SECURITIES GROUP COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

SECURITIES GROUP COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

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CONTENTS

الصالحية
AL-SALHEYA
محاسبون قانونيون
Certified Public Accountant

PrimeGlobal
An Association of Independent Accounting Firms

RSM

Baneid Al Gar – Al Darwaza Tower – 10 Floor
T el : 2246 4282 – 2246 0020
Fax : 2246 0032
P.O.Box : 240 Aldasma – 35151 – Kuwait
www.alikouhari.com

RSM Albazie & Co.
Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O. Box 2115, Safat 13022, State of Kuwait
T +965 22961000
F +965 22412761
www.rsm.global/kuwait

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Securities Group Company K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Closed) ("the Parent Company") and its subsidiaries (collectively, "the Group") as at September 30, 2019 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. 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 condensed 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 basis of presentation set out in Note 2.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the 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, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended September 30, 2019 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 violations of the provisions of Law No. 32 of 1968, as amended, concerning Currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations or of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the six months period ended September 30, 2019, that might have had a material effect on the business of the Parent Company or on its financial position.

Ali Mohammed Kouhari
Licence No.156-A
Member of PrimeGlobal

Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

State of Kuwait
October 30, 2019

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2019
(All amounts are in Kuwaiti Dinars)

	Note	**September 30, 2019**	(Audited) March 31, 2019	(Restated) September 30, 2018
ASSETS				
Cash on hand and at banks		**12,902,386**	13,327,703	13,612,375
Financial assets at fair value through profit or loss ("FVTPL")	5	**5,215,395**	3,987,802	7,643,512
Accounts receivable and other debit balances		**592,825**	583,641	576,270
Loans granted to others		**-**	-	56,527
Financial assets at fair value through other comprehensive income ("FVOCI")	6	**29,093,591**	29,358,630	28,697,185
Investment in associates	7	**12,417,832**	26,498,156	26,219,493
Investment in unconsolidated subsidiaries		**942,126**	1,041,126	910,521
Investment properties		**27,166,519**	28,184,954	27,714,874
Total assets		**88,330,674**	102,982,012	105,430,757
LIABILITIES AND EQUITY				
Liabilities:				
Loans	9	**26,758,162**	28,281,509	28,935,710
Loans from related party	10	**3,186,000**	14,402,416	19,345,000
Accounts payable and other credit balances		**3,838,454**	4,265,396	3,816,585
Total liabilities		**33,782,616**	46,949,321	52,097,295
Equity:				
Capital	11	**21,600,000**	24,000,000	24,000,000
Treasury shares		**-**	-	(282,654)
Share premium		**3,046,592**	3,046,592	3,046,592
Treasury shares reserve		**3,052**	3,052	-
Statutory reserve		**12,769,186**	12,769,186	12,769,186
Voluntary reserve		**4,405,892**	4,405,892	4,405,892
Other reserves		**326,295**	343,800	316,244
Foreign currency translation adjustments		**910,069**	923,401	853,550
Fair value reserve		**6,321,109**	6,586,148	5,650,059
Retained earnings		**5,101,622**	3,890,746	2,510,932
Equity attributable to the shareholders of the Parent Company		**54,483,817**	55,968,817	53,269,801
Non-controlling interests		**64,241**	63,874	63,661
Total equity		**54,548,058**	56,032,691	53,333,462
Total liabilities and equity		**88,330,674**	102,982,012	105,430,757
Memorandum accounts off the interim condensed consolidated statement of financial position	14	**2,962,311,108**	2,058,205,665	1,826,966,394

The accompanying notes (1) to (20) form an integral part of the interim condensed consolidated financial information.

Khaled S. Al - Ali	Ali Y. Al - Awadi
Chairman	Vice Chairman and CEO

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018
Continuing operations:					
Revenues:					
Net investment (loss) income	12	**(68,859)**	400,072	**858,153**	1,374,732
Fees and commission income		**532,709**	647,616	**1,036,459**	1,024,591
Interest income		**115**	71	**2,151**	17,159
Rental income		**272,804**	243,826	**504,902**	582,402
Group's share of results from associates	7	**(53,123)**	(91,193)	**(56,833)**	(153,380)
Gain on sale of investment property		**16,125**	-	**16,125**	-
Gain on sale of unconsolidated subsidiary		**2,000**	1,058	**2,000**	1,058
Foreign exchange gain (loss)		**2,326**	(70,157)	**48,507**	(158,785)
		704,097	1,131,293	**2,411,464**	2,687,777
Expenses and other charges:					
General and administrative expenses		**(399,964)**	(421,620)	**(797,994)**	(811,248)
Finance charges		**(215,328)**	(242,655)	**(475,900)**	(544,541)
Provision for expected credit losses		**4,682**	(105,064)	**(31,404)**	(105,064)
		(610,610)	(769,339)	**(1,305,298)**	(1,460,853)
Profit for the period from continuing operations		**93,487**	361,954	**1,106,166**	1,226,924
Discontinued operations:					
Profit for the period from discontinued operations	8	**-**	191,962	**111,732**	524,478
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat		**93,487**	553,916	**1,217,898**	1,751,402
Contribution to KFAS		**(390)**	(3,009)	**(8,529)**	(10,957)
Zakat		**(126)**	(1,463)	**(126)**	(1,463)
Profit for the period		**92,971**	549,444	**1,209,243**	1,738,982
Attributable to:					
Shareholders of the Parent Company		**92,778**	549,436	**1,208,876**	1,739,191
Non-controlling interests		**193**	8	**367**	(209)
Profit for the period		**92,971**	549,444	**1,209,243**	1,738,982
Basic and diluted earnings per share:		**Fils**	Fils	**Fils**	Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	13	**0.43**	2.27	**5.30**	7.04
Basic and diluted earnings per share from continuing operations:					
Basic and diluted earnings per share attributable to shareholders of the Parent Company	13	**0.43**	1.48	**4.81**	4.92
Basic and diluted earnings per share from discontinued operations:					
Basic and diluted earnings per share attributable to shareholders of the Parent Company	13	**-**	0.79	**0.49**	2.12

The accompanying notes (1) to (20) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	**2019**	2018
Profit for the period	**92,971**	549,444	**1,209,243**	1,738,982
Net other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss				
Share of other comprehensive income of associates	**72**	1,268	**29**	47
Exchange differences on translating foreign operations	**36,812**	(3,929)	**(13,361)**	270,811
Items that will not be reclassified subsequently to profit or loss				
Changes in fair value of financial assets at FVOCI	**(155,525)**	737,022	**(265,039)**	4,004,492
Net other comprehensive (loss) income for the period	**(118,641)**	734,361	**(278,371)**	4,275,350
Total comprehensive (loss) income for the period	**(25,670)**	1,283,805	**930,872**	6,014,332
Attributable to:				
Shareholders of the Parent Company	**(25,863)**	1,283,797	**930,505**	6,014,541
Non-controlling interests	**193**	8	**367**	(209)
Total comprehensive (loss) income for the period	**(25,670)**	1,283,805	**930,872**	6,014,332

The accompanying notes (1) to (20) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company												
	Capital	Treasury shares	Share premium	Treasury shares reserve	Statutory reserve	Voluntary reserve	Other reserves	Foreign currency translation adjustments	Fair value reserve	Retained earnings	Sub-total	Non-controlling Interests	Total
Balance as at March 31, 2019	24,000,000	-	3,046,592	3,052	12,769,186	4,405,892	343,800	923,401	6,586,148	3,890,746	55,968,817	63,874	56,032,691
Capital reduction (Notes 11, 17)	(2,400,000)	-	-	-	-	-	-	-	-	-	(2,400,000)	-	(2,400,000)
Effect of ownership change in an associate	-	-	-	-	-	-	(17,505)	-	-	-	(17,505)	-	(17,505)
Transfer of gain on disposal of financial assets at FVOCI to retained earnings	-	-	-	-	-	-	-	-	-	2,000	2,000	-	2,000
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(13,332)	(265,039)	1,208,876	930,505	367	930,872
Balance as at September 30, 2019	21,600,000	-	3,046,592	3,052	12,769,186	4,405,892	326,295	910,069	6,321,109	5,101,622	54,483,817	64,241	54,548,058
Balance as at March 31, 2018 (as previously reported)	25,528,372	(300,655)	3,046,592	-	12,769,186	4,405,892	316,233	582,692	1,645,567	1,728,014	49,721,893	63,870	49,785,763
Prior year adjustment (Note 7 & 19)	-	-	-	-	-	-	-	-	-	(954,403)	(954,403)	-	(954,403)
Balance as at March 31, 2018 (Restated)	25,528,372	(300,655)	3,046,592	-	12,769,186	4,405,892	316,233	582,692	1,645,567	773,611	48,767,490	63,870	48,831,360
Capital reduction (Note 17)	(1,528,372)	18,001	-	-	-	-	-	-	-	(1,870)	(1,512,241)	-	(1,512,241)
Effect of ownership change in an associate	-	-	-	-	-	-	11	-	-	-	11	-	11
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	270,858	4,004,492	1,739,191	6,014,541	(209)	6,014,332
Balance as at September 30, 2018 (Restated)	24,000,000	(282,654)	3,046,592	-	12,769,186	4,405,892	316,244	853,550	5,650,059	2,510,932	53,269,801	63,661	53,333,462

The accompanying notes (1) to (20) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(All amounts are in Kuwaiti Dinars)

	Note	Six months ended September 30, 2019	2018
Cash flow from operating activities:			
Profit for the period from continuing operations		**1,106,166**	1,226,924
Profit for the period from discontinued operations		**111,732**	524,478
Profit for the period before contribution to KFAS and Zakat		**1,217,898**	1,751,402
Adjustments for:			
Net investment income	12	**(858,153)**	(1,374,732)
Interest income		**(2,151)**	(17,159)
Group's share of results from associates	7	**56,833**	153,380
Foreign exchange (gain) loss		**(48,507)**	158,785
Gain on sale of investment property		**(16,125)**	-
Gain on sale of unconsolidated subsidiary		**(2,000)**	(1,058)
Finance charges		**475,900**	544,541
Provision for expected credit losses		**31,404**	105,064
Group's share of results from discontinued operations	8	**(210,644)**	(524,478)
Loss on disposal of discontinued operations	8	**98,912**	-
		743,367	795,745
Changes in operating assets and liabilities:			
Financial assets at FVTPL		**(1,437,893)**	(5,248,430)
Accounts receivable and other debit balances		**68,935**	579,343
Accounts payable and other credit balances		**(306,114)**	68,404
Net cash flows used in operating activities		**(931,705)**	(3,804,938)
Cash flow from investing activities:			
Purchase of additional investment in an associate	7	**(1,972,099)**	(171,148)
Proceeds from capital reduction of investment in an associate	7	**338,600**	98,500
Proceeds from disposal of discontinued operations		**15,580,135**	-
Purchase of additional investment in unconsolidated subsidiary		**-**	(250,000)
Proceeds from sale of investment in unconsolidated subsidiary		**2,000**	7,000
Proceeds from redemptions of debt instruments at amortised cost		**-**	3,000,000
Paid for additions to investment properties		**-**	(1,030,125)
Proceeds from sale of investment properties		**1,030,125**	6,500,000
Interest income received		**2,151**	17,159
Dividends income received		**1,170,031**	1,581,452
Net cash flows generated from investing activities		**16,150,943**	9,752,838
Cash flows from financing activities:			
Loans		**(1,523,347)**	(8,594,623)
Loans from related party		**(11,216,416)**	5,345,000
Cash dividends paid		**(2,175)**	(75,520)
Capital reduction		**(2,301,068)**	(1,456,354)
Finance charges paid		**(601,549)**	(619,332)
Net cash flows used in financing activities		**(15,644,555)**	(5,400,829)
Net (decrease) increase in cash on hand and at banks		**(425,317)**	547,071
Cash on hand and at banks at the beginning of the period		**13,327,703**	13,065,304
Cash on hand and at banks at the end of the period		**12,902,386**	13,612,375

The accompanying notes (1) to (20) form an integral part of the interim condensed consolidated financial information.

1. Incorporation and principal activities

Securities Group Company K.S.C. (Closed) (the Parent Company) is a Kuwaiti Closed Shareholding Company incorporated by agreement no. 786 / Vol. 2 dated October 24, 1981 and the latest amendment on August 4, 2019 (Note 11). The Parent Company's registered office is P.O. Box 26953, Safat 13130, State of Kuwait.

The principal activities of the Parent Company include:
- Trading in securities listed in Kuwait and the GCC
- Acting as custodian and managers of funds
- Conducting research and studies
- Providing financial and investment services
- Obtaining loans from the financial market, granting to others and acting as an intermediary in the lending and borrowing process
- Establishing and managing real estate portfolios for its clients inside and outside Kuwait
- Investment in real estate.

The Parent Company is under the supervision of the Capital Markets Authority ("CMA") according to Law No. 7/2010 for investment companies and by the Central Bank of Kuwait ("CBK") for financing activities.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on October 30, 2019.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended March 31, 2019, except for the changes in accounting policies due to adoption of new standard as mentioned in the Note 4. The management also has adopted accounting standards for non-current asset held for sale and discounted operations as mentioned in the Note 3.

The Group has not early adopted any other standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial information of the Group.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ('IASB') and with the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK") and the Capital Markets Authority ("CMA"). These regulations require adoption of all IFRSs as issued by IASB except for the measurement and disclosure requirements of expected credit losses (ECL) on credit facilities under IFRS 9: Financial Instruments. Accordingly, provision for credit losses on credit facilities is the higher of ECL under IFRS 9, determined in accordance with the CBK guidelines, and the provisions required by the CBK rules on classification of credit facilities and calculation of their provisions. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the six months period ended September 30, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2020. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended March 31, 2019.

3. Significant accounting policies

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amount of assets and liabilities, incomes and expenses. Actual result may differ from these estimates.

The adoption of the following accounting policies are also expected to be reflected in the Group's consolidated financial statements for the year ended March 31, 2020.

During the period ended September 30, 2019, the Group applied the accounting policy as per IFRS 5 due to the reclassification of the Group's investment in an associate as non-current asset held for sale and discontinued operation.

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Non-current assets once classified as held for sale are not depreciated or amortized. Assets classified as held for sale are presented separately as current items in the interim condensed consolidated statement of financial position.

Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in consolidated statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

Non-current assets that cease to be classified as held for sale (or cease to be included in a disposal group classified as held for sale) are measured at the lower of:

a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization or revaluations that would have been recognized had the asset (or disposal group) not been classified as held for sale, and

b) its recoverable amount at the date of the subsequent decision not to sell.

Discontinued operations

A discontinued operation is a component of the Group's business, the operational results and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as discontinued operations.

In interim condensed consolidated statement of profit or loss of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separate from income and expenses from continuing activities, down to the level of profit, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss is reported separately in interim condensed consolidated statement of profit or loss.

4. Changes in significant accounting policies due to adoption of new standard

IFRS 16 – Leases
The standard, effective for annual periods beginning on or after January 1, 2019, provides a comprehensive framework for the identification of lease arrangements and their treatment in the interim condensed consolidated financial information of both lessees and lessors. It replaces the following existing standards and interpretations upon its effective date:

- IAS 17 - Leases,
- IFRIC 4 - Determining whether an Arrangement contains a Lease,
- SIC 15 - Operating Leases-Incentives; and,
- SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out guidelines presented below in points A, B and C for determining whether any impact arises on the intial adoption of this standard and also describes the accounting treatment on the Group's interim condensed consolidated financial information with reference to the Group as a lessee or lessor:

A. Definition of a lease

The Group previously determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease as explained below. Under IFRS 16, the Group assessed a lease based on the following:

- Is there an identified asset that the customer has the right to use,
- Does the lessee obtain substantially all the economic benefits, and,
- Does the lessee have the right to direct use of the asset.

B. The Group as a lessee

IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability (unless the lessee applies the fair value model in IAS 40 Investment Property to right-of-use assets that meet the definition of investment property in IAS 40 or applies the revaluation model in IAS 16 Property, plant and equipment).

The lease liability is initially measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

C. The Group as a lessor

In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, and continue to require a lessor to classify a lease either as an operating lease or a finance lease. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for sub-leases. As at the effective date, the adoption of IFRS 16 has not had a significant effect on the Group's accounting policies related to a lessor for sub-leases.

Transition

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of April 1, 2019 and accordingly, the comparative information is not restated.

The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets').

As at April 1, 2019, the Group performed a detailed assessment of IFRS 16 on the Group components and as a result, the Group's associates recognized right-of-use assets and lease liabilities. The adoption of IFRS 16 by the associates did not have any impact on the Group's opening retained earnings, as it forms part of the carrying value of the Group's investment in associates.

5. Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL represents quoted securities held by the Group primarily for the purpose of trading and short-term profit making.

Fair value measurement disclosures of financial assets at FVTPL are provided in Note 18.

6. Financial assets at fair value through other comprehensive income ("FVOCI")

	September 30, 2019	(Audited) March 31, 2019	September 30, 2018
Quoted securities	**22,149,202**	22,149,202	20,336,994
Unquoted securities	**6,944,389**	7,209,428	8,360,191
	29,093,591	29,358,630	28,697,185

Quoted securities with a carrying value of KD 22,142,547 were pledged with a local bank against a loan (Note 9).

Fair value measurement disclosures of financial assets at FVOCI are provided in Note 18.

7. Investment in associates

Name of the associate	Country of incorporation	Percentage of holding	**September 30, 2019**	(Audited) March 31, 2019	(Restated) September 30, 2018
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed) (Note 8)	Kuwait	-	-	15,529,419	15,017,064
Al Madar Al Thahabia Co. W.L.L.	KSA	24%	**7,704,075**	5,947,559	6,159,390
Future Communication Co. K.S.C.C.	Kuwait	34.30%	**2,216,933**	2,625,623	2,542,027
Al-Jazeera Real Estate Development Co. K.S.C. (Closed)	Kuwait	20%	**1,766,016**	1,638,713	1,550,625
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	**616,125**	621,366	796,527
Kuwait Qatari Co. for Real Estate Development K.S.C.C.	Kuwait	40.72%	**108,453**	129,246	147,630
Mena Equities Ltd.	British Virgin Islands	44.15%	**6,230**	6,230	6,230
			12,417,832	26,498,156	26,219,493

The movement during the period / year was as follows:

	September 30, 2019	(Audited) March 31, 2019	(Restated) September 30, 2018
Balance at the beginning of the period / year	**26,498,156**	26,283,884	27,238,287
Prior period adjustment (Note 19)	-	-	(954,403)
Balance (Restated balance) at the beginning of the period / Year	**26,498,156**	26,283,884	26,283,884
Additions	**1,972,099**	248,745	171,148
Capital reduction of investment in an associate	**(338,600)**	(98,500)	(98,500)
Effect of ownership change in an associate	**(17,505)**	27,567	-
Group's share of results from associates	**(56,833)**	(498,853)	(153,380)
Share of other comprehensive income	**29**	261	47
Cash dividends received	**(101,578)**	(689,048)	(685,898)
Foreign currency translation adjustments	**(8,517)**	184,118	177,714
Profit for the period from discontinued operations (Note 8)	**210,644**	1,039,982	524,478
Transferred to discontinued operations (Note 8)	**(15,740,063)**	-	-
Balance at the end of the period / year	**12,417,832**	26,498,156	26,219,493

8. Discontinued operations

During the period ended September 30, 2019 and based on the Parent Company's Board of Directors' decision in its meeting dated June 19, 2019, the Parent Company's Board of Directors approved to dispose the entire equity interest in the associate "Kuwait Saudi Pharmaceutical Industries Co. S.A.K.(Closed)") ("KSPI") representing 53,935,000 shares. Consequently, on June 20, 2019, the Parent Company signed a preliminary sale agreement with a third party to sell its whole ownership in KSPI for 290 fils per share for a total amount of KD 15,641,151. Accordingly, the carrying value of the investment as at June 19, 2019 amounting to KD 15,740,063 was classified as discontinued operations in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". On August 6, 2019, the Parent Company had completed all the legal procedures for transferring the KSPI shares to the third party.

The Group's share of results of KSPI for the period from April 1, 2019 to June 19, 2019 (reclassification date) and the realized loss on sale are classified as "profit for the period from discontinued operations" as presented below. The comparative period has been re-presented to include those operations that have been classified as discontinued in the current period presentation.

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	**2019**	2018
Group's share of results from discontinued operations	-	191,962	**210,644**	524,478
Loss on disposal of discontinued operations	-	-	**(98,912)**	-
Profit for the period from discontinued operations	-	191,962	**111,732**	524,478

9. Loans

Revolving loans carry an annual interest rate ranging from 3% to 4% (March 31, 2019: ranging from 3% to 4%, September 30, 2018: ranging from 3% to 4%). A loan of KD 15,258,162 is secured by quoted securities classified as financial assets at FVOCI (Note 6) and other loans are secured by promissory notes. Loans amounting to KD 15,258,162 and KD 11,500,000 are due for settlement on May 15, 2021.

10. Loans from related party

These represent loans obtained from a shareholder carrying an interest rate ranging from 2.5% to 3.25% (March 31, 2019: ranging from 2.5% to 3.25%, September 30, 2018: ranging from 2.5% to 3.25%) per annum. The loans of KD 500,000 and KD 2,686,000 are due for settlement on June 3, 2020 and February 9, 2021 respectively.

11. Capital

As at September 30, 2019, the authorized, issued and paid-up capital amounting to KD 21,600,000 allocated on 216,000,000 shares (March 31, 2019: amounting to KD 24,000,000 allocated on 240,000,000 shares, September 30, 2018: amounting to KD 24,000,000 allocated on 240,000,000 shares) with a par value of 100 fils each and all shares are paid in cash.

The Group has reduced issued and paid up share capital by KD 2,400,000 through distribution of cash. The amendment in the share capital was approved by the Extraordinary General Assembly held on July 1, 2019 and was notarized in the Parent Company's Commercial Registry on August 4, 2019.

12. Net investment (loss) income

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	**2019**	2018
Unrealized (loss) gain from financial assets at FVTPL	**(68,859)**	242,230	**(210,300)**	247,254
Realized gain from sale of financial assets at FVTPL	-	76,580	-	231,924
Dividend income	-	81,262	**1,068,453**	895,554
	(68,859)	400,072	**858,153**	1,374,732

13. Basic and diluted earnings per share attributable to shareholders of the Parent Company

There are no potential dilutive ordinary shares. Basic and diluted earnings per share is computed by dividing the profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	**2019**	2018
Profit for the period attributable to shareholders of the Parent Company from continuing operations	**92,778**	357,474	**1,097,144**	1,214,713
Profit for the period attributable to shareholders of the Parent Company from discontinued operations	**-**	191,962	**111,732**	524,478
Profit for the period attributable to shareholders of the Parent Company	**92,778**	549,436	**1,208,876**	1,739,191
	Shares	Shares	**Shares**	Shares
Weighted average number of shares outstanding	**216,000,000**	241,515,386	**227,934,426**	247,020,563
	Fils	Fils	**Fils**	Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	**0.43**	2.27	**5.30**	7.04
Basic and diluted earnings per share attributable to shareholders of the Parent Company from continuing operations	**0.43**	1.48	**4.81**	4.92
Basic and diluted earnings per share attributable to shareholders of the Parent Company from discontinued operations	**-**	0.79	**0.49**	2.12

As there are no dilutive instruments outstanding, basic and diluted earnings per share attributable to shareholders of the Parent Company are identical.

14. Memorandum accounts off the interim condensed consolidated statement of financial position

The Parent Company manages investment portfolios for others amounting to KD 2,962,311,108 as at September 30, 2019 (March 31, 2019: KD 2,058,205,665; September 30, 2018: KD 1,826,966,394) to earn management fees. These investment portfolios are registered in the name of the Parent Company and are not included in the accompanying interim consolidated financial information.

15. Related party transactions

The Group has entered into various transactions with related parties concerning financing and other related services. Prices and terms of payment are to be approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	September 30, 2019	(Audited) March 31, 2019	September 30, 2018
(i) Interim condensed consolidated statement of financial position:			
Cash on hand and at banks	**11,898,281**	12,365,720	12,588,041
Loans granted to others	**-**	-	56,527
Loans	**26,758,162**	28,281,509	28,935,710
Loans from related party	**3,186,000**	14,402,416	19,345,000
Accounts payable and other credit balances	**1,085,864**	1,465,068	1,104,557

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	**2019**	2018
(ii) Interim condensed consolidated statement of profit or loss:				
Interest income	**115**	71	**150**	113
Finance charges	**(215,328)**	(242,655)	**(475,900)**	(544,541)
(iii) Compensation to key management personnel:				
Short-term benefits	**77,880**	73,217	**151,096**	211,308
Termination benefits	**7,969**	6,407	**14,375**	12,813

16. Segment information

The Group is divided into operating segments for managing its business activities based on internal reporting provided to the chief operating decision maker as follows:

- Investment activities: Direct investment for the Group's benefit in securities, portfolios and funds.
- Asset management services: Portfolio and Fund management services for clients.
- Lending activities: Direct lending to others and acting as a broker in lending and borrowing activities.
- Real estate activities: Investment in real estate and managing real estate portfolios.

	For the period ended September 30,									
	2019					2018 ((Restated)				
	Investment activities	Asset management services	Lending activities	Real estate activities	Total	Investment activities	Asset management services	Lending activities	Real estate activities	Total
Segment operating revenue	860,304	1,036,459	-	504,902	2,401,665	1,391,891	1,024,591	-	582,402	2,998,884
Segment operating expenses	(475,900)	-	-	(31,646)	(507,546)	(544,541)	-	-	(35,911)	(580,452)
Unallocated operating expense					(766,348)					(775,337)
Operating profit					1,127,771					1,643,095
Group's share of results from associates					(56,833)					(153,380)
Gain on sale of investment properties					16,125					-
Gain on sale of unconsolidated subsidiary					2,000					1,058
Foreign exchange gain (loss)					48,507					(158,785)
Provision for expected credit losses					(31,404)					(105,064)
Profit for the period from continuing operations					1,106,166					1,226,924
Profit for the period from discontinued operations					111,732					524,478
Contribution to KFAS					(8,529)					(10,957)
Zakat					(126)					(1,463)
Profit for the period					1,209,243					1,738,982
Other information										
Segment assets	47,211,372	230,017	-	27,166,519	74,607,908	49,953,072	189,458	56,527	27,714,874	77,913,931
Investment in associates	-	-	-	-	12,417,832	-	-	-	-	26,219,493
Investment in unconsolidated subsidiaries	-	-	-	-	942,126	-	-	-	-	910,521
Unallocated assets	-	-	-	-	362,808	-	-	-	-	386,812
Total assets					88,330,674					105,430,757
Segment liabilities	29,944,162	-	-	-	29,944,162	48,280,710	-	-	-	48,280,710
Unallocated liabilities	-	-	-	-	3,838,454	-	-	-	-	3,816,585
Total liabilities					33,782,616					52,097,295

17. General Assembly

The Shareholders' Annual General Assembly held on July 1, 2019 approved the Board of Directors' proposal not to distribute cash dividends and not to distribute Board of Directors' remuneration for the financial year ended March 31, 2019.

The Shareholders' Extraordinary General Assembly held on July 1, 2019 approved the Board of Directors' proposal to reduce the share capital by 10% amounting to KD 2,400,000 that will be KD 21,600,000 and distribute this reduction to the Shareholders of the Parent Company recorded on the same date of the Parent Company's Shareholders' Extraordinary General Assembly.

The Shareholders' Annual General Assembly held on July 26, 2018 approved the Board of Directors' proposal not to distribute cash dividends and approved Board of Directors' remuneration amounting to KD 25,000 for the financial year ended March 31, 2018.

The Shareholders' Extraordinary General Assembly held on July 26, 2018 approved the Board of Directors' proposal to reduce the share capital by 5.9% amounting to KD 1,528,372 that will be KD 24,000,000 and distribute this reduction to the Shareholders.

18. Fair value measurement

The details of fair value measurement hierarchy are as follow:

Level 1: Quoted (unadjusted) market price in active markets for identical assets or liabilities.
Level 2: Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial instruments that are measured at fair value:

September 30, 2019	**Level 1**	**Level 2**	**Total**
Financial assets at FVTPL	**5,215,395**	**-**	**5,215,395**
Financial assets at FVOCI	**22,149,202**	**6,944,389**	**29,093,591**
	27,364,597	**6,944,389**	**34,308,986**

March 31, 2019 (Audited)	Level 1	Level 2	Total
Financial assets at FVTPL	3,987,802	-	3,987,802
Financial assets at FVOCI	22,149,202	7,209,428	29,358,630
	26,137,004	7,209,428	33,346,432

September 30, 2018	Level 1	Level 2	Total
Financial assets at FVTPL	7,643,512	-	7,643,512
Financial assets at FVOCI	20,336,994	8,360,191	28,697,185
	27,980,506	8,360,191	36,340,697

During the period ended September 30, 2019, there were no transfers between different levels of fair value measurement.

19. Prior period adjustment

The comparative interim condensed consolidated statement of financial position as at September 30, 2018 and the comparative Interim condensed consolidated statement of changes in equity for the period ended September 30, 2018 have been restated in accordance with IAS 8: "Accounting policies, changes in accounting estimates and errors" to correct the carrying value of the Group's investment in the associate, Kuwait Saudi Pharmaceutical Industries Company S.A.K. (Closed) ("KSPI").

The change in carrying value is due to reassessment of Expected Credit losses for the trade receivables of KSPI. This resulted in an increase in ECL and accordingly decrease in the carrying value of the Group's investment in KSPI as at September 30, 2018 by KD 954,403.

The effect of the restatement is as follows:

Interim condensed consolidated statement of financial position:

Category	Amounts as per 2018 interim condensed consolidated statement of financial information	Amount restated	**Amounts as per 2019 interim condensed consolidated statement of financial information**
Investment in associates	27,173,896	(954,403)	**26,219,493**
Retained earnings	3,465,335	(954,403)	**2,510,932**

20. Legal cases

On October 17, 2016, one of the of the Parent Company shareholders ("Plaintiff") filed a legal case against the chairman of the Parent Company and others ("Defendants") through Case No. 4839/2016 requesting to annul the decisions made by the Parent Company's Annual Ordinary General Assembly meeting held on July 25, 2016 and all the consequent effects. On December 15, 2016, the "Full Commercial Circuit Court " issued its verdict in favour of the Defendants and rejecting the legal case. On January 15, 2017, the Plaintiff appealed against the court verdict in the "Court of Appeal" through Case No. 150/17. On February 13, 2019, the "Court of Appeal" issued its verdict in favour of the Plaintiff by annulling the decisions made by the Parent Company's Annual Ordinary General Assembly meeting held on July 25, 2016 and all the consequent effects . Accordingly, the Parent Company's Annual General Assembly meetings for the years ended March 31, 2016, 2017, 2018 and 2019 will be re-held on November 12, 2019.