

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

30 June 2022

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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 2022 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.

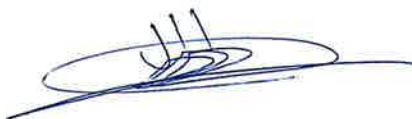
Conclusion

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 2022 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 during the six-month period ended 30 June 2022 that might have had a material effect on the business of the Parent Company or on its interim condensed consolidated financial position.



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

14 August 2022
Kuwait

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

**Interim Condensed Consolidated Statement of Income (Unaudited)
For the period ended 30 June 2022**

		Kuwaiti Dinars				
		Three months ended 30 June		Six months ended 30 June		
Notes		2022	2021	2022	2021	
INCOME						
From advisory and investment activities						
	Management fee income	10	1,331,247	442,331	1,841,170	4,749,090
	Advisory fee income		96,367	85,941	351,533	123,269
	Dividend income		132,279	125,503	180,198	213,619
	Realised gain/(loss) on sale of investments at fair value through profit or loss		218,234	(5,813)	955,212	(13,434)
	Unrealised (loss)/gain on investments at fair value through profit or loss		(287,602)	114,314	(61,008)	143,533
	Income from advisory and investment activities		1,490,525	762,276	3,267,105	5,216,077
From commercial activities						
	Sales of goods and services		757,120	328,969	1,599,206	689,814
	Operating costs		(832,629)	(469,458)	(1,658,370)	(961,926)
	Operating loss from commercial activities		(75,509)	(140,489)	(59,164)	(272,112)
	Other income / (loss)		20,141	(5,499)	31,070	(15,567)
	Total income		1,435,157	616,288	3,239,011	4,928,398
EXPENSES						
	Staff costs		470,516	382,419	1,013,379	1,298,155
	General and administration expenses		113,435	78,336	259,800	335,771
	Depreciation		23,185	32,921	46,370	155,850
	Total expenses		607,136	493,676	1,319,549	1,789,776
	Profit before share of results, amortisation, finance cost and taxation		828,021	122,612	1,919,462	3,138,622
	Share in results of associates	5	186,979	284,545	272,050	488,505
	Share in results of a joint venture	6	(38,295)	(100,866)	(81,986)	(176,277)
	Amortisation of intangibles		(50,000)	(50,000)	(100,000)	(100,000)
	Finance cost on lease liabilities		(28,166)	(15,262)	(57,406)	(31,908)
	Profit before tax for the period		898,539	241,029	1,952,120	3,318,942
	Contribution to KFAS		(7,916)	-	(17,313)	-
	National labor support tax		(23,626)	(5,086)	(47,746)	(74,986)
	Zakat		(8,376)	(2,236)	(19,081)	(32,961)
	Profit after tax for the period		858,621	233,707	1,867,980	3,210,995
Attributable to:						
	Equity holders of the Parent Company		898,874	272,807	1,925,201	3,281,239
	Non-controlling interests		(40,253)	(39,100)	(57,221)	(70,244)
			858,621	233,707	1,867,980	3,210,995
Basic and diluted earnings per share						
	attributable to equity holders of the Parent Company	3	2.0 fils	0.6 fils	4.3 fils	7.3 fils

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 2022

		Kuwaiti Dinars			
		Three months ended 30 June		Six months ended 30 June	
Note		2022	2021	2022	2021
	Profit for the period	858,621	233,707	1,867,980	3,210,995
	Other comprehensive (loss)/income:				
	<i>Other comprehensive (loss)/income to be reclassified to statement of income in subsequent periods:</i>				
	Foreign currency translation adjustment	(1,778,162)	135,242	(2,191,066)	175,521
	<i>Items that will not be reclassified to statement of income:</i>				
	Cumulative changes in fair value of investments through other comprehensive income	(172,032)	-	(172,032)	-
5	Share in other comprehensive income / (loss) of associates	34,178	(24,586)	(46,188)	46,686
	Other comprehensive (loss) / income for the period	(1,916,016)	110,656	(2,409,286)	222,207
	Total comprehensive (loss) / income for the period	(1,057,395)	344,363	(541,306)	3,433,202
	Attributable to:				
	Equity holders of the Parent Company	(1,017,142)	383,463	(484,085)	3,503,446
	Non-controlling interests	(40,253)	(39,100)	(57,221)	(70,244)
		(1,057,395)	344,363	(541,306)	3,433,202

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 2022

	Notes	Kuwaiti Dinars		
		30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
ASSETS				
Cash and cash equivalents	4	6,759,500	7,523,900	6,427,342
Accounts receivable and prepayments		1,612,625	949,915	1,181,793
Investments at fair value through profit or loss	12	6,143,222	5,950,576	6,185,924
Investments at fair value through other comprehensive income	12	1,200,000	2,131,982	2,579,827
Investment in associates	5	23,615,492	25,610,726	25,983,297
Investment in a joint venture	6	1,167,072	1,249,058	1,343,288
Right of use assets		1,742,572	1,865,462	1,084,348
Furniture and equipment		620,709	520,869	331,453
Intangible assets	7	3,300,000	3,400,000	3,500,000
Goodwill	7	2,400,000	2,400,000	2,400,000
TOTAL ASSETS		48,561,192	51,602,488	51,017,272
LIABILITIES				
Accounts payable and accruals		3,388,430	3,406,140	3,408,075
Lease liabilities		1,816,440	1,924,847	1,115,761
Employees' end of service benefits		1,229,038	1,103,466	1,091,776
TOTAL LIABILITIES		6,433,908	6,434,453	5,615,612
EQUITY				
Share capital	8	42,500,000	45,000,000	45,000,000
Statutory reserve		402,772	402,772	-
Foreign currency translation reserve		(4,832,853)	(2,641,787)	(2,285,580)
Cumulative changes in equity of associates		(632,329)	(586,141)	(546,534)
Retained earnings		4,766,309	3,012,585	3,281,239
Equity attributable to equity holders of the Parent Company		42,203,899	45,187,429	45,449,125
Non-controlling interests		(76,615)	(19,394)	(47,465)
TOTAL EQUITY		42,127,284	45,168,035	45,401,660
TOTAL LIABILITIES AND EQUITY		48,561,192	51,602,488	51,017,272

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



Ibrahim Yousef Al Ghanim
Chairman



Fahed Faisal Boodai
Chief Executive Officer

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the period ended 30 June 2022

	Notes	Kuwaiti Dinars	
		Six months ended 30 June	
		2022	2021
OPERATING ACTIVITIES			
Profit for the period		1,867,980	3,210,995
Adjustments for:			
Realised (gain) / loss on sale of investments at fair value through profit or loss		(955,212)	13,434
Dividend income		(180,198)	(213,619)
Unrealised loss / (gain) on investments at fair value through profit or loss		61,008	(143,533)
Share in results of associates	5	(272,050)	(488,505)
Share in results of a joint venture	6	81,986	176,277
Amortization of intangibles		100,000	100,000
Depreciation		336,842	336,998
Finance cost on lease liabilities		57,406	31,908
Provision for employees' end of service benefits		138,622	51,249
		<u>1,236,384</u>	<u>3,075,204</u>
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(292,863)	(4,123)
Investments at fair value through profit or loss		701,558	779,993
Accounts payable and accruals		(387,557)	247,226
		<u>1,257,522</u>	<u>4,098,300</u>
Employees' end of service benefits paid		(13,050)	(9,320)
Net cash flows from operating activities		<u>1,244,472</u>	<u>4,088,980</u>
INVESTING ACTIVITIES			
Proceeds from sale of investments at fair value through other comprehensive income		759,950	-
Dividend income		180,198	132,173
Advance received from an associate		31,966	-
Purchase of furniture and equipment		(165,299)	(91,620)
Net cash flows from investing activities		<u>806,815</u>	<u>40,553</u>
FINANCING ACTIVITIES			
Payment of capital reduction	8	(2,500,000)	-
Net sale of treasury shares		555	-
Payment of lease liabilities		(256,900)	(196,846)
Finance cost on lease liabilities paid		(57,406)	(31,908)
Net cash flows used in financing activities		<u>(2,813,751)</u>	<u>(228,754)</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(762,464)	3,900,779
Net foreign exchange difference		(1,936)	572
Cash and cash equivalents at 1 January		<u>7,523,900</u>	<u>2,525,991</u>
CASH AND CASH EQUIVALENTS AT 30 June	4	<u>6,759,500</u>	<u>6,427,342</u>

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 2022

	Kuwaiti Dinars							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/accumulated loss	Sub total	Non-controlling interests	
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 8)	(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
Balance as at 1 January 2021	55,500,000	101,480	-	(2,461,101)	(593,220)	(10,601,480)	41,945,679	22,779	41,968,458
Profit/(loss) for the period	-	-	-	-	-	3,281,239	3,281,239	(70,244)	3,210,995
Other comprehensive income	-	-	-	175,521	46,686	-	222,207	-	222,207
Total comprehensive income/(loss) for the period	-	-	-	175,521	46,686	3,281,239	3,503,446	(70,244)	3,433,202
Share capital restructuring (Note 8)	(10,500,000)	(101,480)	-	-	-	10,601,480	-	-	-
As at 30 June 2021	45,000,000	-	-	(2,285,580)	(546,534)	3,281,239	45,449,125	(47,465)	45,401,660

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 18th 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 24 May 2022 and approved the consolidated financial statements for the year ended 31 December 2021.

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 2022 were authorised for issue by the Board of Directors on 14 August 2022.

2. Basis of preparation

The interim condensed consolidated financial information for the Six months ended 30 June 2022 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 2021. 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 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

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 the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021.

Application of new and revised International Financial Reporting Standards (IFRS)

Amendments to IAS 16

The IASB decided to amend IAS 16 to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The IASB also decided to clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes .

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

- *The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.*
- Annual Improvements to IFRS Standards 2018–2020 (May 2020) Amendment to IFRS 9 (Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities);
- *The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.*
- Other improvements have no effect.

IFRSs issued but not yet mandatorily effective

At the date of authorization of the interim condensed consolidated financial information, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current; The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies; The amendment is effective for annual periods beginning on or after 1 January 2023.
Amendments to IAS 12	Taxable and deductible temporary differences of the deferred tax asset and liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Application of the amendments before the effective date is permitted.
Amendments to IAS 8	Definition of accounting estimates; The amendment is effective for annual periods beginning on or after 1 January 2023.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed consolidated financial information of the Group in the period of initial application.

3. Basic and diluted earnings per share attributable to equity holders of the Parent Company

Basic and diluted earnings per share is computed by dividing 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		Six months ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Profit for the period attributable to equity holders of the Parent Company	898,874	272,807	1,925,201	3,281,239
	Shares			
Weighted average number of shares outstanding for the period	449,719,219	450,000,000	449,858,833	450,000,000
Basic and diluted earnings per share attributable to the equity holders of the parent company	2.0 Fils	0.6 Fils	4.3 Fils	7.3 Fils

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 June 2022

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 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Bank balances and cash	6,236,861	6,523,684	6,095,739
Balances with custodians	522,639	216	331,603
Short-term murabaha investments with original maturities up to three months	-	1,000,000	-
	6,759,500	7,523,900	6,427,342

5. Investment in associates

	Kuwaiti Dinars		
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
At the beginning of the period/year	25,610,726	25,273,157	25,273,157
Share in results	272,050	836,130	488,505
Share in other comprehensive income/(loss)	(46,188)	7,079	46,686
Foreign currency translation adjustment	(2,189,130)	(180,686)	174,949
Dividend received	-	(324,954)	-
Advance received from an associate	(31,966)	-	-
At the end of the period/year	23,615,492	25,610,726	25,983,297

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.

The Group's share in results for all the associates except for GFGL for the six-month period ended 30 June 2022 is based on its management accounts.

6. Investment in a joint venture

	Kuwaiti Dinars		
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
At the beginning of the period/year	1,249,058	1,519,565	1,519,565
Share of results	(81,986)	(270,507)	(176,277)
At the end of the period/year	1,167,072	1,249,058	1,343,288

The Group's share in results of First Kuwaiti for Education Holding Company WLL for the six-month period ended 30 June 2022 is based on its management accounts.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 June 2022

7. Intangible assets and goodwill

	Kuwaiti Dinars		
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
<u>Intangible assets</u>			
Asset management agreements	3,300,000	3,400,000	3,500,000
Goodwill - Juzur Canary Restaurant Company W.L.L	1,500,000	1,500,000	1,500,000
Goodwill - Manarat Educational Services Company W.L. L	900,000	900,000	900,000
Total Goodwill	2,400,000	2,400,000	2,400,000

8. Share capital

The authorised, issued and fully paid up share capital of the Parent Company is KD 42,500,000 as of 30 June 2022 (31 December 2021: KD 45,000,000; 30 June 2021: KD 45,000,000) comprising of 425,000,000 shares (31 December 2021: 450,000,000; 30 June 2021: 450,000,000) of 100 fils each.

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.

In June 2021, the extra-ordinary 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.

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	
	Six months ended 30 June	
	2022	2021
Key management compensation:		
Salaries and other short term benefits	188,732	227,930
Employees' end of services	14,077	3,978
	202,809	231,908

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 June 2022

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

	Proprietary investment		Asset management and advisory services		Food		Education		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment revenue	1,105,472	328,151	2,181,243	4,872,359	899,710	689,814	699,496	-	4,885,921	5,890,324
Segment results	124,405	(1,014,181)	1,854,221	4,424,915	(189,306)	(107,046)	130,142	(165,066)	1,919,462	3,138,622
Share in results of associates and a joint venture	272,050	488,505	-	-	-	-	(81,986)	(176,277)	190,064	312,228
Amortization of intangibles	-	-	(100,000)	(100,000)	-	-	-	-	(100,000)	(100,000)
Finance cost on lease liabilities	(10,282)	(8,765)	-	-	(18,913)	(12,390)	(28,211)	(10,753)	(57,406)	(31,908)
Taxes	(84,140)	(107,947)	-	-	-	-	-	-	(84,140)	(107,947)
Profit for the period									1,867,980	3,210,995

Revenue of the asset management and advisory services includes incentive fees amounting to KD 776,543 (30 June 2021: KD 3,910,924) that arises mostly in the period, 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	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Segment assets	6,011,552	8,032,071	687,227	629,861	1,076,228	800,195	1,180,840	485,417	8,955,847	9,947,544
Investment in associates and a joint venture	23,615,492	25,983,297	-	-	-	-	1,167,072	1,343,288	24,782,564	27,326,585
Others	11,352,182	10,063,733	3,300,000	3,500,000	74,585	66,807	96,014	112,603	14,822,781	13,743,143
	40,979,226	44,079,101	3,987,227	4,129,861	1,150,813	867,002	2,443,926	1,941,308	48,561,192	51,017,272
Liabilities:										
Account payable and accruals	2,946,065	2,854,896	36,277	-	238,994	328,461	167,144	224,718	3,388,430	3,408,075
Lease liabilities	337,057	421,261	-	-	581,938	384,033	897,445	310,467	1,816,440	1,115,761
Employees' end of service benefits	949,807	845,791	-	-	175,826	156,013	103,405	89,972	1,229,038	1,091,776
	4,232,929	4,121,948	36,277	-	996,708	858,507	1,167,994	625,157	6,433,908	5,615,612

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 June 2022

11. Contingent Liabilities

	Kuwaiti Dinars		
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2021 (Unaudited)
Guarantee provided for murabaha payable of joint venture	10,398,375	10,530,000	10,530,000

For the murabaha payable availed by the joint venture (see Note 6), the joint venture partner and the Group, 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 June 2022	Kuwaiti Dinars		
	Level 1	Level 3	Total
Financial assets at fair value			
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equities	2,021,516	-	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>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) – 30 June 2022

30 June 2021

	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	1,955,797	-	1,955,797
Unquoted equity securities	-	4,230,127	4,230,127
	<u>1,955,797</u>	<u>4,230,127</u>	<u>6,185,924</u>
<i>Financial assets at fair value through other comprehensive income:</i>			
Unquoted equity securities	-	2,579,827	2,579,827
	<u>-</u>	<u>2,579,827</u>	<u>2,579,827</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 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>	<u>6,293,922</u>	<u>520,405</u>	<u>(172,032)</u>	<u>(1,320,589)</u>	<u>5,321,706</u>

	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 June 2021
Financial assets at fair value					
<i>Unquoted equity securities</i>	<u>7,645,711</u>	<u>110,898</u>	<u>-</u>	<u>(946,655)</u>	<u>6,809,954</u>

During the period ended 30 June 2022, there were no transfers between the hierarchies.

13. SUBSEQUENT EVENT

On 18 July 2022, the Parent Company submitted a binding offer to its associate, Gatehouse Financial Group Limited, to acquire 100% of the issued share capital of Gatehouse Capital – Economic and Financial Consultancy K.S.C.C. for a consideration consisting of KD 12,000,000 in cash and KD 2,000,000 in kind representing equity shares of a local shareholding company. The acquisition is expected to complete once the regulatory and governmental approvals are obtained, and legal procedures are finalized.

14. IMPACT OF COVID-19

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in interim condensed consolidated financial information and explained the changes related to the critical judgement and estimates for the period ended 30 June 2022.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimise any negative impact on the Group.