

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED JUNE 30, 2018  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

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**REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION** www.rsm.global/kuwait

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 subsidiaries (the Group) as at June 30, 2018 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 three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim 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 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 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, the interim 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 three months period ended June 30, 2018 that might have had a material effect on the Group's financial position or results of its operations.

We further report that, during the course of our review and 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, Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended June 30, 2018, which might have materially affected on the Group's financial position or results of its operations.



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Member of PrimeGlobal



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State of Kuwait  
July 25, 2018

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)


AS AT JUNE 30, 2018

(All amounts are in Kuwaiti Dinars)

	Note	June 30, 2018	(Audited) March 31, 2018	(Restated) June 30, 2017
<b>ASSETS</b>				
Cash on hand and at banks		12,709,339	13,065,304	13,202,895
Financial assets at fair value through profit or loss	3	1,324,610	1,915,904	1,512,627
Accounts receivable and other debit balances		841,524	1,427,697	1,161,928
Loans granted to others		56,527	56,527	190,899
Financial assets at fair value through other comprehensive income ("FVOCI")	4	27,960,162	24,684,458	19,489,496
Investment in associates	5	27,688,313	27,238,287	27,240,520
Investment in unconsolidated subsidiaries		1,070,525	820,525	827,946
Debt instruments at amortised cost	6	-	3,000,000	3,000,000
Investment properties		34,206,502	33,091,259	28,523,890
<b>Total assets</b>		<b>105,857,502</b>	<b>105,299,961</b>	<b>95,150,201</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Loans	7	34,168,554	37,530,333	45,848,511
Loans from related party	8	13,695,000	14,000,000	-
Accounts payable and other credit balances		3,477,658	3,983,865	3,892,653
<b>Total liabilities</b>		<b>51,341,212</b>	<b>55,514,198</b>	<b>49,741,164</b>
<b>Equity:</b>				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	9	(300,655)	(300,655)	(300,655)
Share premium		3,046,592	3,046,592	3,046,592
Statutory reserve		12,769,186	12,769,186	12,764,186
Voluntary reserve		4,405,892	4,405,892	4,405,892
Other reserves		316,233	316,233	155,068
Foreign currency translation adjustments		856,211	582,692	589,136
Fair value reserve		4,913,037	1,645,567	(3,558,015)
Retained earnings		2,917,769	1,728,014	2,714,040
Equity attributable to the shareholders of the Parent Company		54,452,637	49,721,893	45,344,616
Non-controlling interests		63,653	63,870	64,421
<b>Total equity</b>		<b>54,516,290</b>	<b>49,785,763</b>	<b>45,409,037</b>
<b>Total liabilities and equity</b>		<b>105,857,502</b>	<b>105,299,961</b>	<b>95,150,201</b>
Memorandum accounts off the consolidated statement of financial position	12	1,442,885,498	1,433,807,907	1,375,276,593

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.

Khaled S. Al - Ali  
 Chairman

  
 \* Ali Y. Al - Awadi  
 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 JUNE 30, 2018**

(All amounts are in Kuwaiti Dinars)

		Three months ended June 30,	
	Note	2018	(Restated) 2017
<b>Revenues:</b>			
Net investment income	10	974,660	453,681
Fees and commission income		376,975	1,776,909
Interest income		17,088	49,520
Rental income		338,576	205,758
Group's share of results from associates		270,329	427,364
Loss on sale of investment properties		-	(258,048)
Gain from sale of unconsolidated subsidiary		-	1,972
		<u>1,977,628</u>	<u>2,657,156</u>
<b>Expenses and other charges:</b>			
General and administrative expenses		(389,628)	(336,246)
Finance charges		(301,886)	(324,640)
Foreign exchange loss		(88,628)	(109,838)
		<u>(780,142)</u>	<u>(770,724)</u>
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		1,197,486	1,886,432
Contribution to KFAS		(7,948)	(2,271)
<b>Profit for the period</b>		<u>1,189,538</u>	<u>1,884,161</u>
Attributable to:			
Shareholders of the Parent Company		1,189,755	1,884,246
Non-controlling interests		(217)	(85)
<b>Profit for the period</b>		<u>1,189,538</u>	<u>1,884,161</u>
		<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to the shareholders of the Parent Company	11	<u>4.71</u>	<u>7.46</u>

The accompanying notes (1) to (16) form an integral part of the interim 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 JUNE 30, 2018  
 (All amounts are in Kuwaiti Dinars)

	Three months ended June 30,	
	2018	(Restated) 2017
Profit for the period	<u>1,189,538</u>	<u>1,884,161</u>
<b>Net other comprehensive income (loss):</b>		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Share of other comprehensive loss of associates	(1,221)	(530)
Exchange differences on translating foreign operations	274,740	(32,813)
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Changes in fair value of financial assets at FVOCI	3,267,470	(4,224,680)
<b>Net other comprehensive income (loss) for the period</b>	<u>3,540,989</u>	<u>(4,258,023)</u>
<b>Total comprehensive income (loss) for the period</b>	<u>4,730,527</u>	<u>(2,373,862)</u>
Attributable to:		
Shareholders of the Parent Company	4,730,744	(2,373,777)
Non-controlling interests	(217)	(85)
<b>Total comprehensive income (loss) for the period</b>	<u>4,730,527</u>	<u>(2,373,862)</u>

The accompanying notes (1) to (16) form an integral part of the interim 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 JUNE 30, 2018**  
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company										Non-controlling interests	Total
	Capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Other reserves	Foreign currency translation adjustments	Fair value reserve	Retained earnings	Sub-total		
Balance as at March 31, 2018	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
Total comprehensive income (loss) for the period	25,528,372	(300,655)	3,046,592	12,769,186	4,405,892	316,233	856,211	4,913,037	2,917,769	54,432,637	63,653	54,516,290
Balance as at June 30, 2018	25,528,372	(297,374)	3,046,592	12,764,186	4,405,892	316,137	622,479	1,066,022	2,973,725	50,426,031	64,506	50,490,537
Balance as at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-
Transition adjustment on early adoption of IFRS 9 at April 1, 2017	-	-	-	-	-	-	-	(399,357)	(812,524)	(1,211,881)	-	(1,211,881)
Balance as at April 1, 2017 (Restated)	25,528,372	(297,374)	3,046,592	12,764,186	4,405,892	316,137	622,479	666,665	2,161,201	49,214,150	64,506	49,278,656
Purchase of treasury shares	-	(3,281)	-	-	-	-	-	-	-	(3,281)	-	(3,281)
Transfer of loss on disposal of financial assets at FVOCI to retained earnings	-	-	-	-	-	(161,069)	-	-	(1,331,407)	(1,331,407)	-	(1,331,407)
Effect of ownership change in an associate	-	-	-	-	-	-	-	-	-	(161,069)	-	(161,069)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(33,343)	(4,224,680)	1,884,246	(2,373,777)	(85)	(2,373,862)
Balance as at June 30, 2017 (Restated)	25,528,372	(300,655)	3,046,592	12,764,186	4,405,892	155,068	589,136	(3,558,015)	2,714,040	45,344,616	64,421	45,409,037

The accompanying notes (1) to (16) form an integral part of the interim 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 JUNE 30, 2018  
 (All amounts are in Kuwaiti Dinars)

	Three months ended June 30,	
	2018	(Restated) 2017
<b>Cash flow from operating activities:</b>		
Profit for the period before contribution to KFAS	1,197,486	1,886,432
Adjustments for:		
Net investment income	(974,660)	(453,681)
Interest income	(17,088)	(49,520)
Group's share of results from associates	(270,329)	(427,364)
Loss on sale of investment properties	-	258,048
Gain from sale of unconsolidated subsidiary	-	(1,972)
Finance charges	301,886	324,640
Foreign exchange loss	88,628	109,838
	<u>325,923</u>	<u>1,646,421</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	751,662	51,199
Accounts receivable and other debit balances	549,930	(32,737)
Accounts payable and other credit balances	(158,872)	(243,364)
Net cash generated from operating activities	<u>1,468,643</u>	<u>1,421,519</u>
<b>Cash flow from investing activities:</b>		
Proceeds from sale of financial assets at FVOCI	-	3,201,450
Purchase of additional investment in an associate	(141,009)	(67,023)
Proceeds from capital reduction of investment in an associate	-	1,616,985
Purchase of additional investment in unconsolidated subsidiary	(250,000)	-
Proceeds from sale of investment in unconsolidated subsidiary	-	11,000
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	-	830,756
Interest income received	17,088	1,520
Dividends income received	903,374	649,545
Net cash generated from investing activities	<u>2,499,328</u>	<u>6,244,233</u>
<b>Cash flows from financing activities:</b>		
Loans	(3,361,779)	(6,868,062)
Loans from related party	(305,000)	-
Cash dividends paid	(62,842)	(23,529)
Finance charges paid	(594,315)	(251,956)
Purchase of treasury shares	-	(3,281)
Net cash used in financing activities	<u>(4,323,936)</u>	<u>(7,146,828)</u>
Net (decrease) increase in cash on hand and at banks	<u>(355,965)</u>	<u>518,924</u>
Cash on hand and at banks at the beginning of the period	<u>13,065,304</u>	<u>12,683,971</u>
Cash on hand and at banks at the end of the period	<u>12,709,339</u>	<u>13,202,895</u>

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information.



SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
JUNE 30, 2018

(All amounts are in Kuwaiti Dinars)

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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 July 22, 2015. 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 according to Law No. 7/2010 for investment companies and by the Central Bank of Kuwait ("CBK") for financing activities.

The interim consolidated financial information was authorized for issue by the Board of Directors on July 25, 2018.

2. Basis of presentation, restatement and changes to the Group's accounting policies

(a) Basis of presentation

The interim 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 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, 2018 except for the change in accounting policies due to adoption of new standard as mentioned in the Note 2(c).

Except that on April 1, 2017, the Group has early adopted IFRS 9 on the audited consolidated financial statements for the year ended March 31, 2018, with a date of initial application of April 1, 2017, the Group has not early adopted any other standard, interpretation or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim consolidated financial information of the Group.

The interim consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards as modified for use by the State of Kuwait for financial services institutions regulated by Central Bank of Kuwait with respect to a minimum general provision of 1% for cash facilities and 0.5% for non-cash facilities. The Group's policy for calculation of impairment provisions for loans granted complies in all material respects with the specific provision requirements of the Central Bank of Kuwait. 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 consolidated financial information. Operating results for the period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2019. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended March 31, 2018.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
 JUNE 30, 2018

(All amounts are in Kuwaiti Dinars)

(b) Restatement of the interim comparative figures due to early adoption of IFRS 9

The comparative figures in the interim condensed consolidated statement of financial position, 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 three months period ended on June 30, 2017, have been restated since the Group has early adopted IFRS 9 on the audited consolidated financial statements for the year ended March 31, 2018, with a date of initial application of April 1, 2017.

The early adoption on April 1, 2017 required that the information of the interim periods of 2017 to be restated.

The information relating to restatement is set out below:

	Amounts as per June 30, 2017 Interim condensed consolidated financial information	Restatement	Amounts as per June 30, 2018 Interim condensed consolidated financial information
<b>Interim condensed consolidated statement of financial position:</b>			
Financial assets at fair value through profit or loss	-	1,512,627	1,512,627
Financial assets at fair FVOCI	-	19,489,496	19,489,496
Financial assets available for sale	22,952,905	(22,952,905)	-
Investment in associates	27,654,910	(414,390)	27,240,520
Debt instruments at amortised cost	-	3,000,000	3,000,000
Investment held to maturity	3,000,000	(3,000,000)	-
Fair value reserve	(2,144,274)	(1,413,741)	(3,558,015)
Retained earnings	3,665,471	(951,431)	2,714,040
Equity attributable to the shareholders of the Parent Company	47,709,788	(2,365,172)	45,344,616
<b>Interim condensed consolidated statement of profit or loss:</b>			
Net investment (loss) income	(738,819)	1,192,500	453,681
Profit for the period	691,661	1,192,500	1,884,161
<b>Interim condensed consolidated statement of profit or loss and other comprehensive income:</b>			
Changes in fair value of financial assets available for sale	(3,191,542)	3,191,542	-
Reversal due to sale of financial assets available for sale	(18,754)	18,754	-
Changes in fair value of financial assets at FVOCI	-	(4,224,680)	(4,224,680)
<b>Interim condensed consolidated statement of cash flows:</b>			
Net cash generated from operating activities	1,384,550	36,969	1,421,519
Net cash generated from investing activities	6,281,202	(36,969)	6,244,233

(c) Changes in accounting policies due to adoption of new standard

The key changes to the Group's accounting policies resulting from its adoption of IFRS 15 are summarized below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15, effective for annual periods beginning on or after January 1, 2018, establishes a single and comprehensive framework for determining whether, how much and when revenue is recognized. The standard replaces IAS 18 "Revenues", IAS 11 "Construction Contract" and several revenue – related Interpretations and provides a new control-based revenue recognition model using five-step approach to all contracts with customers.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
 JUNE 30, 2018

(All amounts are in Kuwaiti Dinars)

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Upon adoption of IFRS 15, the Group has applied the cumulative effect approach by retrospectively adjusting opening retained earnings as of April 1, 2018 and will not restate prior periods. Based on the current available information and assessment, management has concluded that the adoption of this standard will not have a material impact on the Group's interim consolidated financial information.

3. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents quoted securities held by the Group primarily for the purpose of trading and short-term profit making.

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

	June 30, 2018	(Audited) March 31, 2018	(Restated) June 30, 2017
Quoted securities	19,652,383	16,438,003	11,239,347
Unquoted securities	8,307,779	8,246,455	8,250,149
	<u>27,960,162</u>	<u>24,684,458</u>	<u>19,489,496</u>

Quoted securities with a carrying value of KD 19,652,383 were pledged with a local bank against a loan (Note 7)

5. Investment in associates

Name of the associate	Country of incorporation	Percentage of holding	June 30, 2018	(Audited) March 31, 2018	(Restated) June 30, 2017
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	16,315,701	15,983,186	15,763,051
Al Madar Al Thahabia Co. W.L.L. Future Communication Co. K.S.C.C.	KSA	24%	6,283,548	6,048,941	5,871,699
Al-Jazeera Real Estate Development Co. K.S.C. (Closed)	Kuwait	33.70%	2,503,059	2,631,608	2,391,049
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	1,625,798	1,577,783	1,566,033
Kuwait Qatari Co. for Real Estate Development K.S.C.C.	Kuwait	40.72%	168,861	183,051	835,499
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>27,688,313</u>	<u>27,238,287</u>	<u>27,240,520</u>

6. Debt instruments at amortised cost

On April 24, 2018, the local bank (issuer of the bonds) elected to early redeem the outstanding bonds, in whole by their principal amount plus the accrued interest.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
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(All amounts are in Kuwaiti Dinars)

7. Loans

Revolving loans carry an annual interest rate ranging from 3% to 4% (March 31, 2018: ranging from 2.75% to 3.75%, June 30, 2017: ranging from 2.75% to 3.75%) per annum. Loan of KD 15,815,000 is secured by quoted securities classified as ("FVOCI") (Note 4) and other loans are secured by promissory notes. The loans of KD 15,815,000 and KD 18,353,554 are due for settlement on May 15, 2020.

8. Loans from related party

These represent loans obtained from a shareholder carrying an interest rate ranging from 2.5% to 3.25% (March 31, 2018: carrying an interest rate of 2.5%, June 30, 2018: Nil) per annum over the Central Bank of Kuwait Discount rate. The loans of KD 2,000,000 and KD 11,695,000 are due for settlement on June 4, 2019 and January 15, 2020 respectively.

9. Treasury shares

	June 30, 2018	(Audited) March 31, 2018	June 30, 2017
Number of treasury shares	2,697,482	2,697,482	2,697,482
Percentage of ownership	1.06%	1.06%	1.06%
Market value (KD)	-	269,748	261,656
Cost (KD)	300,655	300,655	300,655

The Parent Company's management has allotted an amount, equal to treasury shares balance, from the available retained earnings as of the date of the interim consolidated financial information. Such amount will not be available for distribution during the treasury shares holding period. Treasury shares are not pledged.

10. Net investment income

	Three months ended June 30,	
	2018	(Restated) 2017
Unrealized gain (loss) from financial assets at fair value through profit or loss	5,024	(119,608)
Realized gain (loss) on sale of financial assets at fair value through profit or loss	155,344	(4,756)
Dividend income	814,292	578,045
	<u>974,660</u>	<u>453,681</u>

11. Earnings per share

There are no potential dilutive ordinary shares. 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:

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
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	Three months ended June 30,	
	2018	(Restated) 2017
Profit for the period attributable to shareholders of the Parent Company	<u>1,189,755</u>	<u>1,884,246</u>
Weighted average number of shares outstanding	<u>Shares 252,586,236</u>	<u>Shares 252,602,289</u>
Earnings per share attributable to shareholders of the Parent Company	<u>Fils 4.71</u>	<u>Fils 7.46</u>

12. Memorandum accounts off the consolidated statement of financial position

The Parent Company manages investment portfolios for others amounting to KD 1,442,885,498 as at June 30, 2018 (March 31, 2018: KD 1,433,807,907; June 30, 2017: KD 1,375,276,593) to earn management fees. These investment portfolios are registered in the name of the Group and are not included in the accompanying interim consolidated financial information.

13. 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:

	June 30, 2018	(Audited) March 31, 2018	June 30, 2017
(i) <b>Interim condensed consolidated statement of financial position:</b>			
Cash on hand and at banks	11,599,572	11,876,510	11,462,477
Accounts receivable and other debit balances	320,560	596,314	508,536
Loans granted to others	56,527	56,527	190,899
Loans	34,168,554	37,530,333	45,848,511
Loans from related party	13,695,000	14,000,000	-
Accounts payable and other credit balances	1,041,090	1,098,684	710,279
(ii) <b>Interim condensed consolidated statement of profit or loss:</b>			
Interest income		43	38
Finance charges		(301,886)	(324,640)
(iii) <b>Compensation to key management personnel:</b>			
Short-term benefits		138,091	68,926
Termination benefits		6,406	6,016



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15. General Assembly

Subsequent to the date of interim condensed consolidated statement of financial position, 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. The Parent Company will record this transaction in the books after obtaining the regulatory approvals.

The Shareholders' Annual General Assembly held on July 24, 2017 approved the distribution of cash dividends of 5 fils per share amounting to KD 1,262,925 and to distribute Board of Directors' remuneration amounting to KD 25,000 for the financial year ended March 31, 2017.

16. 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:

<u>June 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	1,324,610	-	1,324,610
Financial assets at FVOCI	19,652,383	8,307,779	27,960,162
	<u>20,976,993</u>	<u>8,307,779</u>	<u>29,284,772</u>
<u>March 31, 2018 (Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	1,915,904	-	1,915,904
Financial assets at FVOCI	16,438,003	8,246,455	24,684,458
	<u>18,353,907</u>	<u>8,246,455</u>	<u>26,600,362</u>
<u>June 30, 2017 (Restated)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	1,512,627	-	1,512,627
Financial assets at FVOCI	11,239,347	8,250,149	19,489,496
	<u>12,751,974</u>	<u>8,250,149</u>	<u>21,002,123</u>

During the period ended June 30, 2018, there were no transfers between different levels of fair value measurement.