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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED DECEMBER 31, 2013  
(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

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## REPORT ON REVIEW OF INTERIM 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 (the Group) as of December 31, 2013 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 nine 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 Consolidated Financial Information performed by the Independent Auditor of the Entity". A review of interim consolidated 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.

### Basis for Qualified Conclusion

The Group's investment in Kuwait Qatari Co. for Real Estate Development K.S.C.C. (associate) was accounted based on management accounts as of December 31, 2013 (Note 5). Furthermore we have not obtained the audited financial statements of the associate as of December 31, 2012 and our opinion was qualified on the consolidated financial statements of the Group for the year ended March 31, 2013 in this regard. Consequently, we were unable to ascertain whether any further adjustments to the carrying amount of the investment were necessary.

### Qualified Conclusion

Based on our review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, 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. 25 of 2012, as amended or of the Parent Company's Memorandum of Incorporation and Articles of Association during the period ended December 31, 2013 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, we have not become aware of any material 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 period ended December 31, 2013.

Ali Owaid Rukheyes  
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Firms

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RSM Albazie & Co.

State of Kuwait  
February 16, 2014

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
 AS OF DECEMBER 31, 2013  
 (All amounts are in Kuwaiti Dinars)

	Note	December 31, 2013	(Audited) March 31, 2013	December 31, 2012
<b>ASSETS</b>				
Cash on hand and at banks		8,261,503	7,051,721	7,343,846
Investments at fair value through profit or loss		4,733,550	4,835,200	4,902,640
Accounts receivable and other debit balances	3	22,442,874	2,059,388	875,101
Loans granted to others		512,372	362,935	362,935
Investments available for sale	4	47,996,490	51,617,346	54,401,461
Investment in associates	5	27,188,088	26,963,299	26,332,547
Investment in unconsolidated subsidiaries		1,069,405	589,405	589,405
Investment held to maturity		3,000,000	3,000,000	3,000,000
Investment properties	6	13,170,756	24,038,637	24,436,305
<b>Total assets</b>		<b>128,375,038</b>	<b>120,517,931</b>	<b>122,244,240</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Loans	7	66,100,000	63,315,000	65,331,003
Accounts payable and other credit balances		3,987,542	2,115,932	2,816,520
<b>Total liabilities</b>		<b>70,087,542</b>	<b>65,430,932</b>	<b>68,147,523</b>
<b>Equity:</b>				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	8	(87,765)	(87,765)	(87,765)
Share premium		3,046,592	3,046,592	3,046,592
Statutory reserve		12,764,186	12,764,186	12,764,186
Voluntary reserve		4,405,892	4,405,892	4,405,892
Foreign currency translation adjustments		86,274	151,564	(153)
Cumulative changes in fair value		(10,924,523)	(11,279,149)	(10,914,620)
Retained earnings		23,401,492	20,489,621	19,286,404
Equity attributable to the shareholders of Parent Company		58,220,520	55,019,313	54,028,908
Non-controlling interests		66,976	67,686	67,809
<b>Total equity</b>		<b>58,287,496</b>	<b>55,086,999</b>	<b>54,096,717</b>
<b>Total liabilities and equity</b>		<b>128,375,038</b>	<b>120,517,931</b>	<b>122,244,240</b>
Memorandum accounts off the statement of financial position	11	1,638,130,241	1,370,595,222	1,305,545,318

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 DECEMBER 31, 2013

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2013	2012	2013	2012
<b>Revenues:</b>					
Net investment (loss) income	9	(98,480)	(36,850)	229,489	(3,472,892)
Interest income		42,487	1,747	172,272	38,183
Fees and commission income		727,192	456,099	1,979,162	1,139,332
Rental income		149,583	224,864	446,925	567,065
Group's share of results from associates	5	643,886	425,328	1,652,977	835,350
Gain on sale of investment property	6	3,050,293	-	3,050,293	-
Other (expenses) income		(35,974)	31,340	92,038	88,938
		<u>4,478,987</u>	<u>1,102,528</u>	<u>7,623,156</u>	<u>(804,024)</u>
<b>Expenses and other charges:</b>					
General and administrative expenses		(655,114)	(378,843)	(1,304,520)	(1,196,513)
Finance charges		(384,549)	(371,630)	(1,155,630)	(989,013)
Impairment loss on investments available for sale		-	-	(161,196)	(2,873,222)
Net provisions (charged) no longer required		(233,925)	1,334	(632,755)	(12,781)
		<u>(1,273,588)</u>	<u>(749,139)</u>	<u>(3,254,101)</u>	<u>(5,071,529)</u>
Profit (loss) for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat					
		3,205,399	353,389	4,369,055	(5,875,553)
Contribution to KFAS		(27,954)	-	(29,500)	-
NLST		(92,189)	-	(118,728)	-
Zakat		(33,414)	-	(35,004)	-
<b>Net profit (loss) for the period</b>		<u>3,051,842</u>	<u>353,389</u>	<u>4,185,823</u>	<u>(5,875,553)</u>
Attributable to:					
Shareholders of the Parent Company		3,052,387	352,512	4,186,533	(5,875,401)
Non-controlling interests		(545)	877	(710)	(152)
<b>Net profit (loss) for the period</b>		<u>3,051,842</u>	<u>353,389</u>	<u>4,185,823</u>	<u>(5,875,553)</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings (loss) per share attributable to the shareholders of the Parent Company	10	<u>11.97</u>	<u>1.38</u>	<u>16.42</u>	<u>(23.05)</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 DECEMBER 31, 2013  
 (All amounts are in Kuwaiti Dinars)

	Three months ended December 31		Nine months ended December 31	
	2013	2012	2013	2012
Net profit (loss) for the period	3,051,842	353,389	4,185,823	(5,875,553)
<b>Other comprehensive income (loss):</b>				
<u>Items that may be reclassified subsequently to statement of profit or loss</u>				
Investments available for sale:				
Change in fair value of investments available for sale	1,247,711	452,680	454,370	(1,857,682)
Reversal on sale of investments available for sale	-	54,775	(99,744)	3,598,916
	<u>1,247,711</u>	<u>507,455</u>	<u>354,626</u>	<u>1,741,234</u>
Share of other comprehensive income (loss) from associates	-	1,629	440	(877)
Foreign currency translation adjustments	<u>(19,567)</u>	<u>2,377</u>	<u>(65,730)</u>	<u>(790)</u>
Other comprehensive income for the period	<u>1,228,144</u>	<u>511,461</u>	<u>289,336</u>	<u>1,739,567</u>
<b>Total comprehensive income (loss) for the period</b>	<u><b>4,279,986</b></u>	<u><b>864,850</b></u>	<u><b>4,475,159</b></u>	<u><b>(4,135,986)</b></u>
Attributable to:				
Shareholders of the Parent Company	4,280,531	863,973	4,475,869	(4,135,834)
Non-controlling interests	<u>(545)</u>	<u>877</u>	<u>(710)</u>	<u>(152)</u>
	<u><b>4,279,986</b></u>	<u><b>864,850</b></u>	<u><b>4,475,159</b></u>	<u><b>(4,135,986)</b></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 DECEMBER 31, 2013**

(All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company										
	Capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation adjustments	Cumulative changes in fair value	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as of March 31, 2013	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	151,564	(11,279,149)	20,489,621	55,019,313	67,686	55,086,999
Total comprehensive (loss) income for the period	-	-	-	-	-	(65,290)	354,626	4,186,533	4,475,869	(710)	4,475,159
Cash dividends (Note 14)	-	-	-	-	-	-	-	(1,274,662)	(1,274,662)	-	(1,274,662)
Balance as of December 31, 2013	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>86,274</u>	<u>(10,924,523)</u>	<u>23,401,492</u>	<u>58,220,520</u>	<u>66,976</u>	<u>58,287,496</u>
Balance as of March 31, 2012	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	2,128	(12,656,468)	25,161,805	56,164,742	67,961	56,232,703
Total comprehensive (loss) income for the period	-	-	-	-	-	(2,281)	1,741,848	(5,875,401)	(4,135,834)	(152)	(4,135,986)
Balance as of December 31, 2012	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>(153)</u>	<u>(10,914,620)</u>	<u>19,286,404</u>	<u>54,028,908</u>	<u>67,809</u>	<u>54,096,717</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 CASH FLOWS (UNAUDITED)  
 FOR THE PERIOD ENDED DECEMBER 31, 2013  
 (All amounts are in Kuwaiti Dinars)

	Nine months ended December 31,	
	2013	2012
<b>Cash flow from operating activities:</b>		
Net profit (loss) for the period	4,369,055	(5,875,553)
Adjustments to:		
Net Investment (income) loss	(229,489)	3,472,892
Interest income	(172,272)	(38,183)
Group's share of results from associates	(1,652,977)	(835,350)
Gain on sale of investment property	(3,050,293)	-
Gain on sale of unconsolidated subsidiary	-	(10,221)
Finance charges	1,155,630	989,013
Impairment loss on investments available for sale	161,196	2,873,222
Net provisions charged	632,755	12,781
	<u>1,213,605</u>	<u>588,601</u>
<b>Changes in operating assets and liabilities:</b>		
Investments at fair value through profit or loss	64,091	(5,068,630)
Accounts receivable and other debit balances	(2,653,089)	53,980
Loan granted to others	(150,946)	(366,601)
Accounts payable and other credit balances	748,178	51,599
Net cash used in operating activities	<u>(778,161)</u>	<u>(4,741,051)</u>
<b>Cash flow from investing activities:</b>		
Purchase of investments available for sale	(82,297)	(7,282,633)
Proceeds from sale of investments available for sale	3,989,449	11,649,352
Paid for investment in associates	-	(13,898,108)
Proceeds from liquidation of an associate	-	59,699
Paid for investment in unconsolidated subsidiaries	(480,000)	(15,086)
Purchase of investment held to maturity	-	(3,000,000)
Paid for investment properties	(3,408,238)	(18,921,090)
Interest received	172,272	38,183
Dividends received	999,048	2,326,559
Net cash generated from (used in) investing activities	<u>1,190,234</u>	<u>(29,043,124)</u>
<b>Cash flows from financing activities:</b>		
Loans	2,785,000	34,499,999
Cash dividends paid	(1,220,654)	(66,286)
Finance charges paid	(766,637)	(534,245)
Net cash generated from financing activities	<u>797,709</u>	<u>33,899,468</u>
Net increase in cash on hand and at banks	1,209,782	115,293
Cash on hand and at banks at the beginning of the period	7,051,721	7,228,553
Cash on hand and at banks at the end of the period	<u>8,261,503</u>	<u>7,343,846</u>

The accompanying notes (1) to (16) form an integral part of the interim 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 September 9, 2007. The Parent Company is listed in the Kuwait Stock Exchange. 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 Companies Law issued on November 26, 2012 by Decree Law No. 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on March 27, 2013 by Decree Law No. 97 of 2013 (the Decree). The Executive Regulation of the new amended law was issued on September 29, 2013 and was published in the official Gazette on October 6, 2013. As per article three of the executive regulation, the companies have one year from the date of publishing the executive regulation to comply with the new amended law.

The Parent Company is under the supervision of the Capital Markets Authority according to Law No. 7/2010 for investment companies.

The interim consolidated financial information was authorized for issue by the Board of Directors on February 16, 2014.

2. 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 year ended March 31, 2013 except for the implementation of the following standards which are effective January 1, 2013:

IAS 1 Presentation of items of other comprehensive income:

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories

- a) Items that will not be reclassified, subsequently to consolidated statement of profit or loss.
- b) Items that may be reclassified to consolidated statement of profit or loss when specific conditions are met.

IFRS 7 Financial Instruments Disclosures

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

IFRS 10 Consolidated Financial Statements

The new Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. It introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure/rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

IFRS 12 Disclosure of Interests in Other Entities

The new Standard combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

IFRS 13 Fair Value Measurement

This IFRS

- a) defines fair value
- b) sets out in a single IFRS a framework for measuring fair value and
- c) requires disclosures about fair value measurements.

IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value.

The adoption of the above mentioned standards did not have a material impact on the interim consolidated financial information.

The interim consolidated financial information do not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. 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 December 31, 2013 are not necessarily indicative of the results that may be expected for the year ending March 31, 2014. For further information, refer to the consolidated financial statements and notes thereto for the year ended March 31, 2013.

The policy of the Group for calculation of the impairment provisions for loans granted to others complies in all material respects with the specific provision requirements of the Central Bank of Kuwait. In addition and in accordance with Central Bank of Kuwait instructions, the Group provides a minimum general provision of 1% on cash credit facilities not subject to specific provision and net of certain categories of collateral and 0.5% on non-cash credit facilities

3. Accounts receivable and other debit balances

Accounts receivable and other debit balances include an amount of KD 17,730,397 (SAR 235,366,537) that represents receivable from sale of an investment property located in the Kingdom of Saudi Arabia through a public auction (Note 6). Subsequent to the reporting date, the auction manager collected KD 2,386,511 (SAR 31,668,477) from the outstanding balance. The Group expects to receive the full sale amount during six months from the reporting date subject to the completion of all legal procedures with the governmental authorities in the Kingdom of Saudi Arabia.

Also during the period, the Group made advance payments amounting to KD 1,944,005 for acquiring investments.

4. Investments available for sale

	December 31, 2013	(Audited) March 31, 2013	December 31, 2012
Quoted securities	36,326,507	35,811,442	35,779,413
Unquoted securities	11,639,412	11,800,600	14,616,744
Funds	30,571	4,005,304	4,005,304
	<u>47,996,490</u>	<u>51,617,346</u>	<u>54,401,461</u>

Quoted securities with a carrying value of KD 18,844,950 were pledged with a local bank against a loan (Note 7) (March 31, 2013 – KD 18,328,650; December 31, 2012 – KD 18,328,650).

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
 DECEMBER 31, 2013  
 (All amounts are in Kuwaiti Dinars)

5. Investment in associates

<u>Name of the associate</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	<u>December 31, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>December 31, 2012</u>
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	13,496,150	13,184,153	12,724,147
Kuwait Qatari Co. for Real Estate Development K.S.C.C (a)	Kuwait	40.72%	4,830,760	4,830,760	4,697,955
Future Communication Co. K.S.C.C	Kuwait	28.18%	7,987,434	8,102,126	8,098,616
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	867,514	840,030	805,599
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>27,188,088</u>	<u>26,963,299</u>	<u>26,332,547</u>

a) During the period, the Group recognized KD 631,246 as share of results from Kuwait Qatari Co. for Real Estate Development K.S.C.C. based on the management accounts as of December 31, 2013 and a provision of KD 631,246 was recorded against the share of results.

6. Investment properties

During the period, the Group sold its entire share of 22.6% in an investment property located in the Kingdom of Saudi Arabia through a public auction for an amount of KD 17,770,621 (SAR 235,366,537) (Note 3) that resulted in a gain of KD 3,572,891 (SAR 47,321,940). This gain is subject to Zakat and withholding tax imposed by the Saudi Department of Zakat and Income Tax (SDZIT) amounting to KD 522,598 (SAR 6,921,654) for which a provision has been recorded and accounted under "Accounts payable and other credit balances". Accordingly, the net gain resulting from this sale transaction is KD 3,050,293 (SAR 40,400,286)

Also during the period, the Group acquired investment properties located in the State of Kuwait for KD 3,353,345.

7. Loans

	<u>December 31, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>December 31, 2012</u>
Loans maturing within 3 months	25,815,000	-	25,815,000
Loans maturing from 3 months to one year	40,285,000	63,315,000	39,516,003
	<u>66,100,000</u>	<u>63,315,000</u>	<u>65,331,003</u>

Loans carry an annual interest rate ranging from 2% to 3% (March 31, 2013 – 2% to 3%, December 31, 2012 – 2% to 3%). Loan of KD 25,815,000 is secured by quoted securities (Note 4) and other loans are secured by promissory notes (March 31, 2013 – KD 25,815,000, December 31, 2012 – KD 25,815,000).

8. Treasury shares

	<u>December 31, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>December 31, 2012</u>
Number of treasury shares	351,342	351,342	351,342
Percentage of ownership	0.14%	0.14%	0.14%
Market value (KD)	41,458	42,864	50,593
Cost (KD)	87,765	87,765	87,765

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9. Net investment (loss) income

	Three months ended December 31,		Nine months ended December 30,	
	2013	2012	2013	2012
Unrealized loss from investments at fair value through profit or loss	(98,480)	(146,544)	(40,050)	(416,540)
Realized gain (loss) from sale of investments at fair value through profit or loss	-	1,025	2,491	(50,130)
Realized gain (loss) from sale of investments available for sale	-	108,669	92,866	(3,491,063)
Dividend income	-	-	174,182	484,841
	<u>(98,480)</u>	<u>(36,850)</u>	<u>229,489</u>	<u>(3,472,892)</u>

10. Earnings (loss) per share

There are no potential dilutive ordinary shares. Earnings (loss) per share are calculated by dividing the net profit (loss) for the period by the weighted average number of shares outstanding during the period:

	Three months ended December 31,		Nine months ended December 31,	
	2013	2012	2013	2012
Net profit (loss) for the period attributable to shareholders of the Parent Company	<u>3,052,387</u>	<u>352,512</u>	<u>4,186,533</u>	<u>(5,875,401)</u>
Weighted average number of shares outstanding	<u>254,932,376</u>	<u>254,932,376</u>	<u>254,932,376</u>	<u>254,932,376</u>
Earnings (loss) per share attributable to shareholders of the Parent Company	<u>11.97</u>	<u>1.38</u>	<u>16.42</u>	<u>(23.05)</u>

11. Memorandum accounts off the consolidated statement of financial position

As of December 31, 2013, the Parent Company manages investment portfolios and funds for related parties and others amounting to KD 1,638,130,241 to earn management fees (March 31, 2013 – KD 1,370,595,222, December 31, 2012 – KD 1,305,545,318). These investment portfolios are registered in the name of the Group and are not included in the accompanying interim consolidated financial information.

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12. Related party transactions

The Group has entered into transactions with related parties in the normal course of its business. Prices and terms of payment are approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	<u>December 31,</u> <u>2013</u>	<u>(Audited)</u> <u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
(i) <b>Interim condensed consolidated statement of financial position:</b>			
Cash at banks	8,034,701	6,813,575	7,112,459
Accounts receivable and other debit balances	1,597,826	510,870	480,799
Loan granted to others	512,372	362,935	362,935
Loans	66,100,000	63,315,000	65,331,003
Accounts payable and other credit balances	757,033	309,787	744,597
	<u>Three months ended</u> <u>December 31,</u>	<u>Nine months ended</u> <u>December 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>
			<u>2012</u>
(ii) <b>Interim condensed consolidated statement of profit or loss</b>			
Interest income	296	1,051	2,020
Finance charges	(384,549)	(371,630)	(989,013)
(iii) <b>Compensation to key management personnel:</b>			
Short-term benefits	71,458	80,669	214,374
Termination benefits	5,728	6,790	17,184

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13. 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 December 31,

	2013					2012				
	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 (loss)	401,761	1,646,500	332,662	446,925	2,827,848	(3,434,709)	1,139,332	-	567,065	(1,728,312)
Segment operating expenses	(1,155,630)	-	-	(89,773)	(1,245,403)	(989,013)	-	-	(119,484)	(1,108,497)
Unallocated operating expense					(1,214,747)					(1,077,029)
Operating income (loss)					367,698					(3,913,838)
Group's share of results from associates					1,652,977					835,350
Gain on sale of investment property					3,050,293					-
Other income					92,038					88,938
Impairment loss on investments available for sale					(161,196)					(2,873,222)
Net provisions charged					(632,755)					(12,781)
Contribution to KFAS					(29,500)					-
NLST					(118,728)					-
Zakat					(35,004)					-
Net profit (loss) for the period					<u>4,185,823</u>					<u>(5,875,553)</u>



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14. General Assembly

The Shareholders' Annual General Assembly held on August 18, 2013 approved the distribution of cash dividends of 5 fils per share for the year ended March 31, 2013.

15. Capital commitments and contingent liabilities

	December 31, 2013	(Audited) March 31, 2013	December 31, 2012
Letters of guarantee	200,000	200,000	200,000
Capital commitments	8,416,679	13,796	13,796
	<u>8,616,679</u>	<u>213,796</u>	<u>213,796</u>

Capital commitments as of December 31, 2013 mainly represent the Group's contractual obligation to acquire investment properties located in Kingdom of Saudi Arabia amounting to KD 8,402,883 (SAR 111,607,906).

16. Fair value of financial instruments

IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

December 31, 2013	Level 1	Level 2	Total
Investments at fair value through profit or loss	4,733,550	-	4,733,550
Investments available for sale	36,326,507	2,363,963	38,690,470
	<u>41,060,057</u>	<u>2,363,963</u>	<u>43,424,020</u>
March 31, 2013 (Audited)	Level 1	Level 2	Total
Investments at fair value through profit or loss	4,835,200	-	4,835,200
Investments available for sale	35,811,442	6,338,696	42,150,138
	<u>40,646,642</u>	<u>6,338,696</u>	<u>46,985,338</u>
December 31, 2012	Level 1	Level 2	Total
Investments at fair value through profit or loss	4,902,640	-	4,902,640
Investments available for sale	35,779,413	3,974,733	39,754,146
	<u>40,682,053</u>	<u>3,974,733</u>	<u>44,656,786</u>

During the period ended December 31, 2013, there were no transfers between different levels of fair value measurement.