

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

31 March 2024

C o n t e n t s

	Page
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	6
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	7 – 15

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 2024 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.

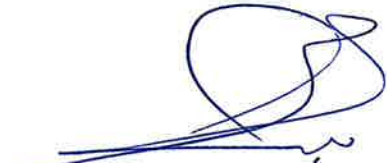
Conclusion

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 , as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2024 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, 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 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



Bader A. Al-Wazzan

License No. 62A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait

15 May 2024

Interim Condensed Consolidated Statement of Income (Unaudited)
For the period ended 31 March 2024

	Notes	Kuwaiti Dinars	
		Three months ended 31 March	
		2024	2023
INCOME			
From management, advisory and investment activities			
Management fee income		518,380	577,207
Advisory fee income		50,350	41,903
Dividend income		43,490	38,338
Income on Murabaha receivable	7	36,850	41,368
Realised gain on sale of investments at fair value through profit or loss		68,001	20,905
Realised gain on sale of an investment property		-	188,767
Unrealised gain/(loss) on investments at fair value through profit or loss		117,548	(11,252)
Income from management, advisory and investment activities		<u>834,619</u>	<u>897,236</u>
From commercial activities			
Sales of goods		407,267	418,711
Cost of sales		(383,415)	(392,525)
Gross profit from commercial activities		23,852	26,186
Other (loss) /income		(8,563)	48,799
Total income		<u>849,908</u>	<u>972,221</u>
EXPENSES			
Staff costs		675,268	942,885
General, administration and selling expenses		390,212	277,177
Depreciation		49,163	48,581
Total expenses		<u>1,114,643</u>	<u>1,268,643</u>
Loss before share of results, amortisation, murabaha profit and taxation		(264,735)	(296,422)
Share in results of associates and joint venture	8	187,698	216,116
Amortisation of intangibles		(100,000)	(100,000)
Profit charged on Murabaha payable		(71,678)	(62,925)
Profit charged on lease liabilities		(14,839)	(17,210)
Loss before tax for the period		<u>(263,554)</u>	<u>(260,441)</u>
Contribution to KFAS		-	4,099
National labor support tax		-	9,070
Zakat		-	3,393
Loss after tax for the period from continuing operations		<u>(263,554)</u>	<u>(243,879)</u>
Profit after tax for the period from discontinued operations	3	-	1,345,197
(Loss) / profit for the period		<u>(263,554)</u>	<u>1,101,318</u>
Attributable to:			
Equity holders of the Parent Company		(213,305)	1,138,151
Non-controlling interests		(50,249)	(36,833)
		<u>(263,554)</u>	<u>1,101,318</u>
Basic and diluted (loss) / earnings per share attributable to equity holders of the Parent Company	4	<u>(0.5) Fils</u>	<u>2.8 Fils</u>
Basic and diluted loss per share attributable to the equity holders of the Parent Company from continuing operations	4	<u>(0.5) Fils</u>	<u>(0.5) 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 31 March 2024


		Kuwaiti Dinars	
		Three months ended 31 March	
Note	2024	2023	
	(263,554)	1,101,318	
(Loss) / profit for the period			
Other comprehensive (loss) / profit:			
<i>Items to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>			
	(263,271)	522,318	
<i>Items that will not be reclassified to interim condensed consolidated statement of income:</i>			
	(25,337)	(90,276)	
Share in other comprehensive loss of associates	8		
Other comprehensive (loss) / profit for the period			
	(288,608)	432,042	
Total comprehensive (loss) / profit for the period			
	(552,162)	1,533,360	
Attributable to:			
	(501,913)	1,570,193	
Equity holders of the Parent Company			
	(50,249)	(36,833)	
Non-controlling interests			
	(552,162)	1,533,360	

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 2024

	Notes	Kuwaiti Dinars		
		31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
ASSETS				
Cash and cash equivalents	5	2,704,340	4,195,178	9,961,274
Accounts receivable and prepayments	6	2,728,927	1,549,941	1,161,525
Murabaha receivable	7	2,606,752	2,564,430	2,452,400
Investments at fair value through profit or loss	16	6,692,157	6,624,943	6,122,083
Investments at fair value through other comprehensive income	16	-	-	200,000
Investment in associates and joint venture	8	28,634,860	29,021,955	25,618,271
Right of use assets		987,414	1,173,781	1,061,021
Furniture and equipment		504,777	515,626	456,914
Intangible assets	9	3,500,000	3,600,000	3,900,000
Goodwill	9	1,000,000	1,000,000	1,000,000
TOTAL ASSETS		49,359,227	50,245,854	51,933,488
LIABILITIES				
Accounts payable and accruals		3,425,327	3,369,266	3,611,206
Murabaha payable	10	4,750,000	5,000,000	5,000,000
Lease liabilities		1,017,829	1,204,525	1,110,914
Employees' end of service benefits		1,462,479	1,416,309	1,631,732
TOTAL LIABILITIES		10,655,635	10,990,100	11,353,852
EQUITY				
Share capital	11	41,500,000	41,500,000	42,500,000
Statutory reserve		704,705	704,705	648,034
Foreign currency translation reserve		(4,156,415)	(3,893,144)	(4,758,910)
Cumulative changes in equity of associates		(2,797,566)	(2,772,229)	(2,642,737)
Treasury shares	12	(1,371,406)	(1,371,406)	(1,023,583)
Retained earnings		5,128,642	5,341,947	6,083,858
Equity attributable to equity holders of the Parent Company		39,007,960	39,509,873	40,806,662
Non-controlling interests		(304,368)	(254,119)	(227,026)
TOTAL EQUITY		38,703,592	39,255,754	40,579,636
TOTAL LIABILITIES AND EQUITY		49,359,227	50,245,854	51,933,488

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


Abdulatif Mohammad Alshaya
Chairman


Yousef Ibrahim Alghanim
Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the period ended 31 March 2024

	Notes	Kuwaiti Dinars	
		Three months ended 31 March	
		2024	2023
OPERATING ACTIVITIES			
(Loss) / profit for the period		(263,554)	1,101,318
Adjustments for:			
Income on Murabaha receivable		(36,850)	(41,368)
Realised gain on sale of investments at fair value through profit or loss		(68,001)	(20,905)
Realised gain on sale of an investment property		-	(188,767)
Unrealised (gain) / loss on investments at fair value through profit or loss		(117,548)	11,252
Gain on disposal of discontinued operations before tax	3	-	(1,408,584)
Share in results of associates and joint venture	8	(187,698)	(216,116)
Amortization of intangibles		100,000	100,000
Depreciation		135,843	119,955
Profit charged on Murabaha payable and lease liabilities		86,517	80,135
Provision for employees' end of service benefits		54,062	124,331
		(297,229)	(338,749)
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(1,195,366)	368,079
Investments at fair value through profit or loss		118,335	(330,012)
Accounts payable and accruals		72,441	298,310
		(1,301,819)	(2,372)
Employees' end of service benefits paid		(7,892)	(5,848)
Net cash flows used in operating activities		(1,309,711)	(8,220)
INVESTING ACTIVITIES			
Collection of Murabaha receivable and income		-	469,720
Proceeds from sale of an investment property		-	238,767
Dividend and capital reduction received from associates	8	279,706	-
Proceeds from disposal of discontinued operations, net of cash disposed off	3	-	2,281,732
Purchase of furniture and equipment		(8,462)	(100,323)
Net cash flows from investing activities		271,244	2,889,896
FINANCING ACTIVITIES			
Payment of lease liabilities		(116,861)	(102,991)
Profit on lease liabilities paid		(14,839)	(17,210)
(Repayment) / receipt of Murabaha payable		(250,000)	1,500,000
Profit on Murabaha payable paid		(71,678)	(62,925)
Net cash flows (used) / from in financing activities		(453,378)	1,316,874
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		1,007	5,689
Cash and cash equivalents at 1 January - continuing operations		4,195,178	5,338,767
Cash and cash equivalents at 1 January - discontinued operations		-	418,268
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	2,704,340	9,961,274

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 31 March 2024

	Kuwaiti Dinars							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	Non-controlling interests	
Balance as at 1 January 2024	41,500,000	704,705	(3,893,144)	(2,772,229)	(1,371,406)	5,341,947	39,509,873	(254,119)	39,255,754
Loss for the period	-	-	-	-	-	(213,305)	(213,305)	(50,249)	(263,554)
Other comprehensive loss	-	-	(263,271)	(25,337)	-	-	(288,608)	-	(288,608)
Total comprehensive loss for the period	-	-	(263,271)	(25,337)	-	(213,305)	(501,913)	(50,249)	(552,162)
As at 31 March 2024	41,500,000	704,705	(4,156,415)	(2,797,566)	(1,371,406)	5,128,642	39,007,960	(304,368)	38,703,592
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

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 investment portfolio manager, collective investment scheme manager investment advisor, securities broker not registered in the exchange and subscription agent. The Parent Company is also engaged in dealing in securities and investment in real estate and other economic sectors on its behalf. The Parent Company performs its activities in accordance with Shariah principles.

The Parent Company's principal place of business and registered address is 18th 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 2024 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 2023, 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 2024 were authorised for issue by the Board of Directors on 15 May 2024.

2. Basis of preparation

The interim condensed consolidated financial information for the Three months ended 31 March 2024 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 (IFRS Accounting Standards) ("IFRSs") as issued by the International Accounting Standards Board ("IASB") (collectively referred to as IFRSs, 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 2023. 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 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 2023.

Amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2024 did not result in any material impact on the accounting policies, financial position or performance of the Group.

3. Discontinued operations

In March 2023, the Parent Company sold its entire interest in the former 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.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2024

The results of the sale of Manarat were as presented below:

	Kuwaiti Dinars
	Three months ended
	31 March 2023
Gain on sale before tax (see below)	1,408,584
Profit before tax for the period	1,408,584
Taxes	(63,387)
Profit after tax for the period from discontinued operations	1,345,197
Attributable to:	
Equity holders of the Parent Company (Note 4)	1,345,197
Basic and diluted earnings per share from discontinued operations attributable to the equity holders of the Parent Company	3.3 Fils

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

	Kuwaiti Dinars
	As of the date of sale
Assets	
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
Total assets	2,963,177
Liabilities	
Accounts payable and accruals	418,477
Lease liabilities	1,128,888
Employees' end of service benefits	124,396
Total liabilities	1,671,761
Net assets sold	1,291,416
Total consideration	2,700,000
Gain on sale before tax (see above)	1,408,584

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)
Net cash consideration received on sale	2,281,732

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2024

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

Basic and diluted (loss) / earnings per share is computed by dividing (loss) / profit 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	
	31 March	
	2024	2023
(Loss) / profit for the period attributable to equity holders of the Parent Company	(213,305)	1,138,151
Weighted average number of shares outstanding for the period	395,000,000	410,000,000
Basic and diluted (loss) / earnings per share attributable to the equity holders of the parent company	(0.5) Fils	2.8 Fils

Basic and diluted loss per share from continuing operations:

	Kuwaiti Dinars	
	Three months ended	
	31 March	
	2024	2023
(Loss) / profit for the period attributable to equity holders of the Parent Company	(213,305)	1,138,151
Less:		
Profit for the period attributable to equity holders of the Parent Company from discontinued operations (Note 3)	-	1,345,197
Loss for the period attributable to equity holders of the Parent Company from continuing operations	(213,305)	(207,046)
Weighted average number of shares outstanding for the period	395,000,000	410,000,000
Basic and diluted loss per share attributable to the equity holders of the Parent Company from continuing operations	(0.5) Fils	(0.5) Fils

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	31 December	31 March
	2024	2023	2023
	(Unaudited)	(Audited)	(Unaudited)
Bank balances and cash	2,669,616	4,162,493	8,591,284
Balances with custodians	34,724	32,685	119,990
Short-term murabaha investments with original maturities up to three months	-	-	1,250,000
	2,704,340	4,195,178	9,961,274

Short-term murabaha investments carried an effective average profit rate of 3.75% per annum at 31 March 2023.

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS

Accounts receivable include an amount of 1,439,556 representing an advance paid under purchase of investments by a subsidiary company (31 December 2023: KD 269,854; 31 March 2023: Nil).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2024

7. MURABAHA RECEIVABLE

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Current – denominated in Kuwaiti Dinar	1,223,452	-	459,825
Non-current - denominated in Kuwaiti Dinar	1,383,300	2,564,430	1,992,575
	2,606,752	2,564,430	2,452,400
Balance in original currency - US Dollar	8,480,000	8,360,000	8,000,000

This represents the balance receivable from the sale of a foreign associate by a subsidiary company in 2022. The balance carries an effective profit rate of 6.0% per annum, is receivable over instalments ending in 2028 and is guaranteed by the purchaser's pledge of its interest in the associate in favour of the subsidiary company. During the current period, the Group recognised income on this receivable amounting to KD 36,850 equivalent to USD 120,000 (31 March 2023: KD 41,368 equivalent to USD 135,000).

8. Investment in associates and joint venture

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
At the beginning of the period/year	29,021,955	24,975,802	24,975,802
Acquisitions (a)	-	2,750,000	-
Share in results (b)	187,698	450,842	216,116
Share in other comprehensive loss	(25,337)	(219,768)	(90,276)
Foreign currency translation adjustment	(269,750)	1,382,051	516,629
Dividend and capital reduction received	(279,706)	(316,972)	-
At the end of the period/year	28,634,860	29,021,955	25,618,271

This represents the Group's share of its investments in Gatehouse Financial Group Limited, Wareef Al Jubail Project Company, Saudi Projects Holding Group, in Madrono Capital, LLC and First Kuwaiti for Education Holding Company WLL (the "Joint Venture"). The joint venture owns 100% of the share capital of Dar Al Salam Educational Company WLL, that owns and manages four schools in Kuwait.

- During the previous year, the Group subscribed for its interest in the share capital increase of the joint venture at an amount of KD 2,750,000 (2022: KD 250,000). The formal procedures of the capital increase are in process.
- The Group's share in results for all the associates and the joint venture for the three-month period ended 31 March 2024 is based on their management accounts.

9. Intangible assets and goodwill

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Intangible assets - asset management agreements:			
Related to the parent company	2,950,000	3,000,000	3,150,000
Related to a subsidiary company, Gatehouse Capital K.S.C.C.	550,000	600,000	750,000
	3,500,000	3,600,000	3,900,000
Goodwill			
On acquisition of a subsidiary company, Juzur Canary Restaurant Company W.L.L.	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2024

10. Murabaha Payable

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Current	1,000,000	1,000,000	250,000
Non-current	3,750,000	4,000,000	4,750,000
	4,750,000	5,000,000	5,000,000

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

The facility is unsecured and carries a profit rate of 5.75% (31 December 2023: 5.75%; 31 March 2023: 5.50%) 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 31 March 2024 (31 December 2023: KD 41,500,000; 31 March 2023: KD 42,500,000) comprising of 415,000,000 shares (31 December 2023: 415,000,000; 31 March 2023: 425,000,000) of 100 fils each.

On 25 May 2023, the extra-ordinary general assembly of the Parent Company approved the cash reduction of the authorized, issued, and paid-up share capital 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 28 March 2024, the Board of directors of the Parent Company proposed to the Parent Company's shareholders to reduce the authorized, issued, and paid-up share capital by 15,000,000 shares of 100 fils per share amounting to KD 1,500,000, as follows:

- Non-cash reduction of 5,000,000 shares of 100 fils per share amounting to KD 500,000 through writing-off 5,000,000 treasury shares outstanding at 31 December 2023, and
- Cash reduction of 10,000,000 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.

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.

	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Number of treasury shares	20,000,000	20,000,000	15,000,000
Percentage of share capital	4.8%	4.8%	3.5%
Cost (Kuwaiti Dinars)	1,371,406	1,371,406	1,023,583
Market value (Kuwaiti Dinars)	1,064,000	1,074,000	870,000

13. 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	
	2024	2023
Key management compensation:		
Salaries and other short term benefits	47,796	71,490
Employees' end of services	4,849	8,109
	52,645	79,599

14. 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 investment advisory services.
Commercial activities	Include food and educational activities.

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

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 31 March 2024

The following table presents information regarding the Group's business segment (Kuwaiti Dinars):

	Proprietary investment management		Asset management, advisory and consulting		Food sector		Education sector		Sub-total		Discontinued Operations		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment revenue	257,326	326,925	568,730	619,110	407,267	418,711	-	-	1,233,323	1,364,746	-	-	1,233,323	1,356,351
Segment results	(525,231)	(525,417)	290,069	301,949	(96,565)	(72,954)	-	-	(331,727)	(296,422)	-	-	(331,727)	(296,422)
Gain on sale of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,408,584	-	1,408,584
Share in results of associates and a Joint venture	187,698	100,287	-	-	-	-	66,992	115,829	254,690	216,116	-	-	254,690	216,116
Amortisation of intangibles	-	-	(100,000)	(100,000)	-	-	-	-	(100,000)	(100,000)	-	-	(100,000)	(100,000)
Profit on Murabaha payable and lease liabilities	(74,294)	(66,923)	(3,312)	(4,654)	(8,911)	(8,558)	-	-	(86,517)	(80,135)	-	-	(86,517)	(80,135)
KFAS, NLS and Zakat	-	16,562	-	-	-	-	-	-	-	16,562	-	(63,387)	-	(46,825)
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(263,554)	(243,879)	-	1,345,197	(263,554)	1,101,318
Assets:														
Segment assets	7,563,729	8,256,047	616,777	535,614	1,240,578	1,144,347	-	-	9,421,084	9,936,008	-	-	9,421,084	9,936,008
Investment in associates and a Joint venture	24,766,952	24,360,281	-	-	-	-	3,867,908	1,257,990	28,634,860	25,618,271	-	-	28,634,860	25,618,271
Others	7,751,233	12,460,472	3,500,000	3,900,000	52,050	18,737	-	-	11,303,283	16,379,209	-	-	11,303,283	16,379,209
	40,081,914	45,076,800	4,116,777	4,435,614	1,292,628	1,163,084	3,867,908	1,257,990	49,359,227	51,933,488	-	-	49,359,227	51,933,488
Liabilities:														
Account payable and accruals	2,929,863	3,192,550	39,184	98,436	456,280	320,220	-	-	3,425,327	3,611,206	-	-	3,425,327	3,611,206
Murabaha payable	4,750,000	5,000,000	-	-	-	-	-	-	4,750,000	5,000,000	-	-	4,750,000	5,000,000
Lease liabilities	395,330	579,521	-	-	622,499	531,393	-	-	1,017,829	1,110,914	-	-	1,017,829	1,110,914
Employees' end of service benefits	1,322,156	1,465,969	3,459	746	136,864	165,017	-	-	1,462,479	1,631,732	-	-	1,462,479	1,631,732
	9,397,349	10,238,040	42,643	99,182	1,215,643	1,016,630	-	-	10,655,635	11,353,852	-	-	10,655,635	11,353,852
Other segmental information:														
Capital expenditure	-	-	-	-	8,462	100,323	-	-	8,462	100,323	-	-	8,462	100,323
Depreciation	-	-	-	-	27,818	15,421	-	-	27,818	15,421	-	-	27,818	15,421

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) –31 March 2024

15. Contingent Liabilities

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Guarantee provided for Murabaha payable of joint venture	9,212,311	9,411,478	10,003,500

The joint venture (see Note 7) has a Murabaha payable, which the joint venture partner and the Group, have given a joint and several guarantee to the lending financial institution.

16. 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 2024	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	1,811,601	-	1,811,601
Unquoted equity securities	-	4,880,556	4,880,556
	1,811,601	4,880,556	6,692,157
31 March 2023			
Financial assets at fair value			
<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
	1,584,229	4,537,854	6,122,083
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	200,000	200,000
	-	200,000	200,000

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) –31 March 2024

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 2024	Gain recorded in the consolidated statement of income	Net purchases, sales and settlements	As at 31 March 2024
Financial assets at fair value <i>Unquoted equity securities</i>	4,855,556	25,000	-	4,880,556
	Kuwaiti Dinars			
	As at 1 January 2023	Gain recorded in the consolidated statement of income	Net purchases, sales and settlements	As at 31 March 2023
Financial assets at fair value <i>Unquoted equity securities</i>	4,487,854	-	250,000	4,737,854

During the period ended 31 March 2024, there were no transfers between the hierarchies.