(11,252)	226,594
Income from management, advisory and investment activities		<u>667,101</u>	<u>1,776,580</u>
<b>From commercial food activities</b>			
Sales of goods		418,711	467,191
Operating costs		(491,665)	(531,875)
Operating loss from commercial food activities		<u>(72,954)</u>	<u>(64,684)</u>
Other income		270,539	10,929
<b>Total income</b>		<u>864,686</u>	<u>1,722,825</u>
<b>EXPENSES</b>			
Staff costs		901,822	542,863
General and administration expenses		212,916	146,365
Depreciation		46,370	23,185
<b>Total expenses</b>		<u>1,161,108</u>	<u>712,413</u>
<b>(Loss)/Profit before share of results, amortisation, Murabaha profit and taxation</b>		<u>(296,422)</u>	1,010,412
Share in results of associates	6	100,287	85,071
Share in results of a joint venture	7	115,829	(43,691)
Amortisation of intangibles		(100,000)	(50,000)
Profit charged on Murabaha payable		(62,925)	-
Profit charged on lease liabilities		(17,210)	(15,045)
<b>(Loss) / Profit before tax for the period</b>		<u>(260,441)</u>	<u>986,747</u>
Contribution to KFAS		(9,987)	(9,397)
National labor support tax		(26,145)	(24,120)
Zakat		(10,693)	(10,705)
(Loss)/profit for the period from continuing operations		<u>(307,266)</u>	942,525
Profit for the period from discontinued operations	3	1,408,584	66,834
<b>Profit for the period</b>		<u>1,101,318</u>	<u>1,009,359</u>
<b>Attributable to:</b>			
Equity holders of the Parent Company		1,138,151	1,026,327
Non-controlling interests		(36,833)	(16,968)
		<u>1,101,318</u>	<u>1,009,359</u>
<b>Basic and diluted earnings per share</b>			
<b>attributable to equity holders of the Parent Company</b>	4	<u>2.8 Fils</u>	2.3 Fils
<b>Basic and diluted (loss) / earnings per share attributable to the equity holders of the Parent Company from continuing operations</b>	4	<u>(0.7) Fils</u>	2.2 Fils

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

The Securities House K.S.C.P. and Subsidiaries  
Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)  
For the three months period ended 31 March 2023

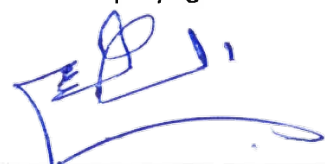
	Kuwaiti Dinars	
	Three months ended 31 March	
Note	<b>2023</b>	<b>2022</b>
<b>Profit for the period</b>	<b>1,101,318</b>	1,009,359
<b>Other comprehensive income / (loss):</b>		
<i>Items to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Foreign currency translation adjustment	<b>522,318</b>	(412,904)
<i>Items that will not be reclassified to interim condensed consolidated statement of income:</i>		
Share in other comprehensive loss of associates	6 <b>(90,276)</b>	(80,366)
<b>Other comprehensive income / (loss) for the period</b>	<b>432,042</b>	(493,270)
<b>Total comprehensive income for the period</b>	<b>1,533,360</b>	516,089
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>1,570,193</b>	533,057
Non-controlling interests	<b>(36,833)</b>	(16,968)
	<b>1,533,360</b>	516,089

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

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

	Notes	Kuwaiti Dinars		
		31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
<b>ASSETS</b>				
Cash and cash equivalents	5	9,961,274	5,338,767	8,429,546
Accounts receivable and prepayments		3,863,925	4,713,484	1,125,924
Investments at fair value through profit or loss		6,122,083	5,782,418	5,925,481
Investments at fair value through other comprehensive income		200,000	200,000	2,131,982
Investment in associates	6	24,360,281	23,833,641	25,202,983
Investment in a joint venture	7	1,007,990	892,161	1,205,367
Right of use assets		1,061,021	1,011,359	1,859,823
Furniture and equipment		456,914	372,012	528,589
Intangible assets	8	3,900,000	4,000,000	3,350,000
Goodwill	8	1,000,000	1,000,000	2,400,000
Assets held for sale / associated with discontinued operations		-	2,963,177	-
<b>TOTAL ASSETS</b>		<b>51,933,488</b>	<b>50,107,019</b>	<b>52,159,695</b>
<b>LIABILITIES</b>				
Accounts payable and accruals		3,611,206	3,316,024	3,373,320
Murabaha payable	9	5,000,000	3,500,000	-
Lease liabilities		1,110,914	1,059,709	1,927,098
Employees' end of service benefits		1,631,732	1,513,249	1,175,153
Liabilities held for sale / associated with discontinued operations		-	1,671,761	-
<b>TOTAL LIABILITIES</b>		<b>11,353,852</b>	<b>11,060,743</b>	<b>6,475,571</b>
<b>EQUITY</b>				
Share capital	10	42,500,000	42,500,000	45,000,000
Statutory reserve		648,034	648,034	402,772
Foreign currency translation reserve		(4,758,910)	(5,281,228)	(3,054,691)
Cumulative changes in equity of associates		(2,642,737)	(2,552,461)	(666,507)
Treasury shares		(1,023,583)	(1,023,583)	-
Retained earnings		6,083,858	4,945,707	4,038,912
<b>Equity attributable to equity holders of the Parent Company</b>		<b>40,806,662</b>	<b>39,236,469</b>	<b>45,720,486</b>
Non-controlling interests		(227,026)	(190,193)	(36,362)
<b>TOTAL EQUITY</b>		<b>40,579,636</b>	<b>39,046,276</b>	<b>45,684,124</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>51,933,488</b>	<b>50,107,019</b>	<b>52,159,695</b>

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



Ibrahim Yousef Al Ghanim  
Chairman



Fahed Faisal Boodai  
Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)  
For the three months period ended 31 March 2023

	Notes	Kuwaiti Dinars	
		Three months ended 31 March	
		2023	2022
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,101,318	1,009,359
Adjustments for:			
Dividend income		(38,338)	(47,919)
Realised gain on sale of investments at fair value through profit or loss		(20,905)	(736,978)
Unrealised loss / (gain) on investments at fair value through profit or loss		11,252	(226,594)
Gain on disposal of discontinued operations	3	(1,408,584)	-
Share in results of associates	6	(100,287)	(85,071)
Share in results of a joint venture	7	(115,829)	43,691
Amortization of intangibles		100,000	50,000
Depreciation		119,955	88,942
Profit charged on Murabaha payable and lease liabilities		80,135	15,045
Provision for employees' end of service benefits		124,331	86,988
		(146,952)	197,463
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		846,431	(173,345)
Investments at fair value through profit or loss		(330,012)	988,667
Accounts payable and accruals		298,310	59,633
		667,777	1,072,418
Employees' end of service benefits paid		(5,848)	(21,391)
Net cash from discontinued operations		-	1,622
Net cash flows from operating activities		661,929	1,052,649
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of discontinued operations, net of cash disposed of	3	2,281,732	-
Dividend income		38,338	47,919
Purchase of furniture and equipment		(100,323)	(26,913)
Net cash used in discontinued operations		-	(11,250)
Net cash flows from investing activities		2,219,747	9,756
<b>FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(102,991)	(71,958)
Profit on lease liabilities paid		(17,210)	(15,045)
Receipt of Murabaha payable		1,500,000	-
Profit paid on Murabaha payable		(62,925)	-
Net cash used in discontinued operations		-	(69,300)
Net cash flows from / (used in) financing activities		1,316,874	(156,303)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Net foreign exchange difference		5,689	(456)
Cash and cash equivalents at 1 January-continuing operations		5,338,767	7,182,398
Cash and cash equivalents at 1 January- discontinued operations		418,268	341,502
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	5	<b>9,961,274</b>	<b>8,429,546</b>

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

The Securities House K.S.C.P. and Subsidiaries  
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)  
For the three months period ended 31 March 2023

	Kuwaiti Dinars							Non- controlling interests	Total equity
	Attributable to equity holders of the Parent Company								
	Share capital	Statutory reserve	Foreign currency translation reserve	Cumulative changes in equity of associates	Treasury shares	Retained earnings	Sub total		
Balance as at 1 January 2023	42,500,000	648,034	(5,281,228)	(2,552,461)	(1,023,583)	4,945,707	39,236,469	(190,193)	39,046,276
Profit/(loss) for the period	-	-	-	-	-	1,138,151	1,138,151	(36,833)	1,101,318
Other comprehensive income/(loss)	-	-	522,318	(90,276)	-	-	432,042	-	432,042
Total comprehensive income/(loss) for the period	-	-	522,318	(90,276)	-	1,138,151	1,570,193	(36,833)	1,533,360
As at 31 March 2023	42,500,000	648,034	(4,758,910)	(2,642,737)	(1,023,583)	6,083,858	40,806,662	(227,026)	40,579,636
Balance as at 1 January 2022	45,000,000	402,772	(2,641,787)	(586,141)	-	3,012,585	45,187,429	(354,894)	44,832,535
Profit/(loss) for the period	-	-	-	-	-	1,026,327	1,026,327	(16,968)	1,009,359
Other comprehensive loss	-	-	(412,904)	(80,366)	-	-	(493,270)	-	(493,270)
Total comprehensive (loss) / income for the period	-	-	(412,904)	(80,366)	-	1,026,327	533,057	(16,968)	516,089
As at 31 March 2022	45,000,000	402,772	(3,054,691)	(666,507)	-	4,038,912	45,720,486	(371,862)	45,348,624

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



**1. Corporate information and activities**

The Parent Company is a Kuwaiti public shareholding company incorporated in Kuwait on 28 March 1982 and is regulated by the Capital Market Authorities as a licensed person to engage in the securities activities of portfolio management on behalf of third parties, providing financial advisory and research services, establishing and managing funds and collective investment schemes on behalf of third parties, and placement agency. The Parent Company is also engaged in dealing in securities on its behalf and investment in real estate and other economic sectors. The Parent Company performs its activities in accordance with Shariah principles.

The Parent Company's principal place of business and registered address is 18<sup>th</sup> floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P. O. Box 26972 Safat, 13130, Kuwait.

The interim condensed consolidated financial information for the three months ended 31 March 2023 was issued prior to the holding of the Annual General Assembly meeting, which has not yet taken place to approve the issued consolidated financial statements for the year ended 31 December 2022, Accordingly, the opening balances for the period are subject to shareholders approval in the next Annual General Assembly meeting.

The interim condensed consolidated financial information of The Securities House K.S.C.P. (the "Parent Company") and subsidiaries (collectively the "Group") for the three months ended 31 March 2023 were authorised for issue by the Board of Directors on 9 May 2023.

**2. Basis of preparation**

The interim condensed consolidated financial information for the three months ended 31 March 2023 has been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting, except as noted below.

The annual consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRSs") 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 include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional currency of the Parent Company.

**Changes in accounting policy and disclosures**

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 2022, 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 2023 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 (Unaudited) – 31 March 2023

3. Discontinued operations

In November 2022, the Parent Company's board of directors approved the sale of its entire 99.0% interest in its subsidiary, Manarat Educational Services Company W.L.L. ("Manarat") to a locally licensed collective investment scheme for a consideration amounting to KD 2,700,000. Accordingly, the investment in Manarat has been reclassified as held for sale asset as of 31 December 2022. The sale was completed in March 2023.

The results of the Manarat classified as a held for sale subsidiary are as presented below:

	Kuwaiti Dinars	
	Three months ended 31 March	
	2023	2022
Revenues	-	374,895
Operating costs	-	(293,866)
Profit on lease liabilities	-	(14,195)
Profit from operations	-	66,834
Gain on sale (see below)	<b>1,408,584</b>	-
Profit for the period from discontinued operations	<b>1,408,584</b>	66,834
<b>Attributable to:</b>		
Equity holders of the Parent Company (Note 4)	<b>1,408,584</b>	53,467
Non-controlling interests	-	13,367
Profit for the year from discontinued operations	<b>1,408,584</b>	66,834
Basic and diluted earnings per share from discontinued operations attributable to the equity holders of the Parent Company	<b>3.4 Fils</b>	0.1 Fils

As of the date of sale, the net assets of Manarat were as follows:

	Kuwaiti Dinars
	31 March 2023
<b>Assets</b>	
Bank balances and cash	418,268
Accounts receivable and prepayments	121,984
Right of use assets	1,085,559
Furniture and equipment	262,366
Goodwill	1,075,000
<b>Total assets</b>	<b>2,963,177</b>
<b>Liabilities</b>	
Accounts payable and accruals	418,477
Lease liabilities	1,128,888
Employees' end of service benefits	124,396
<b>Total liabilities</b>	<b>1,671,761</b>
Non-controlling interests	-
<b>Net assets classified as held for sale</b>	<b>1,291,416</b>
Total consideration	2,700,000
<b>Gain on sale (see above)</b>	<b>1,408,584</b>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2023

Net cash flow from the transaction:

	Kuwaiti Dinars
	<b>31 March 2023</b>
Total consideration	<b>2,700,000</b>
Less: bank balances and cash as of the sale date	<b>(418,268)</b>
<b>Net cash consideration received on sale</b>	<b>2,281,732</b>

**4. Basic and diluted earnings (loss) per share attributable to equity holders of the Parent Company**

Basic and diluted earnings (loss) per share is computed by dividing profit (loss) attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	Kuwaiti Dinars	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
Profit for the period attributable to equity holders of the Parent Company	<b>1,138,151</b>	1,026,327
	Shares	
Weighted average number of shares outstanding for the period	<b>410,000,000</b>	450,000,000
Basic and diluted earnings per share attributable to the equity holders of the parent company	<b>2.8 Fils</b>	2.3 Fils

**Basic and diluted (loss) earnings per share from continuing operations:**

	Kuwaiti Dinars	
	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2023</b>	<b>2022</b>
Profit for the period attributable to equity holders of the Parent Company	<b>1,138,151</b>	1,026,327
Less:		
Profit for the period attributable to equity holders of the Parent Company from discontinued operations (Note 3)	<b>(1,408,584)</b>	(53,467)
(Loss) / profit for the period attributable to equity holders of the Parent Company from continuing operations	<b>(270,433)</b>	972,860
	Shares	
Weighted average number of shares outstanding for the period	<b>410,000,000</b>	450,000,000
<b>Basic and diluted (loss) / earnings per share attributable to the equity holders of the Parent Company from continuing operations</b>	<b>(0.7) Fils</b>	2.2 Fils

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2023

5. Cash and cash equivalents

Cash and cash equivalents as shown in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Bank balances and cash	8,591,284	5,338,767	3,929,537
Balances with custodians	119,990	-	9
Short-term murabaha investments with original maturities up to three months	1,250,000	-	4,500,000
	<b>9,961,274</b>	<b>5,338,767</b>	<b>8,429,546</b>

6. Investment in associates

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
At the beginning of the period/year	23,833,641	25,610,726	25,610,726
Acquisitions (a)	-	2,650,170	-
Share in results (b)	100,287	866,206	85,071
Share in other comprehensive loss	(90,276)	(137,217)	(80,366)
Share in acquisition reserve of an associate (c)	-	(1,829,103)	-
Foreign currency translation adjustment	516,629	(2,545,736)	(412,448)
Dividend received / capital reduction (d)	-	(781,405)	-
At the end of the period/year	<b>24,360,281</b>	<b>23,833,641</b>	<b>25,202,983</b>

The balance above represents the Group's share of its investments in Gatehouse Financial Group Limited, Wareef Al Jubail Project Company, Saudi Projects Holding Group, and in Madrono Capital, LLC.

- During the previous year, and as a result of the acquisition of Gatehouse Capital for Economic and Financial Consultancy K.S.C.C. (Note 8), the Group owned an additional 2.0% interest in Gatehouse to become 30.6% of its issued share capital at an amount of KD 1,080,000 (equivalent to £3,123,798), representing 312,379,844 shares at a value of 1.0 pence per share. In addition, the Group increased its investment in Gatehouse further by 1.1% to become 31.7% of its issued share capital through the partial conversion of the Group's investment in Gatehouse's issued convertible Murabaha facility into shares in its capital at a value of KD 1,570,170 (equivalent to £4,200,000), representing 560,000,000 shares at the net asset value of 0.75 pence per share according to the terms of the Murabaha facility.
- The Group's share in results for all the associates for the three-month period ended 31 March 2023 is based on its management accounts.
- Share in acquisition reserve of an associate represents the Group's share in a reserve of Gatehouse during the previous year as a result of exercising a put option given previously to the non-controlling interests to acquire their entire interests in a subsidiary.
- During the previous year, the Group received an amount of KD 593,503 representing its share in the cash capital reduction of Saudi Projects Holding Group.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2023

7. Investment in a joint venture

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
At the beginning of the period/year	892,161	1,249,058	1,249,058
Share of results	115,829	(356,897)	(43,691)
At the end of the period/year	1,007,990	892,161	1,205,367

The balance above represents a joint venture partnership between the Group and a partner on a 50% ownership basis each in First Kuwaiti for Education Holding Company WLL (the "Joint Venture"). The Group's share in results of the Joint Venture for the three-month period ended 31 March 2023 is based on its management accounts.

8. Intangible assets and goodwill

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Intangible assets - asset management agreements:			
Existing agreements	3,150,000	3,200,000	3,350,000
On acquisition of Gatehouse Capital*	750,000	800,000	-
	3,900,000	4,000,000	3,350,000
Goodwill			
Juzur Canary Restaurant Company W.L.L	1,000,000	1,000,000	1,500,000
Manarat Educational Services Company W.L. L	-	-	900,000
Total	1,000,000	1,000,000	2,400,000

\*Acquisition of Gatehouse Capital for Economic and Financial Consultancy K.S.C.C. ("Gatehouse Capital")

During the previous year, the Parent Company acquired 99.9% of the issued share capital of Gatehouse Capital from its associate, Gatehouse Financial Group Limited, for a total consideration of KD 8,000,000 comprising of cash consideration of KD 7,000,000 and an in-kind consideration representing an investment at fair value through other comprehensive income valued at KD 1,000,000.

9. MURABAHA PAYABLE

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Current	250,000	-	-
Non-current	4,750,000	3,500,000	-
	5,000,000	3,500,000	-

Murabaha payable represents the value of assets purchased on a deferred settlement basis.

The facility is unsecured and carries a profit rate of 5.5% (31 December 2022: 5.0%) per annum.

10. Share capital

The authorised, issued and fully paid-up share capital of the Parent Company is KD 42,500,000 as of 31 March 2023 (31 December 2022: KD 42,500,000; 31 March 2022: KD 45,000,000) comprising of 425,000,000 shares (31 December 2022: 425,000,000; 31 March 2022: 450,000,000) of 100 fils each.

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The Extraordinary General meeting of the Parent Company's shareholders held on 31 May 2022 resolved to reduce the authorized, issued and paid-up share capital in cash by 25,000,000 shares of 100 fils per share amounting to KD 2,500,000.

On 30 March 2023, The Board of directors of the Parent Company resolved and proposed to the Parent Company's shareholders to reduce the authorized, issued, and paid-up share capital in cash by 10,000,000 shares of 100 fils per share amounting to KD 1,000,000. This proposal is subject to the approval of the Capital Markets Authority and the general assembly of the shareholders of the Parent Company.

**11. Related party transactions**

Related parties represent major shareholders, directors and executive officers of the Parent Company, close members of their families and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Related party transactions consist of the following:

	Kuwaiti Dinars	
	Three months ended 31 March	
	2023	2022
<b>Key management compensation:</b>		
Salaries and other short-term benefits	71,490	96,945
Employees' end of services	8,109	5,876
	<b>79,599</b>	<b>102,821</b>

**12. Segmental analysis**

For management purposes the Group is organised into four major business segments:

- Proprietary investment management : Investing of Group's funds in securities and real estate, and managing the Group's liquidity requirements.
- Asset management and advisory services : Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related investment services.
- Commercial Food activities : Include food sector activities.
- Commercial Educational activities : Include educational sector activities.

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The following table presents information regarding the Group's business segment:

	Proprietary investment management		Asset management, advisory and consulting		Food sector		Education sector		Sub-total		Discontinued Operations		Total	
	Three months ended 31 March	2022	Three months ended 31 March	2022	Three months ended 31 March	2023	2022	Three months ended 31 March	2023	2022	2023	Three months ended 31 March	2022	2023
Segment revenue	318,530	1,022,420	619,110	765,089	418,711	467,191	-	-	1,356,351	2,254,700	-	374,895	1,356,351	2,629,595
Segment results	(552,301)	497,507	328,833	586,986	(72,954)	(64,684)	-	-	(296,422)	1,019,809	-	81,029	(296,422)	1,100,838
Gain on sale of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,408,584	-	1,408,584
Share in results of associates and a joint venture	100,287	85,071	-	-	-	-	115,829	(43,691)	216,116	41,380	-	-	216,116	41,380
Amortisation of intangibles	-	-	(100,000)	(50,000)	-	-	-	-	(100,000)	(50,000)	-	-	(100,000)	(50,000)
Profit on Murabaha payable and lease liabilities	(66,923)	(5,300)	(4,654)	-	(8,558)	(9,745)	-	-	(80,135)	(15,045)	-	(14,195)	(80,135)	(29,240)
KFAS, NIST and Zakat	(40,825)	(53,619)	-	-	-	-	-	-	(46,825)	(53,619)	-	-	(46,825)	(53,619)
Profit for the year									(307,266)	942,525	1,408,584	66,834	1,101,318	1,009,359
<b>Assets:</b>														
Segment assets	8,506,047	6,335,848	535,614	620,701	1,144,347	1,086,034	-	1,140,804	10,168,008	9,183,387	-	-	10,168,008	9,183,387
Investment in associates and a joint venture	24,360,281	25,202,983	-	-	-	-	1,007,990	1,205,367	25,368,271	26,408,350	-	-	25,368,271	26,408,350
Others	12,460,472	11,821,369	3,900,000	3,350,000	18,737	167,181	-	1,229,408	16,379,209	16,567,958	-	-	16,379,209	16,567,958
	45,326,800	43,360,200	4,435,614	3,970,701	1,163,084	1,253,215	1,007,990	3,575,579	51,933,488	52,159,695	-	-	51,933,488	52,159,695
<b>Liabilities:</b>														
Account payable and accruals	3,192,550	2,735,503	98,436	-	320,220	293,907	-	343,910	3,611,206	3,373,320	-	-	3,611,206	3,373,320
Murabaha payable	5,000,000	-	-	-	-	-	-	-	5,000,000	-	-	-	5,000,000	-
Lease liabilities	579,521	358,580	-	-	531,393	615,789	-	952,729	1,110,914	1,927,098	-	-	1,110,914	1,927,098
Employees' end of service benefits	1,465,969	919,719	746	-	165,017	155,624	-	99,810	1,631,732	1,175,153	-	-	1,631,732	1,175,153
	10,238,040	4,013,802	99,182	-	1,106,630	1,065,320	-	1,396,449	11,353,852	6,475,571	-	-	11,353,852	6,475,571
<b>Other segmental information:</b>														
Capital expenditure	-	-	-	-	100,323	26,913	-	-	100,323	26,913	-	11,250	100,323	38,163
Depreciation	-	-	-	-	15,421	13,319	-	-	15,421	13,319	-	17,124	15,421	30,443

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13. Contingent Liabilities

	Kuwaiti Dinars		
	31 March 2023 (Unaudited)	31 December 2022 (Audited)	31 March 2022 (Unaudited)
Guarantee provided for murabaha payable of joint venture	10,003,500	10,124,745	10,530,000

For the murabaha payable availed by the joint venture (see Note 7), the joint venture partner and the Group, have given a joint and several guarantee to the lending by local Shariah-compliant financial institution.

14. Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in an active market for identical assets and liabilities:

Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 : inputs are unobservable inputs for the asset or liability.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 March 2023	Kuwaiti Dinars		
	Level 1	Level 3	Total
<b>Financial assets at fair value</b>			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	1,584,229	-	1,584,229
Unquoted equity securities	-	4,537,854	4,537,854
	<u>1,584,229</u>	<u>4,537,854</u>	<u>6,122,083</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	200,000	200,000
	<u>-</u>	<u>200,000</u>	<u>200,000</u>



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31 March 2022	Kuwaiti Dinars		
	Level 1	Level 3	Total
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	2,167,957	-	2,167,957
Unquoted equity securities	-	3,757,524	3,757,524
	<u>2,167,957</u>	<u>3,757,524</u>	<u>5,925,481</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	2,131,982	2,131,982
	<u>-</u>	<u>2,131,982</u>	<u>2,131,982</u>

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

The following table shows a reconciliation of the opening and closing amount of level 3 financial instruments which are recorded at fair value.

	Kuwaiti Dinars				
	As at 1 January 2023	Gain recorded in the consolidated statement of income	Gain/loss recorded in other comprehensive income	Net purchases, sales and settlements	As at 31 March 2023
Financial assets at fair value					
<i>Unquoted equity securities</i>	<b>4,487,854</b>	-	-	<b>250,000</b>	<b>4,737,854</b>

	Kuwaiti Dinars				
	As at 1 January 2022	Gain recorded in the consolidated statement of income	Gain/loss recorded in other comprehensive income	Net purchases, sales and settlements	As at 31 March 2022
Financial assets at fair value					
<i>Unquoted equity securities</i>	6,293,922	609,721	-	(1,014,137)	5,889,506

During the period ended 31 March 2023, there were no transfers between the hierarchies.