

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

**AND INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THE SIX MONTHS PERIOD ENDED  
30 JUNE 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 30 June 2023 and the related interim condensed consolidated statements of income, comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the six-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, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 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 six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.

  
Bader A. Al-Wazzan

License No. 62A

Deloitte & Touche -Al-Wazzan & Co.

10 August 2023  
Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)  
For the period ended 30 June 2023

		Kuwaiti Dinars			
		Three months ended 30 June		Six months ended 30 June	
Note		2023	2022	2023	2022
<b>INCOME</b>					
<b>From management, advisory and investment activities</b>					
	Management fee income	539,792	1,331,247	1,116,999	1,841,170
	Advisory fee income	38,024	96,367	79,927	351,533
	Dividend income	101,446	132,279	139,784	180,198
	Realised gain on sale of investments at fair value through profit or loss	36,890	218,234	57,795	955,212
	Unrealised gain/(loss) on investments at fair value through profit or loss	273,130	(287,602)	261,878	(61,008)
		<u>989,282</u>	<u>1,490,525</u>	<u>1,656,383</u>	<u>3,267,105</u>
<b>From commercial food activities</b>					
	Sales of goods	407,686	432,519	826,397	899,710
	Operating costs	(466,368)	(557,141)	(958,033)	(1,089,016)
		<u>(58,682)</u>	<u>(124,622)</u>	<u>(131,636)</u>	<u>(189,306)</u>
	Other income	82,130	20,141	352,669	31,070
	<b>Total income</b>	<u>1,012,730</u>	<u>1,386,044</u>	<u>1,877,416</u>	<u>3,108,869</u>
<b>EXPENSES</b>					
	Staff costs	535,808	470,516	1,437,630	1,013,379
	General and administration expenses	243,325	113,435	456,241	259,800
	Depreciation	46,370	23,185	92,740	46,370
	<b>Total expenses</b>	<u>825,503</u>	<u>607,136</u>	<u>1,986,611</u>	<u>1,319,549</u>
	<b>Profit/(loss) before share of results, amortisation, Murabaha profit and taxation</b>	<u>187,227</u>	<u>778,908</u>	<u>(109,195)</u>	<u>1,789,320</u>
	Share in results of associates	219,548	186,979	319,835	272,050
	Share in results of a joint venture	(76,991)	(38,295)	38,838	(81,986)
	Amortisation of intangibles	(100,000)	(50,000)	(200,000)	(100,000)
	Profit charged on Murabaha payable	(206,849)	-	(269,774)	-
	Profit charged on lease liabilities	(16,675)	(14,150)	(33,885)	(29,195)
	<b>Profit/(loss) before tax for the period</b>	<u>6,260</u>	<u>863,442</u>	<u>(254,181)</u>	<u>1,850,189</u>
	Contribution to KFAS	(586)	(7,916)	(10,573)	(17,313)
	National labor support tax	130	(23,626)	(26,015)	(47,746)
	Zakat	(108)	(8,376)	(10,801)	(19,081)
	<b>Profit/(loss) after tax for the period from continuing operations</b>	<u>5,696</u>	<u>823,524</u>	<u>(301,570)</u>	<u>1,766,049</u>
	Profit for the period from discontinued operations	-	35,097	1,408,584	101,931
	<b>Profit for the period</b>	<u>5,696</u>	<u>858,621</u>	<u>1,107,014</u>	<u>1,867,980</u>
<b>Attributable to:</b>					
	Equity holders of the Parent Company	47,830	898,874	1,185,981	1,925,201
	Non-controlling interests	(42,134)	(40,253)	(78,967)	(57,221)
		<u>5,696</u>	<u>858,621</u>	<u>1,107,014</u>	<u>1,867,980</u>
	<b>Basic and diluted earnings per share attributable to equity holders of the Parent Company</b>	<u>0.1 fils</u>	<u>2.0 fils</u>	<u>2.9 fils</u>	<u>4.3 fils</u>
	<b>Basic and diluted earnings / (loss) per share attributable to the equity holders of the Parent Company from continuing operations</b>	<u>0.1 fils</u>	<u>1.9 fils</u>	<u>(0.5) fils</u>	<u>4.1 fils</u>

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

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)  
For the period ended 30 June 2023


		Kuwaiti Dinars			
		Three months ended 30 June		Six months ended 30 June	
Note		2023	2022	2023	2022
	<b>Profit for the period</b>	<b>5,696</b>	858,621	<b>1,107,014</b>	1,867,980
	<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>760,229</b>	(1,778,162)	<b>1,282,547</b>	(2,191,066)
	<i>Items that will not be reclassified to interim condensed consolidated statement of income:</i>				
	Cumulative changes in fair value of investments through other comprehensive income	-	(172,032)	-	(172,032)
	Share in other comprehensive (loss) / income of associates	7 <b>(69,336)</b>	34,178	<b>(159,612)</b>	(46,188)
	<b>Other comprehensive income / (loss) for the period</b>	<b>690,893</b>	(1,916,016)	<b>1,122,935</b>	(2,409,286)
	<b>Total comprehensive income/ (loss) for the period</b>	<b>696,589</b>	(1,057,395)	<b>2,229,949</b>	(541,306)
	<b>Attributable to:</b>				
	Equity holders of the Parent Company	<b>738,723</b>	(1,017,142)	<b>2,308,916</b>	(484,085)
	Non-controlling interests	<b>(42,134)</b>	(40,253)	<b>(78,967)</b>	(57,221)
		<b>696,589</b>	(1,057,395)	<b>2,229,949</b>	(541,306)

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

Interim Condensed Consolidated Statement of Financial Position (Unaudited)  
As at 30 June 2023

	Notes	Kuwaiti Dinars		
		30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
<b>ASSETS</b>				
Cash and cash equivalents	5	6,752,629	5,338,767	6,759,500
Accounts receivable and prepayments	6	4,113,109	4,713,484	1,612,625
Investments at fair value through profit or loss	17	7,477,246	5,782,418	6,143,222
Investments at fair value through other comprehensive income	17	200,000	200,000	1,200,000
Investment in associates	7	25,215,674	23,833,641	23,615,492
Investment in a joint venture	8	930,999	892,161	1,167,072
Right of use assets		1,159,862	1,011,359	1,742,572
Furniture and equipment		587,702	372,012	620,709
Intangible assets	9	3,800,000	4,000,000	3,300,000
Goodwill	9	1,000,000	1,000,000	2,400,000
Assets held for sale / associated with discontinued operations	3	-	2,963,177	-
<b>TOTAL ASSETS</b>		<b>51,237,221</b>	<b>50,107,019</b>	<b>48,561,192</b>
<b>LIABILITIES</b>				
Accounts payable and accruals		3,474,649	3,316,024	3,388,430
Murabaha payable	10	5,000,000	3,500,000	-
Lease liabilities		1,187,040	1,059,709	1,816,440
Employees' end of service benefits		1,559,447	1,513,249	1,229,038
Liabilities held for sale / associated with discontinued operations	3	-	1,671,761	-
<b>TOTAL LIABILITIES</b>		<b>11,221,136</b>	<b>11,060,743</b>	<b>6,433,908</b>
<b>EQUITY</b>				
Share capital	11	41,500,000	42,500,000	42,500,000
Statutory reserve		648,034	648,034	402,772
Foreign currency translation reserve		(3,998,681)	(5,281,228)	(4,832,853)
Cumulative changes in equity of associates		(2,712,073)	(2,552,461)	(632,329)
Treasury shares	12	(1,283,338)	(1,023,583)	-
Retained earnings		6,131,303	4,945,707	4,766,309
<b>Equity attributable to equity holders of the Parent Company</b>		<b>40,285,245</b>	<b>39,236,469</b>	<b>42,203,899</b>
Non-controlling interests		(269,160)	(190,193)	(76,615)
<b>TOTAL EQUITY</b>		<b>40,016,085</b>	<b>39,046,276</b>	<b>42,127,284</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>51,237,221</b>	<b>50,107,019</b>	<b>48,561,192</b>

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

  
Abdullatif Mohammad Alshaya  
Chairman

  
Yousef Ibrahim Alghanim  
Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)  
For the period ended 30 June 2023

	Notes	Kuwaiti Dinars	
		Six months ended 30 June	
		2023	2022
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,107,014	1,867,980
Adjustments for:			
Dividend income		(139,784)	(180,198)
Realised gain on sale of investments at fair value through profit or loss		(57,795)	(955,212)
Unrealised (gain)/loss on investments at fair value through profit or loss		(261,878)	61,008
Gain on disposal of discontinued operations	3	(1,408,584)	-
Share in results of associates	7	(319,835)	(272,050)
Share in results of a joint venture	8	(38,838)	81,986
Amortization of intangibles		200,000	100,000
Depreciation		239,831	183,831
Profit charged on Murabaha payable and on lease liabilities		303,659	29,195
Provision for employees' end of service benefits		192,761	128,937
		(183,449)	1,045,477
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		651,603	(254,497)
Investments at fair value through profit or loss		(1,375,155)	701,558
Accounts payable and accruals		81,731	(121,267)
		(825,270)	1,371,271
Employees' end of service benefits paid		(146,563)	(13,050)
Net cash used in discontinued operations		-	(113,749)
Net cash flows (used in)/from operating activities		(971,833)	1,244,472
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of investments at fair value through other comprehensive income		-	759,950
Advance received from an associate		48,120	31,966
Proceeds from disposal of discontinued operations, net of cash disposed off	3	2,281,732	-
Dividend income		139,784	180,198
Purchase of furniture and equipment		(247,358)	(70,229)
Net cash used in discontinued operations		-	(95,070)
Net cash flows from investing activities		2,222,278	806,815
<b>FINANCING ACTIVITIES</b>			
Payment of capital reduction	11	(1,000,000)	(2,500,000)
Net (purchase)/sale of treasury shares		(260,140)	555
Payment of lease liabilities		(203,669)	(146,511)
Profit on lease liabilities paid		(33,885)	(29,195)
Receipt of Murabaha payable		1,500,000	-
Profit on Murabaha payable paid		(269,774)	-
Net cash used in discontinued operations		-	(138,600)
Net cash flows used in financing activities		(267,468)	(2,813,751)
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>982,977</b>	<b>(762,464)</b>
Net foreign exchange difference		12,617	(1,936)
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 30 June</b>	5	<b>6,752,629</b>	<b>6,759,500</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 period ended 30 June 2023

	Kuwaiti Dinars										Total equity
	Attributable to equity holders of the Parent Company									Non-controlling interests	
	Share capital	Statutory reserve	Fair value 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	-	-	-	-	-	-	1,185,981	1,185,981	(78,967)	1,107,014	
Other comprehensive (loss)/income	-	-	-	1,282,547	(159,612)	-	-	1,122,935	-	1,122,935	
Total comprehensive income/(loss) for the period	-	-	-	1,282,547	(159,612)	-	1,185,981	2,308,916	(78,967)	2,229,949	
Share capital reduction (Note 11)	(1,000,000)	-	-	-	-	-	-	(1,000,000)	-	(1,000,000)	
Net purchase of treasury shares	-	-	-	-	-	(259,755)	(385)	(260,140)	-	(260,140)	
As at 30 June 2023	41,500,000	648,034	-	(3,998,681)	(2,712,073)	(1,283,338)	6,131,303	40,285,245	(269,160)	40,016,085	
Balance as at 1 January 2022	45,000,000	402,772	-	(2,641,787)	(586,141)	-	3,012,585	45,187,429	(19,394)	45,168,035	
Profit/(loss) for the period	-	-	-	-	-	-	1,925,201	1,925,201	(57,221)	1,867,980	
Other comprehensive loss	-	-	(172,032)	(2,191,066)	(46,188)	-	-	(2,409,286)	-	(2,409,286)	
Total comprehensive (loss)/income for the period	-	-	(172,032)	(2,191,066)	(46,188)	-	1,925,201	(484,085)	(57,221)	(541,306)	
Share capital reduction (Note 11)	(2,500,000)	-	-	-	-	-	-	(2,500,000)	-	(2,500,000)	
Transfer of reserve	-	-	172,032	-	-	-	(172,032)	-	-	-	
Net sale of treasury shares	-	-	-	-	-	-	555	555	-	555	
As at 30 June 2022	42,500,000	402,772	-	(4,832,853)	(632,329)	-	4,766,309	42,203,899	(76,615)	42,127,284	

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.

During the period, the general assembly meeting of the Parent Company shareholders was held on 18 May 2023 and approved the consolidated financial statements for the year ended 31 December 2022.

The interim condensed consolidated financial information of The Securities House K.S.C.P. (the "Parent Company") and subsidiaries (collectively the "Group") for the Six months ended 30 June 2023 were authorised for issue by the Board of Directors on 10 August 2023.

**2. Basis of preparation**

The interim condensed consolidated financial information for the Six months ended 30 June 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 Six months ended 30 June 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) – 30 June 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	
	Six months ended 30 June	
	2023	2022
Revenues	-	699,496
Operating costs	-	(569,354)
Profit on lease liabilities	-	(28,211)
Profit from operations	-	101,931
Gain on sale (see below)	<b>1,408,584</b>	-
Profit for the period from discontinued operations	<b>1,408,584</b>	101,931
<b>Attributable to:</b>		
Equity holders of the Parent Company (Note 4)	<b>1,408,584</b>	81,545
Non-controlling interests	-	20,386
Profit for the year from discontinued operations	<b>1,408,584</b>	101,931
Basic and diluted earnings per share from discontinued operations attributable to the equity holders of the Parent Company	<b>3.4 Fils</b>	0.2 Fils

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

	Kuwaiti Dinars
	As of the date of sale
<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) – 30 June 2023

Net cash flow from the transaction:

	Kuwaiti Dinars
	As of the date of sale
Total consideration	2,700,000
Less: bank balances and cash as of the sale date	(418,268)
<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			
	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Parent Company	47,830	898,874	1,185,981	1,925,201
	<b>Shares</b>			
Weighted average number of shares outstanding for the period	409,616,260	449,719,219	409,982,565	449,858,833
Basic and diluted earnings per share attributable to the equity holders of the parent company	<b>0.1 Fils</b>	2.0 Fils	<b>2.9 Fils</b>	4.3 Fils

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

	Kuwaiti Dinars			
	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Parent Company	47,830	898,874	1,185,981	1,925,201
Less:				
Profit for the period attributable to equity holders of the Parent Company from discontinued operations (Note 3)	-	28,078	1,408,584	81,545
Profit / (Loss) for the period attributable to equity holders of the Parent Company from continuing operations	47,830	870,796	(222,603)	1,843,656
	<b>Shares</b>			
Weighted average number of shares outstanding for the period	409,616,260	449,719,219	409,982,565	449,858,833
<b>Basic and diluted earnings/(loss) per share attributable to the equity holders of the Parent Company from continuing operations</b>	<b>0.1 Fils</b>	1.9 Fils	<b>(0.5) Fils</b>	4.1 Fils

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 June 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		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Bank balances and cash	5,179,007	5,338,767	6,236,861
Balances with custodians	173,622	-	522,639
Short-term murabaha investments with original maturities up to three months	1,400,000	-	-
	<b>6,752,629</b>	<b>5,338,767</b>	<b>6,759,500</b>

Short-term murabaha investments carry an effective average profit rate of 3.75 % per annum (31 December 2022: Nil and 30 June 2022: Nil).

6. Accounts receivable and prepayments

Accounts receivable and prepayments include an amount of KD 2,456,400 (31 December 2022: KD 2,756,700 and 30 June 2022: Nil), equivalent to USD 8,000,000 (31 December 2022: USD 9,000,000 and 30 June 2022: Nil), related to a subsidiary company, which represents the balance receivable on sale of an associate by the subsidiary. The balance is receivable over annual instalments ending in 2028, out of which is an amount of KD 1,995,825, equivalent to USD 6,500,000, is receivable after more than one year from the reporting date of 30 June 2023. During the current period, the Group recognised income of KD 78,191, equivalent to USD 255,000, on this receivable (Note 13).

7. Investment in associates

	Kuwaiti Dinars		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 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)	319,835	866,206	272,050
Share in other comprehensive loss	(159,612)	(137,217)	(46,188)
Share in acquisition reserve of an associate (c)	-	(1,829,103)	
Foreign currency translation adjustment	1,269,930	(2,545,736)	(2,189,130)
Dividend and advance received / capital reduction	(48,120)	(781,405)	(31,966)
At the end of the period/year	<b>25,215,674</b>	<b>23,833,641</b>	<b>23,615,492</b>

This represents the Group's share of its investments in Gatehouse Financial Group Limited ("GFGL"), 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 9), the Group owned an additional 2.0% interest in GFGL 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 GFGL 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, other than GFGL, for the six-month period ended 30 June 2023 is based on its management accounts.

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- c) Share in acquisition reserve of an associate represents the Group's share in the GFGL reserve 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.

8. Investment in a joint venture

	Kuwaiti Dinars		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
At the beginning of the period/year	892,161	1,249,058	1,249,058
Share of results	38,838	(356,897)	(81,986)
At the end of the period/year	930,999	892,161	1,167,072

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 six-month period ended 30 June 2023 is based on its management accounts.

9. Intangible assets and goodwill

	Kuwaiti Dinars		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Intangible assets - asset management agreements:			
Existing agreements	3,100,000	3,200,000	3,300,000
On acquisition of Gatehouse Capital *	700,000	800,000	-
	3,800,000	4,000,000	3,300,000
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

\* During the previous year, the Parent Company acquired 99.9% of the issued share capital of Gatehouse Capital for Economic and Financial Consultancy K.S.C.C. for a total consideration of KD 8,000,000, which included an identifiable intangible asset of KD 954,529, attributable to the future benefits of the acquired asset management agreements, which is being amortized over their useful finite lives.

\*\* At 31 December 2022, the Group performed an impairment test on its investments in subsidiaries which resulted in KD 500,000 impairment on Juzur Canary Restaurant Company W.L.L. The management believes that there is no objective evidence on circumstances that indicates any further impairment in the value of its investments in subsidiaries.

10. Murabaha Payable

	Kuwaiti Dinars		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Current	500,000	-	-
Non-current	4,500,000	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.

**11. Share capital**

The authorised, issued and fully paid-up share capital of the Parent Company is KD 41,500,000 as of 30 June 2023 (31 December 2022: KD 42,500,000; 30 June 2022: KD 42,500,000) comprising of 415,000,000 shares (31 December 2022: 425,000,000; 30 June 2022: 425,000,000) of 100 fils each.

On 25 May 2023, the extra-ordinary general assembly of the Parent Company approved the reduction of 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. Payment of the capital reduction was made on 26 June 2023.

On 31 May 2022, the extra-ordinary general assembly of the Parent Company approved the reduction of 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. Payment of the capital reduction was made on 29 June 2022.

**12. Treasury Shares**

These shares were acquired based on an authorization granted to the Board of Directors by the shareholders and in accordance with Ministerial Decrees No. 10 of 1987 and No. 11 of 1988 and are carried at cost. Reserves equivalent to the cost of treasury shares held are not distributable.

	Kuwaiti Dinars		
	30 June 2023 Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Number of treasury shares	18,497,413	15,000,000	-
Percentage of share capital	4.5%	3.5%	-
Market value (Kuwaiti Dinars)	1,255,974	1,066,500	-
Cost (Kuwaiti Dinars)	1,283,338	1,023,583	-

**13. Other Income**

	Kuwaiti Dinars	
	Six months ended 30 June	
	2023	2022
Murabaha income (Note 6)	78,191	-
Realized gain on sale of assets	188,767	-
Miscellaneous income	85,711	31,070
	<b>352,669</b>	<b>31,070</b>

**14. 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	
	Six months ended 30 June	
	2023	2022
<b>Key management compensation:</b>		
Salaries and other short-term benefits	139,011	188,732
Employees' end of services	49,324	14,077
	<b>188,335</b>	<b>202,809</b>

**15. 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	
	Six months ended 30 June	2022	2023	2022	2023	2022	2023	2022	2023	Six months ended 30 June	2022	2023	Six months ended 30 June	2023
Segment revenue	812,126	1,105,472	1,196,926	2,192,703	826,397	899,710	-	-	2,835,449	4,197,885	699,496	2,835,449	4,897,381	
Segment results	(677,832)	115,810	700,273	1,862,816	(131,636)	(189,306)	-	-	(109,195)	1,789,320	130,142	(109,195)	1,919,462	
Gain on sale of a subsidiary	-	-	-	-	-	-	-	-	-	-	1,408,584	1,408,584	-	
Share in results of associates and a Joint venture	319,835	272,050	-	-	-	-	38,838	(81,986)	358,673	190,064	-	358,673	190,064	
Amortisation of intangibles	-	-	(200,000)	(100,000)	-	-	-	-	(200,000)	(100,000)	-	(200,000)	(100,000)	
Profit on Murabaha payable and lease liabilities	(277,432)	(10,282)	(8,979)	-	(17,248)	(18,913)	-	-	(303,659)	(29,195)	(28,211)	(303,659)	(57,406)	
KFAS, NLIST and Zakat	(47,389)	(84,140)	-	-	-	-	-	-	(47,389)	(84,140)	-	(47,389)	(84,140)	
Profit for the year	9,790,644	6,011,552	547,511	687,227	1,452,200	1,076,228	-	1,180,840	11,790,355	8,955,847	-	11,790,355	8,955,847	
Investment in associates and a Joint venture	25,215,674	23,615,492	-	-	-	-	930,999	1,167,072	26,146,673	24,782,564	-	26,146,673	24,782,564	
Others	9,484,393	10,452,182	3,800,000	3,300,000	15,800	74,585	-	996,014	13,300,193	14,822,781	-	13,300,193	14,822,781	
	44,490,711	40,079,226	4,347,511	3,987,227	1,468,000	1,150,813	930,999	3,343,926	51,237,221	48,561,192	-	51,237,221	48,561,192	
<b>Liabilities:</b>														
Account payable and accruals	2,862,790	2,982,342	207,441	-	404,418	238,944	-	167,144	3,474,649	3,388,430	-	3,474,649	3,388,430	
Murabaha payable	5,000,000	-	-	-	-	-	-	-	5,000,000	-	-	5,000,000	-	
Lease liabilities	534,496	337,057	-	-	652,544	581,938	-	897,445	1,187,040	1,816,440	-	1,187,040	1,816,440	
Employees' end of service benefits	1,411,081	949,807	1,410	-	146,956	175,826	-	103,405	1,559,447	1,229,038	-	1,559,447	1,229,038	
	9,808,367	4,269,206	208,851	-	1,203,918	996,708	-	1,167,994	11,221,136	6,433,908	-	11,221,136	6,433,908	
<b>Other segmental information:</b>														
Capital expenditure	-	-	-	-	247,358	70,229	-	95,070	247,358	165,299	-	247,358	165,299	



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16. Contingent Liabilities

	Kuwaiti Dinars		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Guarantee provided for murabaha payable of joint venture	9,806,353	10,124,745	10,398,375

For the murabaha payable availed by the joint venture (see Note 8), the joint venture partner and the Group, have given a joint and several guarantee to the lending by local Shariah-compliant financial institution.

17. 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:

30 June 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	2,999,628	-	2,999,628
Unquoted equity securities	-	4,477,618	4,477,618
	<b>2,999,628</b>	<b>4,477,618</b>	<b>7,477,246</b>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	200,000	200,000
	-	200,000	200,000

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30 June 2022	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	2,021,516	-	2,021,516
Unquoted equity securities	-	4,121,706	4,121,706
	<u>2,021,516</u>	<u>4,121,706</u>	<u>6,143,222</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	1,200,000	1,200,000
	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>

Measurement at fair value

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 30 June 2023
Financial assets at fair value					
<i>Unquoted equity securities</i>	<b>4,487,854</b>	<b>38,268</b>	-	<b>151,496</b>	<b>4,677,618</b>

	Kuwaiti Dinars				
	As at 1 January 2022	Gain recorded in the consolidated statement of income	Loss recorded in other comprehensive income	Net purchases, sales and settlements	As at 30 June 2022
Financial assets at fair value					
<i>Unquoted equity securities</i>	<b>6,293,922</b>	<b>520,405</b>	<b>(172,032)</b>	<b>(1,320,589)</b>	<b>5,321,706</b>

During the period ended 30 June 2023, there were no transfers between the hierarchies.