



- Stock Code : **211**

Interim Financial Statements

{ True Copy Of The Original }

Second Quarter Report

First Quarter
30/06/2014

Second Quarter
30/09/2014

Third Quarter
31/12/2014

Fourth Quarter
31/03/2014

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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)**

**WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(UNAUDITED)
WITH
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. (Public) and subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Public) (the Parent Company) and subsidiaries (the Group) as at September 30, 2014 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 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.

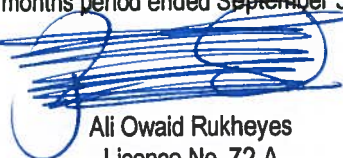
Conclusion

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. 25 of 2012, as amended and its Executive Regulations or of the Parent Company's Memorandum of Incorporation and Articles of Association during the six months period ended September 30, 2014 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 six months period ended September 30, 2014.


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Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

State of Kuwait
November 9, 2014

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS AT SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

	Note	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
ASSETS				
Cash on hand and at banks		8,900,760	6,887,323	7,966,271
Investments at fair value through profit or loss		64,425	61,670	4,832,030
Accounts receivable and other debit balances	3	18,783,080	21,760,244	4,825,050
Loans granted to others		512,372	512,372	512,372
Investments available for sale	4	49,517,160	49,613,400	46,752,405
Investment in associates	5	29,435,549	27,374,942	26,772,793
Investment in unconsolidated subsidiaries		1,075,405	1,075,405	1,069,405
Investment held to maturity		3,000,000	3,000,000	3,000,000
Investment properties	6	18,962,167	13,160,095	27,389,556
Total assets		130,250,918	123,445,451	123,119,882
LIABILITIES AND EQUITY				
Liabilities:				
Loans	7	65,975,000	59,150,000	66,200,000
Accounts payable and other credit balances		4,469,164	4,252,238	2,912,372
Total liabilities		70,444,164	63,402,238	69,112,372
Equity:				
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		278,149	83,715	105,841
Cumulative changes in fair value		(9,218,288)	(8,371,934)	(12,172,234)
Retained earnings		23,023,746	22,607,922	20,349,105
Equity attributable to the shareholders of the Parent Company		59,740,884	59,976,980	53,939,989
Non-controlling interests		65,870	66,233	67,521
Total equity		59,806,754	60,043,213	54,007,510
Total liabilities and equity		130,250,918	123,445,451	123,119,882
Memorandum accounts off the consolidated statement of financial position	11	1,896,941,610	1,673,449,135	1,617,479,516

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. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2014	2013	2014	2013
Revenues:					
Net investment income	9	281,542	76,189	1,477,595	327,969
Fees and commission income		926,483	1,026,470	1,467,621	1,251,970
Interest income		44,381	83,721	88,868	129,785
Rental income		340,311	116,389	511,072	297,342
Group's share of results from associates		81,191	338,665	451,478	1,009,091
Other income		127,234	55,790	146,468	128,012
		<u>1,801,142</u>	<u>1,697,224</u>	<u>4,143,102</u>	<u>3,144,169</u>
Expenses and other charges:					
General and administrative expenses		(369,196)	(317,086)	(969,836)	(649,406)
Finance charges		(378,710)	(389,516)	(734,628)	(771,081)
Impairment loss on investments available for sale		-	-	-	(161,196)
Net provisions no longer required (charged)	5	631,246	15,773	631,246	(398,830)
		<u>(116,660)</u>	<u>(690,829)</u>	<u>(1,073,218)</u>	<u>(1,980,513)</u>
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		1,684,482	1,006,395	3,069,884	1,163,656
Contribution to KFAS		(13,461)	(1,546)	(23,182)	(1,546)
NLST		(36,121)	(24,469)	(63,055)	(26,539)
Zakat		(11,621)	(1,590)	(18,862)	(1,590)
Net profit for the period		<u>1,623,279</u>	<u>978,790</u>	<u>2,964,785</u>	<u>1,133,981</u>
Attributable to:					
Shareholders of the Parent Company		1,623,561	978,901	2,965,148	1,134,146
Non-controlling interests		(282)	(111)	(363)	(165)
Net profit for the period		<u>1,623,279</u>	<u>978,790</u>	<u>2,964,785</u>	<u>1,133,981</u>
Fils					
Earnings per share attributable to the shareholders of the Parent Company	10	<u>6.37</u>	<u>3.84</u>	<u>11.63</u>	<u>4.45</u>

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

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
Net profit for the period	<u>1,623,279</u>	<u>978,790</u>	<u>2,964,785</u>	<u>1,133,981</u>
Other comprehensive loss:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Investments available for sale:				
Changes in fair value of investments available for sale	(106,414)	(726,415)	(633,161)	(793,341)
Reversal due to sale of investments available for sale	<u>(42,453)</u>	<u>(10,330)</u>	<u>(113,683)</u>	<u>(99,744)</u>
	(148,867)	(736,745)	(746,844)	(893,085)
Share of other comprehensive (loss) income of associates	(98,970)	-	(99,207)	440
Exchange differences on translating foreign operations	<u>179,391</u>	<u>(67,387)</u>	<u>194,131</u>	<u>(46,163)</u>
Other comprehensive loss for the period	<u>(68,446)</u>	<u>(804,132)</u>	<u>(651,920)</u>	<u>(938,808)</u>
Total comprehensive income for the period	<u>1,554,833</u>	<u>174,658</u>	<u>2,312,865</u>	<u>195,173</u>
Attributable to:				
Shareholders of the Parent Company	1,555,115	174,769	2,313,228	195,338
Non-controlling interests	<u>(282)</u>	<u>(111)</u>	<u>(363)</u>	<u>(165)</u>
Total comprehensive income for the period	<u>1,554,833</u>	<u>174,658</u>	<u>2,312,865</u>	<u>195,173</u>

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

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

(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 at March 31, 2014	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	83,715	(8,371,934)	22,607,922	59,976,980	66,233	60,043,213
Total comprehensive income (loss) for the period	-	-	-	-	-	194,434	(846,354)	2,965,148	2,313,228	(363)	2,312,865
Cash dividends (Note 14)	-	-	-	-	-	-	-	(2,549,324)	(2,549,324)	-	(2,549,324)
Balance as at September 30, 2014	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	278,149	(9,218,288)	23,023,746	59,740,884	65,870	59,806,754
Balance as at 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	67,886	55,086,999
Total comprehensive (loss) income for the period	-	-	-	-	-	(45,723)	(893,085)	1,134,146	195,338	(165)	195,173
Cash dividends (Note 14)	-	-	-	-	-	-	-	(1,274,662)	(1,274,662)	-	(1,274,662)
Balance as at September 30, 2013	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	105,841	(12,172,234)	20,349,105	53,939,989	67,521	54,007,510

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

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

	Six months ended September 30,	
	2014	2013
Cash flow from operating activities:		
Profit for the period before contribution to KFAS, NLST and Zakat	3,069,884	1,163,656
Adjustments to:		
Net Investment income	(1,477,595)	(327,969)
Interest income	(88,868)	(129,785)
Group's share of results from associates	(451,478)	(1,009,091)
Finance charges	734,628	771,081
Impairment loss on investments available for sale	-	161,196
Net provisions (no longer required) charged	(631,246)	398,830
	<u>1,155,325</u>	<u>1,027,918</u>
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	-	64,091
Accounts receivable and other debit balances	1,516,709	(2,765,663)
Loans granted to others	-	(150,946)
Accounts payable and other credit balances	(210,615)	420,888
Net cash generated from (used in) operating activities	<u>2,461,419</u>	<u>(1,403,712)</u>
Cash flow from investing activities:		
Purchase of investments available for sale	(825,910)	(75,110)
Proceeds from sale of investments available for sale	1,033,128	3,978,636
Paid for investment in unconsolidated subsidiaries	-	(480,000)
Paid for investment properties	(5,625,000)	(3,408,232)
Interest received	88,868	129,785
Dividends received	1,022,263	999,049
Net cash (used in) generated from investing activities	<u>(4,306,651)</u>	<u>1,144,128</u>
Cash flows from financing activities:		
Loans	6,825,000	2,885,000
Cash dividends paid	(2,490,560)	(1,198,642)
Finance charges paid	(475,771)	(512,224)
Net cash generated from financing activities	<u>3,858,669</u>	<u>1,174,134</u>
Net increase in cash on hand and at banks	2,013,437	914,550
Cash on hand and at banks at the beginning of the period	<u>6,887,323</u>	<u>7,051,721</u>
Cash on hand and at banks at the end of the period	<u><u>8,900,760</u></u>	<u><u>7,966,271</u></u>

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

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2014
(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

Securities Group Company K.S.C. (Public) (the Parent Company) is a Kuwaiti Public 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 Parent Company is under the supervision of the Capital Markets Authority according to Law No. 7/2010 for investment companies.

The Companies Law issued on November 26, 2012 by Decree Law No. 25 of 2012 (the "Companies Law") had cancelled the Commercial Companies Law No. 15 of 1960 and was subsequently amended by Law No. 97 of 2013. The Executive Regulations of the new amended law was issued on September 29, 2013 and was published in the official Gazette on October 6, 2013. As stated in Article No. (3) of the Executive Regulations, all companies have a grace period of one year from the Executive Regulation's publication date to comply with the requirement of new amended law.

The interim consolidated financial information was authorized for issue by the Board of Directors on November 9, 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 financial year ended March 31, 2014.

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 six months period ended September 30, 2014 are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2015. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended March 31, 2014.

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.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

3. Accounts receivable and other debit balances

Accounts receivable and other debit balances include an amount of KD 17,205,620 (SAR 228,821,974) that represents receivable from sale of an investment property located in the Kingdom of Saudi Arabia through a public auction. During the period, the auction manager collected 34.41% from the total public auction value and the Group received SAR 6,544,563 from the auction manager. The Group is in the process of completing the legal procedures with the governmental authorities in the Kingdom of Saudi Arabia and collecting its share in the public auction proceeds.

4. Investments available for sale

	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
Quoted securities	37,815,900	37,939,925	35,082,422
Unquoted securities	11,670,689	11,642,904	11,639,412
Funds	30,571	30,571	30,571
	<u>49,517,160</u>	<u>49,613,400</u>	<u>46,752,405</u>

Quoted securities with a carrying value of KD 19,198,616 were pledged with a local bank against a loan (Note 7) (March 31, 2014 – KD 19,103,100; September 30, 2013 – KD 18,070,500).

5. Investment in associates

<u>Name of the associate</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	14,292,010	13,656,556	13,150,035
Kuwait Qatari Co. for Real Estate Development K.S.C.C. (a)	Kuwait	40.72%	5,123,521	4,830,760	4,830,760
Future Communication Co. K.S.C.P.	Kuwait	28.19%	7,818,954	8,045,680	7,923,588
Al-Jazeera Real Estate Development Co. K.S.C. (Closed) (b)	Kuwait	20%	1,377,533	-	-
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	817,301	835,716	862,180
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>29,435,549</u>	<u>27,374,942</u>	<u>26,772,793</u>

- a) During the period, the Group received the audited financial statements of the associate for the year ended December 31, 2012 and December 31, 2013 with an unmodified auditor's opinion. Accordingly, the Group reversed the provision of KD 631,246 that was previously recorded against the investment balance on a conservative basis due to non-availability of audited financial statements of the associate during the year ended March 31, 2014.
- b) During the period, the Group obtained significant influence for its 20% equity interest in the associate amounting to KD 1,438,124 and accordingly the investment balance was transferred from advance payments included in "Accounts receivable and other debit balances". The Group is in the process of finalizing the purchase price allocation exercise of the associate.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2014
 (All amounts are in Kuwaiti Dinars)

6. Investment properties

During the period, the Group acquired an investment property located in State of Kuwait for KD 5,625,000.

7. Loans

	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
Loans maturing within 3 months	40,160,000	-	40,385,000
Loans maturing from 3 months to one year	25,815,000	59,150,000	25,815,000
	<u>65,975,000</u>	<u>59,150,000</u>	<u>66,200,000</u>

Loans carry an annual interest rate ranging from 2% to 3% (March 31, 2014 – 2% to 3%; September 30, 2013 – 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, 2014 – KD 25,815,000; September 30, 2013 – KD 25,815,000).

8. Treasury shares

	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
Number of treasury shares	351,342	351,342	351,342
Percentage of ownership	0.14%	0.14%	0.14%
Market value (KD)	45,674	41,458	39,350
Cost (KD)	87,765	87,765	87,765

9. Net investment income

	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
Unrealized gain (loss) from investments at fair value through profit or loss	2,887	(100,120)	2,755	58,430
Realized gain on sale of investments at fair value through profit or loss	-	-	-	2,491
Realized gain on sale of investments available for sale	6,568	39,832	817,527	92,866
Dividend income	272,087	136,477	657,313	174,182
	<u>281,542</u>	<u>76,189</u>	<u>1,477,595</u>	<u>327,969</u>

10. Earnings per share

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

	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
Net profit for the period attributable to shareholders of the Parent Company	<u>1,623,561</u>	<u>978,901</u>	<u>2,965,148</u>	<u>1,134,146</u>
Weighted average number of shares outstanding	<u>Shares 254,932,376</u>	<u>Shares 254,932,376</u>	<u>Shares 254,932,376</u>	<u>Shares 254,932,376</u>
Earnings per share attributable to shareholders of the Parent Company	<u>Fils 6.37</u>	<u>Fils 3.84</u>	<u>Fils 11.63</u>	<u>Fils 4.45</u>

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2014

(All amounts are in Kuwaiti Dinars)

11. Memorandum accounts off the consolidated statement of financial position

The Parent Company manages investment portfolios and funds for related parties and others amounting to KD 1,896,941,610 as at September 30, 2014 (March 31, 2014 – KD 1,673,449,135; September 30, 2013 – KD 1,617,479,516) 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.

12. Related party disclosures

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:

	September 30, 2014	(Audited) March 31, 2014	September 30, 2013	
(i) Interim condensed consolidated statement of financial position:				
Cash on hand and at banks	8,695,218	6,642,901	7,668,715	
Accounts receivable and other debit balances	398,290	1,446,114	1,529,624	
Loans granted to others	512,372	512,372	512,372	
Loans	65,975,000	59,150,000	66,200,000	
Accounts payable and other credit balances	831,943	834,033	776,025	
	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
(ii) Interim condensed consolidated statement of profit or loss:				
Interest income	24	643	261	1,724
Finance charges	(378,710)	(389,516)	(734,628)	(771,081)
(iii) Compensation to key management personnel:				
Short-term benefits	88,754	71,458	174,008	142,916
Termination benefits	6,992	5,728	13,984	11,456

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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 September 30,

	2014				2013					
	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	1,566,463	1,467,621	-	511,072	3,545,156	457,754	919,308	332,662	297,342	2,007,066
Segment operating expenses	(734,628)	-	-	(51,162)	(785,790)	(771,081)	-	-	(59,320)	(830,401)
Unallocated operating expense					(918,674)					(590,086)
Operating income					1,840,692					586,579
Group's share of results from associates					451,478					1,009,091
Other Income					146,468					128,012
Impairment loss on investments available for sale					-					(161,196)
Net provisions no longer required (charged)					631,246					(398,830)
Contribution to KFAS					(23,182)					(1,546)
NLST					(63,055)					(26,539)
Zakat					(18,862)					(1,590)
Net profit for the period					2,964,785					1,133,981

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14. General Assembly

The Shareholders' Annual General Assembly held on June 25, 2014 approved the distribution of cash dividends of 10 fils per share for the financial year ended March 31, 2014 amounting to KD 2,549,324.

The Shareholders' Annual General Assembly held on August 18, 2013 approved the distribution of cash dividends of 5 fils per share for the financial year ended March 31, 2013 amounting to KD 1,274,662.

15. Capital commitments and contingent liabilities

	September 30, 2014	(Audited) March 31, 2014	September 30, 2013
Letters of guarantee	200,000	200,000	200,000
Capital commitments	8,599,031	8,409,945	13,796
	<u>8,799,031</u>	<u>8,609,945</u>	<u>213,796</u>

Capital commitments as at September 30, 2014 mainly represent the Group's contractual obligation to acquire investment properties located in Kingdom of Saudi Arabia amounting to KD 8,585,235 (SAR 111,607,906).

16. Fair value of financial instruments

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>September 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	64,425	-	64,425
Investments available for sale	37,815,900	2,367,456	40,183,356
	<u>37,880,325</u>	<u>2,367,456</u>	<u>40,247,781</u>
<u>March 31, 2014 (Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	61,670	-	61,670
Investments available for sale	37,939,925	2,367,456	40,307,381
	<u>38,001,595</u>	<u>2,367,456</u>	<u>40,369,051</u>
<u>September 30, 2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	4,832,030	-	4,832,030
Investments available for sale	35,082,422	2,363,963	37,446,385
	<u>39,914,452</u>	<u>2,363,963</u>	<u>42,278,415</u>

During the period ended September 30, 2014, there were no transfers between different levels of fair value measurement.