

**THE SECURITIES HOUSE K.S.C.P. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**(UNAUDITED)**  
**30 SEPTEMBER 2021**

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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 September 2021 and the related interim condensed consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-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 International Accounting Standard 34 – Interim Financial Reporting.

**Report on Other Legal and Regulatory Requirements**

Furthermore, 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, nothing has come to our attention that causes us to believe that there is 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 nine-month period ended 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, nothing has come to our attention that causes us to believe that there is any violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the nine-month period 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.



**Talal Y. Al-Muzaini**  
**License No. 209A**  
**Deloitte & Touche - Al-Wazzan & Co.**

Kuwait 20 October 2021

Interim Condensed Consolidated Statement of Income (Unaudited)  
For the period ended 30 September 2021

		Kuwaiti Dinars				
		Three months ended 30 September		Nine months ended 30 September		
Notes		2021	2020	2021	2020	
<b>INCOME</b>						
<b>From advisory and investment activities</b>						
	Management fee income	10	485,566	371,888	5,234,656	1,092,180
	Advisory fee income		18,742	-	142,011	63,819
	Dividend income		48,972	36,179	262,591	184,560
	Realised gain / (loss) on sale of investments at fair value through profit or loss		70,622	(8,982)	57,188	(177,614)
	Unrealised (loss) / gain on investments at fair value through profit or loss		(84,395)	50,338	59,138	42,294
	Income from advisory and investment activities		539,507	449,423	5,755,584	1,205,239
<b>From commercial activities</b>						
	Sales of goods and services		393,320	312,538	1,083,134	1,008,718
	Operating costs		(541,572)	(589,710)	(1,526,641)	(1,703,830)
	Operating loss from commercial activities		(148,252)	(277,172)	(443,507)	(695,112)
	Other income / (loss)		15,548	11,715	(19)	30,105
	<b>Total income</b>		406,803	183,966	5,312,058	540,232
<b>EXPENSES</b>						
	Staff costs		306,459	259,858	1,604,614	966,338
	General and administration expenses		(11,205)	79,380	324,566	350,103
	Depreciation		23,181	50,007	179,031	164,772
	<b>Total expenses</b>		318,435	389,245	2,108,211	1,481,213
	<b>Profit/(loss) before share of results, amortisation, finance cost and taxation</b>		88,368	(205,279)	3,203,847	(940,981)
	Share in results of associates	5	1,282	33,247	489,787	76,825
	Share in results of a joint venture	6	(36,462)	99,482	(212,739)	(124,288)
	Amortisation of intangibles		(50,000)	(50,000)	(150,000)	(188,380)
	Finance cost on lease liabilities		(5,921)	(668)	(14,686)	(3,413)
	National labor support tax		334	-	(74,652)	-
	Zakat		147	-	(32,814)	-
	<b>(Loss) / profit for the period</b>		(2,252)	(123,218)	3,208,743	(1,180,237)
<b>Attributable to:</b>						
	Equity holders of the Parent Company		38,693	(114,531)	3,319,932	(737,462)
	Non-controlling interests		(40,945)	(8,687)	(111,189)	(442,775)
			(2,252)	(123,218)	3,208,743	(1,180,237)
	<b>Basic and diluted earnings / (loss) per share attributable to equity holders of the Parent Company</b>	3	0.1 fils	(0.3) fils	7.4 fils	(1.7) 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 period ended 30 September 2021**

		Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
Note		2021	2020	2021	2020
	<b>(Loss) / profit for the period</b>	<b>(2,252)</b>	(123,218)	<b>3,208,743</b>	(1,180,237)
	<b>Other comprehensive income/ (loss):</b>				
	<i>Other comprehensive income /(loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>				
	Foreign currency translation adjustment	<b>(501,828)</b>	801,067	<b>(326,307)</b>	(210,625)
	<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	-	(140,498)	-	(573,924)
	Share in other comprehensive (loss)/income of associates	<b>(15,679)</b>	31,928	<b>31,007</b>	21,749
	<b>Other comprehensive (loss)/income for the period</b>	<b>(517,507)</b>	692,497	<b>(295,300)</b>	(762,800)
	<b>Total comprehensive (loss)/income for the period</b>	<b>(519,759)</b>	569,279	<b>2,913,443</b>	(1,943,037)
	<b>Attributable to:</b>				
	Equity holders of the Parent Company	<b>(478,814)</b>	577,966	<b>3,024,632</b>	(1,500,262)
	Non-controlling interests	<b>(40,945)</b>	(8,687)	<b>(111,189)</b>	(442,775)
		<b>(519,759)</b>	569,279	<b>2,913,443</b>	(1,943,037)

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 September 2021

	Notes	Kuwaiti Dinars		
		30 September 2021 (unaudited)	31 December 2020 (audited)	30 September 2020 (unaudited)
<b>ASSETS</b>				
Bank balances and cash	4	6,806,703	2,525,991	2,685,305
Accounts receivable and prepayments		973,809	893,784	780,661
Investments at fair value through profit or loss		6,341,249	6,835,818	6,340,711
Investments at fair value through other comprehensive income		2,579,827	2,579,827	3,373,486
Investment in associates	5	25,406,928	25,273,157	32,006,979
Investment in a joint venture	6	1,306,826	1,519,565	1,648,149
Right of use assets		998,625	505,746	702,210
Furniture and equipment		325,800	383,950	418,747
Intangible assets	7	3,450,000	3,600,000	3,650,000
Goodwill	7	2,400,000	2,400,000	2,600,000
<b>TOTAL ASSETS</b>		<b>50,589,767</b>	<b>46,517,838</b>	<b>54,206,248</b>
<b>LIABILITIES</b>				
Accounts payable and accruals		3,797,928	3,193,909	3,424,837
Lease liabilities		1,033,471	541,124	770,382
Employees' end of service benefits		1,111,967	1,049,847	1,054,781
<b>TOTAL LIABILITIES</b>		<b>5,943,366</b>	<b>4,784,880</b>	<b>5,250,000</b>
<b>EQUITY</b>				
Share capital	8	45,000,000	55,500,000	55,500,000
Statutory reserve	8	-	101,480	101,480
Fair value reserve		-	-	(1,591,267)
Foreign currency translation reserve		(2,787,408)	(2,461,101)	(3,162,311)
Cumulative changes in equity of associates		(562,213)	(593,220)	(492,071)
Retained earnings/ accumulated losses	8	3,269,932	(10,601,480)	(1,121,672)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>44,920,311</b>	<b>41,945,679</b>	<b>49,234,159</b>
Non-controlling interests		(273,910)	(212,721)	(277,911)
<b>TOTAL EQUITY</b>		<b>44,646,401</b>	<b>41,732,958</b>	<b>48,956,248</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>50,589,767</b>	<b>46,517,838</b>	<b>54,206,248</b>

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



Ibrahim Yousef Al Ghanim  
Chairman



Fahad Faisal Boodai  
Chief Executive Officer

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For the period ended 30 September 2021**

	Notes	Kuwaiti Dinars	
		Nine months ended 30 September	
		2021	2020
<b>OPERATING ACTIVITIES</b>			
Profit/ (loss) for the period		<b>3,208,743</b>	(1,180,237)
Adjustments for:			
Realised (gain)/loss on sale of investments at fair value through profit or loss		<b>(57,188)</b>	177,614
Dividend income		<b>(262,591)</b>	(184,560)
Unrealised gain on investments at fair value through profit or loss		<b>(59,138)</b>	(42,294)
Share in results of associates	5	<b>(489,787)</b>	(76,825)
Share in results of a joint venture	6	<b>212,739</b>	124,288
Amortization of intangibles		<b>150,000</b>	188,380
Depreciation		<b>459,022</b>	418,043
Finance cost on lease liabilities		<b>48,021</b>	39,234
Provision for employees' end of service benefits		<b>107,428</b>	142,008
		<b>3,317,249</b>	(394,349)
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		<b>(32,466)</b>	429,067
Investments at fair value through profit or loss		<b>610,895</b>	(1,050,866)
Accounts payable and accruals		<b>616,082</b>	(746,945)
		<b>4,511,760</b>	(1,763,093)
Employees' end of service benefits paid		<b>(45,308)</b>	(24,189)
Net cash flows from / (used in) operating activities		<b>4,466,452</b>	(1,787,282)
<b>INVESTING ACTIVITIES</b>			
Purchase of investments at fair value through other comprehensive income		-	(305,000)
Investment in an associate	5	-	(39,964)
Dividend income		<b>181,145</b>	184,560
Dividends received from an associate	5	<b>60,210</b>	146,200
Purchase of property and equipment		<b>(100,847)</b>	-
Net cash flows from / (used in) investing activities		<b>140,508</b>	(14,204)
<b>FINANCING ACTIVITIES</b>			
Cash received from non-controlling interests on sale of interest in a subsidiary		-	63,269
Net movement on non-controlling interests		-	(1,815)
Repayment of lease liabilities		<b>(278,733)</b>	(267,756)
Finance cost on lease liabilities paid		<b>(48,021)</b>	(39,234)
Net cash flows used in financing activities		<b>(326,754)</b>	(245,536)
<b>INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,280,206</b>	(2,047,022)
Net foreign exchange difference		<b>506</b>	(1,698)
Cash and cash equivalents at 1 January		<b>2,525,991</b>	4,734,025
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	4	<b>6,806,703</b>	2,685,305

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 September 2021

	Kuwaiti Dinars							Non- controlling interests	Total equity
	Attributable to equity holders of the Parent Company								
	Share capital	Statutory reserve	Fair value reserve	Foreign currency translation reserve	Cumulative changes in equity of associates	Retained earnings/acc umulated losses	Sub total		
<b>As at 1 January 2021</b>	55,500,000	101,480	-	(2,461,101)	(593,220)	(10,601,480)	41,945,679	(212,721)	41,732,958
Profit/ (loss) for the period	-	-	-	-	-	3,319,932	3,319,932	(111,189)	3,208,743
Other comprehensive income	-	-	-	(326,307)	31,007	-	(295,300)	-	(295,300)
<b>Total comprehensive income/ (loss) for the period</b>	-	-	-	(326,307)	31,007	3,319,932	3,024,632	(111,189)	2,913,443
Share capital restructuring (Note 8)	(10,500,000)	(101,480)	-	-	-	10,601,480	-	-	-
Sale of interest in a subsidiary to non-controlling interests (Note 2)	-	-	-	-	-	(50,000)	(50,000)	50,000	-
<b>As at 30 September 2021</b>	<b>45,000,000</b>	-	-	<b>(2,787,408)</b>	<b>(562,213)</b>	<b>3,269,932</b>	<b>44,920,311</b>	<b>(273,910)</b>	<b>44,646,401</b>
As at 1 January 2020	45,000,000	101,480	(1,426,886)	(2,951,686)	(513,820)	409,853	40,618,941	10,218,890	50,837,831
Loss for the period	-	-	-	-	-	(737,462)	(737,462)	(442,775)	(1,180,237)
Other comprehensive loss	-	-	(164,381)	(210,625)	21,749	(409,543)	(762,800)	-	(762,800)
Total comprehensive loss for the period	-	-	(164,381)	(210,625)	21,749	(1,147,005)	(1,500,262)	(442,775)	(1,943,037)
Share swap with non-controlling interests (Note 8)	10,500,000	-	-	-	-	(484,520)	10,015,480	(10,015,480)	-
Sale of interest in a subsidiary to non-controlling interests (Note 2)	-	-	-	-	-	100,000	100,000	(36,731)	63,269
Net movement on non-controlling interests	-	-	-	-	-	-	-	(1,815)	(1,815)
<b>As at 30 September 2020</b>	<b>55,500,000</b>	<b>101,480</b>	<b>(1,591,267)</b>	<b>(3,162,311)</b>	<b>(492,071)</b>	<b>(1,121,672)</b>	<b>49,234,159</b>	<b>(277,911)</b>	<b>48,956,248</b>

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



**1. Corporate information**

The interim condensed consolidated financial information of The Securities House K.S.C.P. (the "Parent Company") and subsidiaries (collectively the "Group") for the nine months ended 30 September 2021 were authorised for issue by the Board of Directors on 20 October 2021.

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.

**2. Basis of preparation**

The interim condensed consolidated financial information for the nine months ended 30 September 2021 has been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting.

During the current period, the Parent Company, based on shareholder's and Central Bank of Kuwait ("CBK") approval, has cancelled its registration with CBK as an investment company registered under CBK. The consolidated financial statements for the previous periods were presented in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. The change in the basis of preparation did not have any impact on the current period's interim consolidated financial information.

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 2020. 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 nine months ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

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

In August 2021, the Parent Company sold a 20% stake in Al Aman Holding Company K.S.C.C. to non-controlling shareholders which has resulted into a loss of KD 50,000.

In July 2020, the Parent Company sold a 6% stake in Juzur Canary Restaurant Company W.L.L to non-controlling shareholders which has resulted into a gain of KD 100,000.

**Changes in accounting policy and disclosures**

The accounting policies used in the preparation of the 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.

The amendments and annual improvements to IFRSs, relevant which are effective for annual reporting period starting from 1 January 2021 did not result in any material impact on the Group's accounting policies, interim consolidated financial position or performance.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2021

3. 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		Nine months ended	
	30 September		30 September	
	2021	2020	2021	2020
Profit / (loss) for the period attributable to equity holders of the Parent Company	<b>38,693</b>	(114,531)	3,319,932	(737,462)
	Shares			
Weighted average number of shares outstanding for the period	<b>450,000,000</b>	450,000,000	450,000,000	421,725,192
Basic and diluted earnings/(loss) per share attributable to the equity holders of the parent company	<b>0.1 Fils</b>	(0.3) Fils	7.4 Fils	(1.7) Fils

Earnings per share for the previous periods have been recomputed based on adjusted number of shares following the share capital reduction (Note 8).

4. 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 September	31 December	30 September
	2021	2020	2020
	Unaudited	(Audited)	Unaudited
Bank balances and cash	<b>4,074,774</b>	2,492,559	2,323,202
Short term Murabaha investments	<b>2,500,000</b>	-	-
Balances with custodians	<b>231,929</b>	33,432	362,103
	<b>6,806,703</b>	2,525,991	2,685,305

5. Investment in associates

	Kuwaiti Dinars		
	30 September	31 December	30 September
	2021	2020	2020
	Unaudited	(Audited)	Unaudited
At the beginning of the period/year	<b>25,273,157</b>	32,232,006	32,232,006
Acquisitions	-	39,964	39,964
Share of results	<b>489,787</b>	168,331	76,825
Share of other comprehensive income/ (loss)	<b>31,007</b>	(79,400)	21,749
Foreign currency translation adjustment	<b>(326,813)</b>	483,456	(217,365)
Dividend received	<b>(60,210)</b>	(146,200)	(146,200)
Impairment of Goodwill	-	(7,425,000)	-
At the end of the period/year	<b>25,406,928</b>	25,273,157	32,006,979

This represents the Group's share of its investments in Gatehouse Financial Group Limited, United Kingdom, Saudi Projects Holding Group, Wareef Al Jubail and in Madrono Capital, LLC.

The Group's share of results for all the associates for the nine-month period ended 30 September 2021 are based on its management accounts.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2021

6. Investment in a joint venture

	Kuwaiti Dinars		
	30 September 2021 Unaudited	31 December 2020 Audited	30 September 2020 Unaudited
	At the beginning of the period/year	1,519,565	1,772,437
Share of results	(212,739)	(252,872)	(124,288)
At the end of the period/year	1,306,826	1,519,565	1,648,149

The Group's share of results of First Kuwaiti for Education Holding Company WLL for the nine-month period ended 30 September 2021 above is based on its management accounts.

7. Intangible assets and goodwill

	Kuwaiti Dinars		
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
	Intangible assets		
Asset management agreements	3,450,000	3,600,000	3,650,000
	3,450,000	3,600,000	3,650,000
Goodwill-Manarat Educational Services Company W.L.L.	900,000	900,000	1,000,000
Goodwill- Juzur Canary Restaurant Company W.L.L	1,500,000	1,500,000	1,600,000
Total goodwill	2,400,000	2,400,000	2,600,000

8. Share capital

The authorised, issued and fully paid up share capital of the Parent Company is KD 45,000,000 (31 December 2020: KD 55,500,000; 30 September 2020: KD 55,500,000) comprising of 450,000,000 shares (31 December 2020: 555,000,000; 30 September 2020: 555,000,000) of 100 fils each.

In June 2021, the general assembly of the Parent Company approved the reduction of the share capital against writing-off the accumulated losses balance and the statutory reserve balance as of 31 December 2020 which was registered in the commercial register on 14 June 2021.

In March 2020, the merger between the Parent Company and Al Aman Investment Company KSCP (Al Aman), a subsidiary, was completed with a share swap ratio of 1.40252722315358 shares of the Parent Company for 1 share of Al Aman, and the Parent Company issued 105,000,000 shares of 100 fils each to the shareholders of Al Aman to acquire the non-controlling interests.

9. 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	
	Nine months ended 30 September	
	2021	2020
<b>Key management compensation:</b>		
Salaries and other short-term benefits	454,825	320,843
Employees' end of services	27,416	42,279
	482,241	363,122

**10. Segmental analysis**

For management purposes the Group is organised into three 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 activities                  | : | Commercial activities include food and education sectors.   |

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 September 2021

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

	Proprietary investment		Asset management and advisory services		Food		Education		Total	
	Nine months ended 30 September	2020	Nine months ended 30 September	2020	Nine months ended 30 September	2020	Nine months ended 30 September	2020	Nine months ended 30 September	2020
					Kuwaiti Dinars					
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Segment revenue/ (loss)	378,898	79,345	5,376,667	1,155,999	1,083,134	807,375	-	201,343	6,838,699	2,244,062
Segment results	(1,202,260)	(1,031,565)	4,849,614	785,696	(212,748)	(241,687)	(230,759)	(453,425)	3,203,847	(940,981)
Share in results of associates and a joint venture	-	76,825	-	-	-	-	(212,739)	(124,288)	277,048	(47,463)
Amortization of intangibles	-	-	(150,000)	(188,380)	-	-	-	-	(150,000)	(188,380)
Finance cost on lease liabilities	(14,686)	(3,413)	-	-	-	-	-	-	(14,686)	(3,413)
NLST and Zakat taxes	(107,466)	-	-	-	-	-	-	-	(107,466)	-
Profit/ (loss) for the period									<b>3,208,743</b>	<b>(1,180,237)</b>

Revenue of the asset management and advisory services includes incentive fees amounting to KD 3,910,924 (30 September 2020: Nil) that arises mostly in the first quarter, as it is based on 31 March year end annual performance of the assets managed under the fiduciary activities.

	Proprietary investment management		Asset management and advisory services		Food		Education		Total	
	30 September	2020	30 September	2020	30 September	2020	30 September	2020	30 September	2020
					Kuwaiti Dinars					
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>										
Segment assets	8,177,471	8,966,596	510,363	382,664	754,106	522,315	452,945	623,283	9,894,885	10,494,858
Investment in associates and a joint venture	25,406,928	32,006,979	-	-	-	-	1,306,826	1,648,149	26,713,754	33,655,128
Others	10,050,613	6,325,146	3,450,000	3,650,000	90,415	51,751	390,100	29,365	13,981,128	10,056,262
	43,635,012	47,298,721	3,960,363	4,032,664	844,521	574,066	2,149,871	2,300,797	50,589,767	54,206,248
<b>Liabilities:</b>										
Account payable and accruals	2,700,159	2,440,600	18,876	-	520,641	538,993	558,252	445,244	3,797,928	3,424,837
Lease liabilities	400,677	41,075	-	-	359,474	305,252	273,320	424,055	1,033,471	770,382
Employees' end of service benefits	863,754	820,063	-	-	154,723	152,488	93,490	82,230	1,111,967	1,054,781
	3,964,590	3,301,738	18,876	-	1,034,838	996,733	925,062	951,529	5,943,366	5,250,000

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2021

11. Contingent liabilities

	Kuwaiti Dinars		
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Guarantee provided for murabaha payable of joint venture	10,530,000	10,530,000	10,530,000

For the murabaha payable availed by the jointly controlled entity (refer note 6), the Group, the co-investee in the jointly controlled entity, have given a joint and several guarantee to the lending by local Shariah-compliant financial institution.

12. 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 September 2021	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	2,195,877	-	2,195,877
Unquoted equity securities	-	4,145,372	4,145,372
	<b>2,195,877</b>	<b>4,145,372</b>	<b>6,341,249</b>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	2,579,827	2,579,827
	-	<b>2,579,827</b>	<b>2,579,827</b>
	<b>2,195,877</b>	<b>6,725,199</b>	<b>8,921,076</b>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2021

30 September 2020	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	1,488,354	-	1,488,354
Unquoted equity securities	-	4,852,357	4,852,357
	<b>1,488,354</b>	<b>4,852,357</b>	<b>6,340,711</b>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	3,373,486	3,373,486
	-	<b>3,373,486</b>	<b>3,373,486</b>
	<b>1,488,354</b>	<b>8,225,843</b>	<b>9,714,197</b>

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 2021	Gain recorded in the consolidated statement of income	Gain /(loss) recorded in other comprehensive income	Net purchases, sales and settlements	As at 30 September 2021
Financial assets at fair value					
<i>Unquoted equity securities</i>	<b>7,645,711</b>	<b>101,164</b>	-	<b>(1,021,676)</b>	<b>6,725,199</b>

	Kuwaiti Dinars				
	As at 1 January 2020	Gain recorded in the consolidated statement of income	Loss recorded in other comprehensive income	Net purchases, sales and settlements	As at 30 September 2020
Financial assets at fair value					
<i>Unquoted equity securities</i>	6,592,534	386,672	(573,924)	1,820,561	8,225,843

During the period ended 30 September 2021, there were no transfers between the hierarchies.

**13. FIDUCIARY ASSETS**

The Group manages investment portfolios on behalf of others. The balances of these portfolios are not presented in the Group's financial position.

	Kuwaiti Dinars		
	30 September 2021 (Unaudited)	31 December 2020 (Audited)	30 September 2020 (Unaudited)
Investment portfolios managed on behalf of others	<b>304,344,225</b>	249,432,754	245,573,727
Funds managed on behalf of others	<b>1,867,414</b>	2,015,679	2,103,032
Foreign collective investment schemes managed on behalf of others	<b>15,271,375</b>	15,710,153	9,563,380
	<b>321,483,014</b>	267,158,586	257,240,139



**14. IMPACT OF COVID-19**

The outbreak of Novel Coronavirus (Covid-19) in early 2020 in most countries has caused widespread disruptions to business, with a consequential negative impact on economic activities.

The Group is continually monitoring its impact, while working closely with the local regulatory authorities, to manage the potential business disruption COVID-19 outbreak.

In light of the rapidly escalating COVID-19, the Group has considered whether any adjustments and changes in judgments, estimates and risk management are required to be considered and reported in the interim condensed consolidated financial statements. Below are the key assumptions about the future and other key sources of estimation that may have a significant risk of causing a material adjustments to the interim condensed consolidated financial information:

**Impairment of non-financial assets**

The Group has performed a qualitative assessment for its investment in associates and, in CGUs considering the impact of COVID-19 on entities operating in education and restaurant sector, and compared the actual results for period against the budget and industry benchmarks to conclude the impairment assessment as at 31 December 2020 remains largely unchanged.

The Group has also considered any impairment indicators arising and any significant uncertainties around its right-of-use assets especially arising from any change in lease terms and concluded there is no material impact of COVID-19.

**Fair valuation of financial assets**

The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of fair value of unquoted financial assets at FVTPL and FVOCI.

The Group has determined the fair value of its equity securities and managed funds based on most recent market information relating to the respective investments and recognized resulting unrealized loss in this interim condensed consolidated financial information.

**Commitments and contingent liabilities**

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments.

**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 the 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, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.