

**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
AND INDEPENDENT AUDITOR'S REPORT



**Crowe**

Al Azem & Al Sudairy & Al Shaikh & Partners  
CPA's & Consultants - Member Crowe Global

**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
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## **INDEPENDENT AUDITOR'S REPORT**

**TO: THE SHAREHOLDERS OF  
OSOOL & BAKHEET INVESTMENT COMPANY  
(A Saudi closed Joint Stock Company)**

### **Opinion**

We have audited the accompanying financial statements of **OSOOL & BAKHEET INVESTMENT COMPANY (the "Company")**, which comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss, and comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants (SOCPA).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, Regulations for Companies and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



**INDEPENDENT AUDITOR'S REPORT (continued)**  
**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi closed Joint Stock Company)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


As part of an audit in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit



**AlAzem, AlSudairy, AlShaikh & Partners**  
**Certified Public Accountants**



**Abdullah M. AlAzem**  
**License No. 335**

17 Shaban 1442H (30 March 2021)  
Riyadh, Kingdom of Saudi Arabia



**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
Statement of financial position  
As at 31 December 2020  
(SAUDI RIYALS)

	Note	31 December 2020	31 December 2019
<b><u>Assets</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	5	17,283,424	9,340,602
Investments in funds & Securities at fair value through profit or loss	6	20,024,462	12,041,373
Accounts receivable	7	2,393,517	1,079,321
Due from related parties	10	5,805,196	8,645,400
Prepaid expense and other debit balances	8	971,238	1,521,263
Clients lending	9	400,750	10,260,750
<b>Total current assets</b>		<b>46,878,587</b>	<b>42,888,709</b>
<b>Non-current assets</b>			
Investment at fair value through other comprehensive income	11	104,264	87,455
Investment in unconsolidated subsidiary	12	10,000	-
Property and equipment, net	13	869,111	703,387
Intangible assets, net	14	1,822,617	1,739,971
Right of use asset, net	15	1,577,178	2,316,531
Investments in property	16	27,000,000	27,000,000
<b>Total non-current assets</b>		<b>31,383,170</b>	<b>31,847,344</b>
<b>Total assets</b>		<b>78,261,757</b>	<b>74,736,053</b>
<b><u>Liabilities &amp; Shareholder's Equity</u></b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accrued expenses and other credit balances	17	1,102,040	1,212,691
Lease liability – current portion	15	766,978	734,341
Due to related parties	10	311,000	252,000
Zakat provision	18	2,835,353	2,726,618
<b>Total current liabilities</b>		<b>5,015,371</b>	<b>4,925,650</b>
<b>Non-current liabilities</b>			
Lease liability- non current portion	15	716,254	1,468,991
Employees' defined benefits liabilities	19	3,076,513	2,580,166
<b>Total non-current liabilities</b>		<b>3,792,767</b>	<b>4,049,157</b>
<b>Total liabilities</b>		<b>8,808,138</b>	<b>8,974,807</b>
<b>Shareholder's equity</b>			
Share capital	21	60,000,000	60,000,000
Statutory reserve	22	3,672,906	3,302,863
Fair value reserve		(20,477)	(37,286)
Retained earnings		5,801,190	2,495,669
<b>Total Shareholder's equity</b>		<b>69,453,619</b>	<b>65,761,246</b>
<b>Total Liabilities &amp; Shareholder's equity</b>		<b>78,261,757</b>	<b>74,736,053</b>

The accompanying notes from (1) to (31) forms an integral part of these financial statements

**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
Statement of profit and loss  
FOR THE YEAR ENDED 31 DECEMBER 2020  
(SAUDI RIYALS)

	Note	2020	2019
<b>Revenues</b>			
Portfolio Management fees		1,798,160	2,008,993
Fund Management fees		5,716,483	5,966,039
Custody fees		751,631	654,490
Brokerage revenues, net		1,212,867	579,047
Revenues of special commissions		17,461	270,214
Revenue from Murabaha loans		495,648	277,154
Unrealized gains from investments in funds & Securities		3,735,238	1,098,994
Cash dividends received		362,601	491,345
Realized gains from investments in funds & securities		1,955,704	908,695
Dealing fees		561,368	220,000
<b>Total revenues</b>		<b>16,607,161</b>	<b>12,474,971</b>
<b>Operation expenses</b>			
Depreciation and amortization		(861,675)	(520,534)
Administrative and general expenses	23	(13,732,167)	(14,452,400)
<b>Profit / (loss) from main activities</b>		<b>2,013,319</b>	<b>(2,497,963)</b>
<b>Results from other activities:</b>			
Financing expenses		(112,920)	(63,010)
Other Income	24	2,984,286	6,614,640
<b>Net income for the year before zakat provision</b>		<b>4,884,685</b>	<b>4,053,667</b>
Zakat provision	18	(1,184,256)	(1,226,298)
<b>Net profit for the year</b>		<b>3,700,429</b>	<b>2,827,369</b>
<b>Profit / (Loss) per share:</b>			
From main activities		<b>0.34</b>	<b>(0.42)</b>
From net profit for the year		<b>0.62</b>	<b>0.47</b>

The accompanying notes from (1) to (31) forms an integral part of these financial statements

**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
Statement of other comprehensive income  
FOR THE YEAR ENDED 31 DECEMBER 2020  
(SAUDI RIYALS)

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	<u>Note</u>	<u>2020</u>	<u>2019</u>
Net profit for the year		<u>3,700,429</u>	<u>2,827,369</u>
<b>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</b>			
Fair value reserve	11	16,809	10,502
Loss from re-measurement of defined employee benefit obligations	19	(24,865)	(32,954)
<b>Total other comprehensive loss for the year</b>		<u>(8,056)</u>	<u>(22,452)</u>
<b>Total comprehensive income for the year</b>		<u><u>3,692,373</u></u>	<u><u>2,804,917</u></u>

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The accompanying notes from (1) to (31) forms an integral part of these financial statements



**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
Statement of Changes in Shareholder's Equity  
For The Year Ended 31 December 2020  
(SAUDI RIYALS)

	Share Capital	Statutory Reserve	Retained Earnings	Fair value reserve	Total Shareholder's Equity
<b>As at January 1, 2019</b>	60,000,000	3,020,126	5,983,991	(47,788)	68,956,329
Net profit for the year	-	-	2,827,369	-	2,827,369
Other comprehensive loss	-	-	(32,954)	10,502	(22,452)
Total comprehensive income	-	-	2,794,415	10,502	2,804,917
Dividend	-	-	(6,000,000)	-	(6,000,000)
Transferred to statutory reserve	-	282,737	(282,737)	-	-
<b>As at December 31, 2019</b>	<b>60,000,000</b>	<b>3,302,863</b>	<b>2,495,669</b>	<b>(37,286)</b>	<b>65,761,246</b>
<b>As at January 1, 2020</b>	60,000,000	3,302,863	2,495,669	(37,286)	65,761,246
Net profit for the year	-	-	3,700,429	-	3,700,429
Other comprehensive loss	-	-	(24,865)	16,809	(8,056)
Total comprehensive income	-	-	3,675,564	16,809	3,692,373
Transferred to statutory reserve	-	370,043	(370,043)	-	-
<b>As at December 31, 2020</b>	<b>60,000,000</b>	<b>3,672,906</b>	<b>5,801,190</b>	<b>(20,477)</b>	<b>69,453,619</b>

The accompanying notes from (1) to (31) forms an integral part of these financial statements

**OSOOL & BAKHEET INVESTMENT COMPANY**  
**(A Saudi Closed Joint Stock Company)**  
Statement of Cash Flows  
AS AT 31 December 2020  
(SAUDI RIYALS)

	2020	2019
<b>Cash Flows from Operating Activities:</b>		
Profit for the year before zakat	4,884,685	4,053,667
<b>Adjustments to reconcile profit before zakat to net cash flows:</b>		
Depreciation of property, equipment	343,172	216,310
Amortization of intangible assets	518,503	304,224
Gain from sale property and equipment	(1,549)	-
Realized gain from sale investments in securities & fund at fair value through profit or loss	(1,955,704)	(908,695)
Unrealized gain from investments in securities & fund at fair value through profit or loss	(3,735,238)	(1,098,994)
Depreciation of right of use assets	739,353	739,353
Provision for employees' defined benefits liabilities	449,017	427,651
<b>Operating profit before change in working capital</b>	<b>1,242,239</b>	<b>3,733,516</b>
<b>Changes in working capital</b>		
Accounts receivable	(1,526,539)	2,497,299
Clients lending	9,860,000	(2,007,676)
Due from related parties	2,840,204	(6,871,421)
Prepaid expenses and other debit balances	762,368	74,168
Accrued expenses and other credit balances	(110,651)	(139,124)
Due to related parties	59,000	(146,000)
End of service benefits paid	(28,070)	(36,545)
Zakat paid	(1,075,521)	(1,275,409)
<b>Net cash from / (used in) operating activities</b>	<b>12,023,030</b>	<b>(4,171,192)</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of investments in securities & fund at fair value through profit or loss	(33,863,578)	(7,888,600)
Acquisition on unconsolidated subsidiary	(10,000)	-
Purchases property and equipment	(521,082)	(347,332)
Purchases intangible assets	(550,614)	(844,546)
Proceeds from sale of investments in securities and funds at fair value through the statement of profit or loss	31,571,431	5,532,365
Proceeds from sale property and equipment	13,735	-
<b>Net cash used in investing activities</b>	<b>(3,360,108)</b>	<b>(3,548,113)</b>
<b>Cash flows from Financing Activities:</b>		
Dividends paid	-	(6,000,000)
Lease liability paid	(720,100)	(852,552)
<b>Net cash used in financing activities</b>	<b>(720,100)</b>	<b>(6,852,552)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,942,822</b>	<b>(14,571,857)</b>
Cash and cash equivalents at beginning of the year	9,340,602	23,912,459
<b>Cash and Cash Equivalents at End of the year</b>	<b>17,283,424</b>	<b>9,340,602</b>
<b>Non-cash items</b>		
Charge for the cost of an intangible asset from employee benefit obligations	<b>50,535</b>	<b>41,198</b>

The accompanying notes from (1) to (31) forms an integral part of these financial statements

**1- Corporate information:**

Osool & Bakheet Investment Company – Saudi Closed Joint Stock Company (referred to hereinafter as the "The Company") was established under the commercial registration No. 1010219805 issued in Riyadh on 02/05/1427H.

The activity of the company includes acting as principal and agent, managing investment funds, managing portfolios of clients and custody in securities business pursuant to the approval of the Capital Market Authority under license No. 07/08126 on 23/01/1435 H.

**Fund manager's investments in funds:**

The company is fund manager of some investment funds, whose amounts as of 31 December are as follows:

	<b>2020</b>	<b>2019</b>
Osool & Bakheet Saudi Trading Equity Fund	16,971,882.41	16,209,582
Osool & Bakheet IPO Fund	28,199,367.23	112,054,269
Osool & Bakheet IPO Trading Funds Sharia	947,804.36	1,062,870
Osool & Bakheet Parallel market Funds	16,603,018.32	3,122,863
Almalga Hills Compound Fund	100,506,837	102,098,389
ALMA'ATHAR REIT Fund	587,272,672	594,819,654

**2- Basis of preparation:**

**2-1) Statement of Compliance**

These financial statements of the company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Certified Public Accountants ("SOCPA").

**2-2) Preparation Financial Statements**

These financial statements have been prepared on the historical cost basis except for specific employee benefit obligations that are recognized at the present value of future liabilities using the planned credit unit method and investments in the profit or loss statement and other comprehensive income statement which are recognized at fair value.

**2-3) Functional and presentation currency**

The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the company.



## 2- Basis of preparation (Continued):

### 2-4) Use of judgments, estimates, and assumptions

The preparation of financial statements in accordance with the International Financial Reporting Standards requires the management to make judgments, estimates and assumptions that affect the application of the policies and amounts listed for assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant matters regarding the estimation of uncertainties in the application of accounting policies that have a significant impact on the amounts recognized in the financial statements are summarized as follows:

- Management periodically reassesses the useful lives of the tangible and intangible assets based on the general condition of these assets and the management's expectations for their future useful lives.
- The estimated useful life of the intangible assets of the concession to provide services is from the period when the company becomes able to impose fees on the public in exchange for the use of infrastructure to the end of the concession period.
- The management reviews cases against the company on an ongoing basis, based on a legal study prepared by the company's legal advisors, which shows the potential risks that the company may assume in the future as a result of these issues.
- The management estimates the recoverable amount of the financial assets to determine whether there has been any impairment in their value.
- The management determines the cost of the end of service benefits plans and the present value of the end of service benefits obligations using actuarial valuations. Actuarial valuations include making various assumptions that may differ from actual future developments and include determining a discount rate, future salary increases, death rates and future increases in pension. Given the difficulty and evaluation of the underlying assumptions and its long-term nature, the defined benefit obligation is vulnerable to changes in these assumptions. These assumptions are reviewed at each reporting date.
- Allocations depend, depending on their nature, on estimates and assessments to ensure whether evidence controls are met, including an estimate of the amounts likely to be paid. Provisions relating to unconfirmed liabilities include management's best estimates of whether outgoing cash flows are likely to occur.
- The management estimates the Zakat expense according to the laws and regulations in force in the Kingdom of Saudi Arabia.

The applied estimates and assumptions are reviewed constantly, and changes in accounting estimates are recognized in the period in which the estimates are changed and in the coming years that are affected by that change.

## 2- Basis of preparation (Continued):

### 2-5) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or the liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or the liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

## 3- Summary for Significant Accounting Policies:

### Investment in subsidiaries

Subsidiaries are those companies, which are controlled by the Company and have an effective influence. Effective influence is the ability of the company to make financial and operational decisions for the investee company.

Significant subsidiaries are consolidated in the financial statements, if any. However, immaterial subsidiaries are not consolidated and are kept at initial investment (Note 12).

### **3- Summary for Significant Accounting Policies: (continued)**

#### **Revenue**

Revenue is measured based on the consideration specified in a contract with customer and excludes amount collected on behalf of third parties.

The Company recognizes revenue when it transfers control over a product or service to a customer. The principles in IFRS 15 are applied using the following five steps:

**Step 1:** The Company accounts for a contract with a customer when:

- The contract has been approved and the parties are committed;
- Each party's rights are identified;
- Payment terms are defined;
- The contract has commercial substance; and Collection is probable.

**Step 2:** The Company identify all promised goods or services in a contract and determines whether to account for each promised good or service as a separate performance obligation. A good or service is distinct and is separated from other obligations in the contract if both:

- The customer can benefit from the good or service separately or together with other resources that are readily available to the customer; and
- The good or service is separately identifiable from the other goods or services in the contract.

**Step 3:** The Company determine the transaction price, which is the amount of consideration it expects to be entitled to in exchange for transferring promised goods or services to a customer.

**Step 4:** The transaction price in an arrangement is allocated to each separate performance obligation based on the relative standalone selling price of the good or service being provided to the customer.

**Step 5:** Revenue is recognized when control of the goods or services is transferred to the customer. The Company transfers a good or service when the customer obtains control of that good or service. A customer obtains control of a good or service if it has the ability to direct the use of and receive the benefit from the good or service.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company has concluded that it is the principal in all of its revenue arrangements, has pricing latitude, and is also exposed to inventory and credit risks.

#### **Revenue Recognition**

- The revenue from stock brokerage service is recorded in the period where they are realized.
- The revenue of services rendered to clients, such as the internet services and consulting services, is recognized when these services are provided.
- The revenue from bank commissions on deposits at banks is recorded by calculating the term of such deposits on accrual basis.
- As for Murabaha revenue, they are realized according to the terms and conditions of the contracts concluded with clients on the basis of Murabaha amounts and term.
- The revenue from portfolio and funds management fees is recorded at the date of realization according to the agreements concluded with the owners of those portfolios. The revenue resulting from consulting and financial information fees are recorded upon completion.
- The fees related to portfolio positive performance are calculated at the end of each calendar quarter, and the company sends an invoice to the client according to the contract concluded with each client where the value of portfolio positive performance is determined



### **3- Summery for Significant Accounting Polices: (continued)**

#### **Financial Instruments**

The Company recognizes a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company recognizes a financial instrument at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

#### **Financial assets**

IFRS 9 requires all financial assets to be classified and subsequently measured at either amortized cost or fair value. The classification depends on the business model for managing the financial asset and the contractual cash flow characteristics of financial asset, determined at the time of initial recognition.

Financial assets are classified into the following specified categories under IFRS 9:

- \* Debt instruments at amortized cost;
- \* Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition;
- \* Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition; and
- \* Financial assets at fair value through profit and loss (FVPL).

#### **Financial assets classified as amortized cost**

Debt instruments that meet the following conditions are subsequently measured at amortized cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, it is measured at fair value.

The Company makes an assessment of a business model at portfolio level as this best reflects the way the business is managed and information is provided to management. In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How management evaluates the performance of the portfolio;
- Whether the management's strategy focus on earning contractual commission income;
- The degree of frequency of any expected asset sales;
- The reason for any asset sales; and

### 3- Summery for Significant Accounting Polices: (continued)

#### Financial Instruments (continued)

##### Financial assets classified as amortized cost (continued)

- Whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Income is recognized on an effective interest basis for debt instruments measured subsequently at amortized cost. Interest is recognized in profit or loss statement.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

##### Financial assets designated as FVOCI with recycling

Debt instruments that meet the following conditions are subsequently measured at FVOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt financial instruments measured at FVOCI, commission income and impairment losses or reversals are recognized in profit or loss statement and computed in the same manner as for financial assets measured at amortized cost. All other changes in the carrying amount of these instruments are recognized in the statement of comprehensive income and accumulated under the investment revaluation reserve. When these instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of profit or loss.

##### Financial assets classified as FVPL

Investments in equity instruments are classified as at FVPL, unless the Company designates an investment that is not held for trading as at FVOCI on initial recognition.

Debt instruments that do not meet the amortized cost of FVOCI criteria are measured at FVPL. In addition, debt instruments that meet the amortized cost criteria but are designated as at FVPL to avoid accounting mismatch are measured at fair value through profit or loss. A debt instrument may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as FVPL.

Debt instruments are reclassified from amortized cost to FVPL when the business model is changed such that the amortized cost criteria are no longer met. Reclassification of debt instruments that are designated as at FVPL on initial recognition is not allowed.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the statement of profit or loss.

Commission income on debt instruments as at FVPL is included in the statement of profit or loss.

Dividend income on investments in equity instruments at FVPL is recognized in statement of profit or loss when the Company's right to receive the dividends is established in accordance with IFRS 15 Revenue from Contracts with Customers.

### 3- Summary for Significant Accounting Policies: (continued)

#### Financial Instruments (continued)

##### Investment in equity instruments designated as FVOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation as at FVOCI is not permitted if the equity investment is held for trading.

A financial asset or financial liability is held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other reserves. Gain and losses on such equity instruments are never reclassified to statement of profit or loss and no impairment is recognized in statement of profit or loss. Investment in unquoted equity instruments which were previously accounted for at cost in accordance with IAS 39, are now measured at fair value. The cumulative gain or loss will not be reclassified to statement of profit or loss on disposal of the investments.

Dividends on these investments are recognized in statement of profit or loss when the Company's right to receive the dividends is established in accordance with IFRS 15 Revenue from Contracts with Customers, unless the dividends clearly represent a recovery of part of the cost of the investment.

Investment revaluation reserve includes the cumulative net change in fair value of equity investment measured at FVOCI. When such equity instruments are derecognized, the related cumulative amount in the fair value reserve is transferred to retained earnings.

##### Derivatives instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item hedged. The Company did not designate any derivatives as hedge and accordingly all subsequent changes in fair value is recognized in the statement of profit or loss.

##### Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECL) on debt instruments that are measured at amortized cost or at FVOCI such as trade receivables, loan commitments and financial guarantee contracts, if any.

No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses reflects changes in credit risk since initial recognition of the respective financial instrument.

The Company applies the simplified approach to calculate impairment on trade receivables and this always recognizes lifetime ECL on such exposures. ECL on these financial assets are estimated using a flow rate based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company applies the general approach to calculate impairment. Lifetime ECL is recognized when there has been a significant increase in credit risk since initial recognition and 12 month ECL is recognized the credit risk on the financial instrument has not increased significantly since initial recognition. The assessment of whether credit risk of the financial instrument has increased significantly since initial recognition is made through considering the change in risk of default occurring over the remaining life of the financial instrument.



### 3- Summary for Significant Accounting Policies: (continued)

#### Financial Instruments (continued)

##### Measuring and estimating expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Exposure at default for off balance sheet items is arrived at by applying a credit conversion factor to the undrawn portion of the exposure.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are companyed on the following basis:

- Nature of financial instruments (i.e. the Company's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate company. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

##### Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset or substantially all the risk and rewards of ownership to another entity. If the Company neither transfer nor retains substantially all the risks and reward of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

##### Financial liabilities

Financial liabilities carried at amortized cost have been classified and measured at amortized cost using the effective yield method.

For financial liabilities that are designated as at FVPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to the statement of profit or loss.

The liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated as at fair value through profit or loss that are attributable to changes in the credit risk of these liabilities and which would not create or enlarge accounting mismatch in statement of profit or loss. Amount presented in liability credit reserve are not subsequently transferred to statement of profit or loss. When such investments are derecognized, the related cumulative amount in the liability credit reserve is transferred to retained earnings. Since the date of initial application of IFRS 9 (i.e. 1 January 2018), the Company has also not designated any financial liability as at FVPL.

##### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

### 3- Summary for Significant Accounting Policies: (continued)

#### **Cash and Cash Equivalents:**

Cash and Cash equivalents comprise cash in hand, cash at banks and short term deposits with original maturities of three months or less that is Available for the company without any restricted after deducted the bank overdraft (if any).

#### **Zakat**

Zakat is provided and recognized in the income statement for each financial period separately in accordance with the Saudi Arabian Department of Zakat and Income Tax (DZIT) regulations. Variances between the Zakat provision and final assessment of DZIT are charged to the profit or loss statement in the period when the final Zakat assessment is received.

#### **Property and equipment**

##### **Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as items (major components) of property and equipment. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within "other expense" in the statement of profit or loss.

Construction work in progress is stated at cost, less impairment losses, if any.. This cost includes the cost of replacing part of the property, plant and equipment and borrowing costs related to long-term construction projects if the proof of criteria is met. And if it is required to replace important parts of property, plant and equipment in stages, the company consumes these parts independently over their productive lives. Conversely, when a major examination is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement, if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of profit or loss when incurred. The present value of the expected cost of removing a post-use asset is included in the cost of the underlying asset in the event that the recognition criteria relating to the recognition of the allowance are met.

##### **Subsequent costs**

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss as incurred.

##### **Depreciation**

Items of property and equipment are depreciated on a straight-line basis in statement of income over the estimated useful lives of each component. Land is not depreciated. Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Leasehold improvements are amortized over the shorter of the estimated useful life or term of the lease whichever is shorter.

The depreciations rate of property and equipment for the current and previous year are as follows:

Equipment	20%
Furniture & Fixture	15%
Vehicles	25%
Computers	33%
Telecommunication devices	25%

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

### 3- Summary for Significant Accounting Policies: (continued)

#### Provisions

Provisions are recognized when; the Company has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. If the effect of the time value of money are material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### Investment properties

Originally, investment properties are measured at cost. The fair value is determined based on an annual evaluation by an accredited and independent external evaluator by applying the evaluation method recommended by the Standards Committee of the International Evaluation Standards Board.

Real estate investments are held to obtain rents, increase their value, or both, instead of selling them in the context of regular business, uses in production, or for administrative purposes. These properties are not used to generate sales revenue through normal business operations. Initial recognition of real estate investments is carried at cost and the cost model is used to measure after evidence (posterior measurement).

The recognition of real estate investments is cancelled in the event of sale or dispensation when it is transferred or transferred to development property. Any gain or loss resulting from the derecognition of the property is recognized immediately in the statement of profit or loss.

Gains or losses from the sale or disposal of investment properties that represent the difference between the net proceeds from the sale and the carrying amount are included in the statement of profit or loss in the period in which the sale / disposal is made, except for those relating to sale and lease arrangements.

#### Intangible assets

Intangible assets acquired separately are measured at cost at initial recognition. After the initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets are not capitalized, except for capitalized development costs, and the related expenses are reflected in the statement of profit or loss in the period in which those expenses are incurred.

The useful lives of intangible assets are subject to evaluation and are classified as either determinable or indefinite.

Intangible assets with finite useful lives are amortized over the economic useful life and evaluated for impairment, when there is any evidence that the intangible asset may be impaired. The amortization period and the amortization method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. The changes in the expected useful life or the expected pattern of consumption of future economic benefits originally included for adjusting the amortization period or method are taken into account, as the case may be, and are considered as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement within the expense category consistent with the function of the intangible assets.

Gains or losses arising from the disposal of the intangible asset are measured by the difference between the net disposal proceeds and the carrying amount of the asset and are included in the statement of profit or loss upon disposal of the asset.

Research costs are recognized as an expense as incurred.

### **3- Summery for Significant Accounting Polices: (continued)**

#### **Clients lending**

Client lending recognized when the company paid cash to borrowers and derecognized when borrowers paid the debt or selling disposed this lending or transferring all risks and equity return. Initial recognition measured at fair value (included all cost related to these transactions). The company lending the their clients for invest in company 's fund and portfolios, the company always seeking to studying the market value of these fund and portfolios to control the related risks .

#### **Accounts payable and accruals**

Liabilities are recognized for the amounts to be paid in the future for goods and services received, whether billed by the supplier or not. Trade payables are classified as current liabilities if the payment is due within one year or less (or during the normal operating cycle of the business if it is longer), and if it is not, it is presented as a non-current liability. Trade payables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest rate method.

#### **Impairment Non - Financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are combined together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or combination of assets (the "cash-generating unit, or CGU"). The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

Impairment losses are recognized in profit or loss, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **Employee end of service obligation**

Provision for employee's end of service benefits is deducted from their periods of service at the financial position date. Provision for employees' end of service benefits is made according to the expected unit method in accordance with IAS 19 Employee Benefits, taking into account Saudi Labor Law. The provision is recognized based on the present value of the defined benefit obligation.

The present value of the defined benefit obligation is calculated using assumptions for the average annual salary increase ratio, the average work period of employees and an appropriate discount rate. The probabilities used are calculated on a constant basis for each period and reflect the best management estimates. The discount rate is determined based on the best available market returns estimates available at the reporting date.

Current and past service costs related to post-employment benefits are recognized immediately in profit or loss while unwinding of the liability at discount rates used are recorded in profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to retained earnings in the statement of changes in equity in the period in which they occur.



### 3- Summary for Significant Accounting Policies: (continued)

#### Expenses:

Selling and marketing expenses are those that specifically relate to the selling and marketing functions of the company. All other expenses, except cost of revenues and finance expenses are classified as general and administrative expenses. Expenses are recognized in the income statement on the accrual basis in the period in which they are incurred. Allocations between selling, marketing and general and administrative expenses and cost of revenues, when required, are made on a consistent basis.

#### Foreign currency transactions

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions, at financial position date, monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the exchange rates prevailing on that date, gains and losses arising on settlement and translation of foreign currency transactions are recognized in the statement of comprehensive income.

#### Right of use asset and lease liabilities

Assets held under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's Statement of Financial Position. Rentals in respect of operating leases are charged to the Statement of Profit or Loss over the term of the leases.

The Company has recognized new assets and liabilities for its operating leases of various types of contracts including warehouse and depot facilities, accommodation / office rental premises, etc. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis.

A. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

B. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in Condensed Statement of Profit or Loss. Short-term leases are leases with a lease term of 12 months or less.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.



#### 4- New standards and amendments to standards and interpretations

Effective date	New standards or amendments
	Amendments to References to Conceptual Framework in IFRS Standards
1 January 2020	Definition of Material (Amendments to IAS 1 and IAS 8)
	Definition of a Business (Amendments to IFRS 3)
	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
1 June 2020	COVID-19-Related Rent Concessions (Amendment to IFRS 16)
1 January 2021	Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
1 January 2022	Annual Improvements to IFRS Standards 2018–2020
	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	Reference to the Conceptual Framework (Amendments to IFRS 3)
1 January 2023	Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
	IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The Company has adopted IFRS 16: COVID-19 Related Rent Concessions, which were adopted on 1 June 2020.

#### Amendments to IFRS 16: COVID-19-Related Rent Concessions

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

Osool & Bakheet Investment Company has elected to utilise the practical expedient for all rent concessions amendment to IFRS 16 “Leases” COVID-19 that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of Osool & Bakheet Investment Company, occurred from March 2020 to June 2020.

Accounting for the rent concessions as lease modifications would have resulted in Osool & Bakheet Investment Company remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, A Layout is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The Company expects to apply the above standards and interpretations (improvements) in the financial statements by the date stated in the Standard with no significant impact on the Company's financial statements.

## 5- Cash And Cash Equivalents

	31 Dec 2020	31 Dec 2019
Current accounts at local banks	2,901,467	8,395,682
Unused cash in investment portfolio	4,376,070	936,640
Cash in hand	5,887	8,280
Bank deposit	10,000,000	-
	<b>17,283,424</b>	<b>9,340,602</b>

## 6- Investments in funds & Securities at fair value through profit or loss

	31 December 2020		
	Cost	Unrealized gain	Fair value
Investments in securities traded (note 6-1)	6,391,471	122,278	6,513,749
Investments in real estate funds (note 6-2)	3,076,683	45,606	3,122,289
Investments in the Fund for Osool & Bakheet Parallel market Funds (Note 6-3)	687,140	167,640	854,780
Investment in Impact Private Equity Fund - it and e commerce SECTO (Note 6-4)	400,000	-	400,000
Investments in unlisted company (note 6-5)	5,733,930	3,399,714	9,133,644
	<b>16,289,224</b>	<b>3,735,238</b>	<b>20,024,462</b>

	31 December 2019		
	Cost	Unrealized Gain	Fair value
Investments in securities traded (note 6-1)	8,130,075	686,427	8,816,502
Investments in real estate funds (note 6-2)	2,669,733	406,950	3,076,683
Investments in the Fund for Osool & Bakheet Parallel market Funds (Note 6-3)	142,571	5,617	148,188
	<b>10,942,379</b>	<b>1,098,994</b>	<b>12,041,373</b>

6-1 The investment is represented in the domestic shares listed in the Saudi Stock Exchange (Tadawul).

6-2 The real estate fund represents 350,819 units (December 31, 2019: 350,819 units), in the Al-Ma'ather reit Fund that is listed and managed by the company.

6-3 The investment represents 214,899 units (December 31, 2019: 77,438 units), in an Osool & Bakheet Parallel market Funds not listed and managed by the company.

6-4 The Information Technology and E-Commerce Fund represents 40,000 units (December 31, 2019: Nul), in the Impact Private Equity Fund - it and e commerce SECTO, as the company is the custodian of the fund.

6-5 The investment represents 16,667 units (December 31, 2019: Nul), in an OBCI SPV Ltd not listed.

**7- Accounts Receivable**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Clients portfolio management and Margin financing	2,159,034	972,783
Other	234,483	106,538
	<u>2,393,517</u>	<u>1,079,321</u>

**8- Prepaid Expenses and Other debits**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Fund establishment fees	445,628	562,545
Medical insurance	218,233	258,910
Fees and licenses	104,062	85,442
Employees loans	80,090	66,238
Advance payments	62,463	497,060
Risk insurance	47,594	41,008
Other	13,168	10,060
	<u>971,238</u>	<u>1,521,263</u>

**9- Clients Lending**

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Client lending by margin *	400,750	10,260,750
	<u>400,750</u>	<u>10,260,750</u>

\* Margin finance clients are represented as of 31 December 2020 from the following:

A- The company has signed a facility agreement with its customers with a maximum limit of 15,000,000 Saudi riyals and an annual commission of 6.5% of the amount of the drawn facility, since during the year 2020 an amount of 100,000 SAR was outstanding until 31 December 2020.

B- The company has signed a facility agreement with its clients with a maximum of 390,000 Saudi riyals and an annual commission of 1% per month of the financing amount from which monthly trading commissions are deducted, and since during 2020 an amount of 300,000 SAR was outstanding until 31 December 2020.

**10- Transactions with Related Parties:**

The related parties of the company include the fund manager "Osool and Bakheet Investment Company" and the board of directors. All transactions with the related parties are carried out based on the prices agreed upon under official agreements.

#### 10- Transactions with Related Parties (Continued)

Below are the details of the main transactions with related party during the year:

<b>The name of the related party</b>	<b>The nature of the transactions</b>	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Osool and Bakheet Saudi Equity Trading Fund	Management, Administration, Brokerage and other fees	473,112	1,246,405
Osool & Bakheet IPO Fund	Management, Administration, Brokerage and other fees	878,747	11,549,464
Osool & Bakheet IPO Trading Funds Sharia	Management, Administration, Brokerage and other fees	22,430	105,032
Osool & Bakheet Parallel Market Trading Equity Fund	Management, Administration, Brokerage and other fees	40,756	-
Amalga Hills Compound Fund	Management fees	511,176	135,594
ALma'athar REIT Fund	Management, Dealing and other fees	4,115,313	1,695,383
IMENA Rua Growth Fund	Establishment fees	221,830	-
Osool & Bakheet Private Investment Fund 1	Brokerage fees	4,802	-
Osool & Bakheet for the development of the Urban Village complex Fund	Establishment fees	-	2,730,000
Beshr Bakheet	Murabaha facilities and other fees	1,263,022	3,322,974
Abdul Rahman Yahya ALYahya	Murabaha facilities and other fees	48,946,214	15,037,957
Khalid Abdulrahman ALMousa	Murabaha facilities and other fees	15,380,843	-
Ibrahim Abdul Rahman Al Yahya	Murabaha facilities and other fees	-	7,506,759
Creative Future for Information Technology Company	Finance	1,093,336	-
Board of Directors	Other fees	15,664	-
Shareholder of Osool and Bakheet	Other fees	610,947	-
Executive of Osool & Bakheet Investment Company	Other fees	28,536	-
Relatives of Board of Directors	Other fees	152,837	-
Board of Directors	Attendance Allowance	(213,000)	(300,000)
Board of Directors of Al-Maather Fund	Board of Directors remuneration	(350,000)	(450,000)

# 10. Transactions with Related Parties (continued)

Following are balances from transactions with related parties:

<b><u>Due from related parties</u></b>	<b><u>31 Dec 2020</u></b>	<b><u>31 Dec 2019</u></b>
Osool & Bakheet for the development of the Urban Village complex Fund	2,734,500	2,730,000
Creative Future for Information Technology Company	1,093,336	-
Board Member – Margin Lending*	600,000	4,000,000
ALma'athar REIT Fund	425,410	869,174
Osool & Bakheet IPO Fund	235,588	734,451
IMENA Rua Growth Fund	221,830	-
Amalqa Hills Compound Fund	147,066	135,594
Osool & Bakheet Saudi Trading Equity Fund	142,228	123,390
Board of Director – management and other subscription fees	121,403	47,501
Shareholder of Osool & Bakheet Investment Company	52,206	-
Osool & Bakheet Parallel market Funds	25,466	-
Osool & Bakheet IPO Trading Funds Sharia	4,931	5,290
Executive of Osool & Bakheet Investment Company	1,232	-
	<b><u>5,805,196</u></b>	<b><u>8,645,400</u></b>

\*The company has signed a facility agreement with Board Member with a maximum limit of 600,000 Saudi riyals and an annual commission of 7% of the amount of the drawn facility, since during the year 2020 an amount of 600,000 SAR was outstanding until 31 December 2020.

<b><u>Due to related parties</u></b>	<b><u>31 Dec 2020</u></b>	<b><u>31 Dec 2019</u></b>
Board of Directors – meeting fees	111,000	102,000
Board of Directors of alma'athar REIT Fund	200,000	150,000
	<b><u>311,000</u></b>	<b><u>252,000</u></b>

Following is a summary of compensation for senior management employees and members of the Board of Directors for the years:

	<b><u>2020</u></b>	<b><u>2019</u></b>
Salaries and benefits related to employees	3,832,227	3,383,444
Attendance allowances of members of the Board of Directors	(111,000)	(102,000)



#### 11- Investment in securities at fair value through other comprehensive income

	<u>2020</u>	<u>31 Dec 2019</u>
* Investments in an investment portfolio managed by the company	87,455	76,953
Fair value reserve	16,809	10,502
<b>Total</b>	<b><u>104,264</u></b>	<b><u>87,455</u></b>

\* The investment is the domestic shares listed in Tadawul.

The investments listed at fair value through other comprehensive income are categorized because the financial assets are kept within a business model whose objective is achieved through collecting contractual cash flows and selling financial assets.

#### 12- Investment in unconsolidated company

The investment in unconsolidated company are summarized below;

	<u>Effective ownership</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Future of Creativity Company for Information Technology	100%	10,000	-
<b>Total</b>		<b><u>10,000</u></b>	<b><u>-</u></b>

During the year ending on December 31, 2020, the company established the Future of Creativity Company for Information Technology registered under Commercial Registration No.1010650887 dated 14 Muharram 1442H corresponding to September 2, 2020, with a capital of 10,000 Saudi riyals, and the ownership percentage of the company was 100% as at December 31, 2020.

The Company considered that it has a control over Future of Creativity Company for Information Technology, however, assets, liabilities, of this company are not consolidated in the financial statements of the Company since they are not individually significant

**Osool & Bakheet Investment Company**  
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**13- Property and equipment, net**

	Equipment	Furniture & Fixture	Vehicles	Computers	Telecommunication Devices & Other	Total
<u>Cost:</u>						
Balance as at January 1, 2020	593,889	5,043,001	95,000	3,266,509	648,745	9,647,144
Additions during the year	310,371	7,103	48,562	152,614	2,432	521,082
Disposal during the year	(76,376)	(63,347)	(48,000)	(218,906)	(10,173)	(416,802)
<b>Balance as at 31 December 2020</b>	<b>827,884</b>	<b>4,986,757</b>	<b>95,562</b>	<b>3,200,217</b>	<b>641,004</b>	<b>9,751,424</b>
<u>Depreciation:</u>						
Balance as at January 1, 2020	557,684	4,854,891	95,000	2,877,755	558,427	8,943,757
Depreciation for the year	40,162	51,445	4,048	214,429	33,088	343,172
Disposal during the year	(75,692)	(58,252)	(48,000)	(216,304)	(6,368)	(404,616)
<b>Balance as at 31 December 2020</b>	<b>522,154</b>	<b>4,848,084</b>	<b>51,048</b>	<b>2,875,880</b>	<b>585,147</b>	<b>8,882,313</b>
<u>Net book value :</u>						
As at December 31, 2020	<b>305,730</b>	<b>138,673</b>	<b>44,514</b>	<b>324,337</b>	<b>55,857</b>	<b>869,111</b>
As at December 31, 2019	36,205	188,110	-	388,754	90,318	703,387

- During the year the management have the following reclassify: -

<u>Category</u>	<u>Amount before reclassify</u>	<u>Reclassify amount</u>	<u>Amount After reclassify</u>
Equipment	587,553	6,337	593,890
Furniture & Fixture	3,140,637	1,902,364	5,043,001
Computers	3,303,117	(36,608)	3,266,509
Telecommunication Devices & Other	2,520,838	(1,872,093)	648,745

#### 14- Intangible assets, net

<u>Cost</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Balance as at 1 January	2,154,344	1,268,600
Addition during the year	550,614	844,546
Transfers during the year (note 19)	50,535	41,198
<b>Balance as at 31 December</b>	<b>2,755,493</b>	<b>2,154,344</b>
<u>Accumulated Amortization</u>		
Balance as at 1 January	414,373	110,149
Addition during the year	518,503	304,224
<b>Balance as at 31 December</b>	<b>932,876</b>	<b>414,373</b>
<b>Net book value as at</b>	<b>1,822,617</b>	<b>1,739,971</b>

Referring to what was stated in International Accounting Standard No. 38, "Intangible Assets" in Paragraphs 67 and 68, the company can capitalize on the costs generated internally that are directly and necessary to establish, produce, and prepare the asset to be operable in the manner intended by the administration only, and accordingly The salaries and benefits of employees involved in developing financial analysis programs that are represented in the programs (CMS, OBIC online, AES, PMS) are capitalized, and that the company will stop capitalizing salaries while completing the programs and become ready for operation in the manner intended by the administration.

#### 15- Right of use assets and lease liabilities, net

Following table shows the balance of the right of use assets in addition the charge depreciation.

<u>Cost:</u>	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Balance as at 1 January	3,055,884	-
Addition during the year	-	3,055,884
<b>Balance as at 31 December</b>	<b>3,055,884</b>	<b>3,055,884</b>
<u>Depreciation</u>		
Balance as at 1 January	739,353	-
Charge for the year	739,353	739,353
<b>Balance as at 31 December</b>	<b>1,478,706</b>	<b>739,353</b>
<b>Net book value as at</b>	<b>1,577,178</b>	<b>2,316,531</b>

## 15- Right of use assets and lease liabilities, net (continued)

### Lease Liability:-

The "lease liability" to account for its unexpired operating lease qualified for accounting under IFRS 16 requirements and the details of the movements are as below. The interest cost accrued is included in the financing charges.

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
<b>Liability</b>		
At beginning of the year	3,106,706	-
Additions for the year	-	3,055,883
Finance cost	32,900	50,823
<b>At end of the year</b>	<b><u>3,139,606</u></b>	<b><u>3,106,706</u></b>
<b>Payments</b>		
At beginning of the year	903,375	-
Paid during the year	752,999	903,374
<b>At end of the year</b>	<b><u>1,656,374</u></b>	<b><u>903,374</u></b>
<b>Balance at the end of the year</b>	<b><u>1,483,232</u></b>	<b><u>2,203,332</u></b>

The below shows rental obligations based on the contractual maturity date:

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
lease liability – non current portion	716,254	1,468,991
lease liability –current portion	766,978	734,341
<b>Total lease liability</b>	<b><u>1,483,232</u></b>	<b><u>2,203,332</u></b>

## 16- Investment Property

Investment Property consists of a plot of land purchased for 27,000,000 Saudi riyals (only twenty seven million Saudi riyals) and the company has leased the land at a rental price of 2,025,000 Saudi riyals annually.

Where the lessee has the right to purchase the property during the rental period at a value of 27,000,000 Saudi riyals, in addition to any fees or costs that the company imposes on the tenant that are due during the term of the contract and its subsequent renewals, if any.

The company has measured the fair value of the land for the year ended December 2020 through MAKEN real estate valuation and for the year ended 31 December 2019 through the White Cubes Company for Assessment and Consulting Services and is an accredited Saudi resident. The fair value was 47,925,000 SAR as of December 31, 2020 (31 December 2019: 38,340,000 SAR).

## 17- Accrued expenses and other credit balances

	<u>31 Dec 2020</u>	<u>31 Dec 2019</u>
Suppliers of services	437,410	447,891
VAT	387,357	312,386
Accrued Expenses	246,773	245,676
Other	30,500	206,738
	<b><u>1,102,040</u></b>	<b><u>1,212,691</u></b>

## 18- Zakat Provision

### A) Zakat Base

The provision for zakat charge is based on the following:

Saudi shareholder share in:	31 Dec 2020	31 Dec 2019
Shareholders' equity - as per GAZT	65,798,532	63,356,871
Provision and other	5,984,368	5,762,245
Investments	(114,264)	(27,000,000)
Other adjustments	(30,420,272)	(1,739,970)
Book value of long-term assets	(869,111)	(3,019,917)
Adjusted income for the year	5,622,208	4,738,392
Zakat base	<u>46,001,461</u>	<u>42,097,621</u>
Zakat calculated	<u>1,184,256</u>	<u>1,081,461</u>

For the year ended 31 December 2019, Zakat is due at 2.5% of the adjusted net profit and 2.57768% of the Zakat pool after deducting the adjusted profit

For The Year Ended 31 December 2020, Zakat is due at 2.5% of the adjusted net profit and 2.584745% of the Zakat pool after deducting the adjusted profit

### B) Adjusted Net Income For The Year

	2020	2019
Net Income for the year	4,884,685	4,053,667
Add provisions	449,117	427,651
Other	288,406	257,074
Adjusted net income for the year	<u>5,622,208</u>	<u>4,738,392</u>

### C) Provision for zakat:

	31 Dec 2020	31 Dec 2019
Balance as at 1 January	2,726,618	2,775,729
Addition's during the year	1,184,256	1,081,461
Zakat differences for previous years	-	144,837
Paid during the year	(1,075,521)	(1,275,409)
Balance as at 31 December	<u>2,835,353</u>	<u>2,726,618</u>

Zakat differences have been settled for previous years, amounting to 144,837 Saudi riyals, which were directly recognized in the statement of profit or loss for the year ended December 31, 2019.



## 18- Zakat Provision (continued)

### D) Zakat status

The provision balance includes an amount of 1,645,157 SAR, which is amounts disputed between the Osool company before the merger and the General Authority of Zakat and Income and an objection was submitted by the company of Osool on these amounts and has not been decided yet, bearing in mind that in the event of acceptance of the objection and the provision for this The sums will be the right of the shareholders of the Osool Company in accordance with paragraphs (3/1/1/1) (3/1/1/2) (8/1) of the merger contract.

There is an amount of 1,009,211 SAR, the value of objections submitted to the Zakat and Income Department by the Bakheet Investment Group Company for the years (2013: 2007). The Bakheet Investment Group Company paid it to finish the procedures for striking off the commercial registry and filed an objection to it. It will be the right of the shareholders of the Bakheet Investment Group Company in accordance with paragraphs (3/1/1/1) (3/1/1/2) and (8/1) of the merger contract.

Zakat returns have been submitted by the company until December 31, 2019, and the final assessment has not yet been issued by the Zakat and Income Authority.

## 19- Employees' defined benefits liabilities:

The below tables as summery of continents of Employees' defined benefits liabilities that recognized at profit or losses statements and other comprehensive statements and statement of financial Position:

### A. amounts recognized at statement of financial Position:

	31 Dec 2020	31 Dec 2019
The present value of employees' defined benefit liability	3,076,513	2,580,166
	<u>3,076,513</u>	<u>2,580,166</u>

### B. the transactions for present value of employees' defined benefit liability:

	31 Dec 2020	31 Dec 2019
Balance at beginning of the year	2,580,166	2,114,908
Charge for the year	449,017	427,651
Charge on the cost of an intangible asset	50,535	41,198
Actuarial loss	24,865	32,954
Paid during the year	(28,070)	(36,545)
Balance at Ending of the year	<u>3,076,513</u>	<u>2,580,166</u>

### C. major actuarial

	31 Dec 2020	31 Dec 2019
Discount rate	1.85%	2.9%
Salary increase rate	1.85%	2.9%
Retirement age	60 Year	60 Year

## 20- Dividend

The General Assembly, during its meeting held on 4 Ramadan 1440 H (corresponding to May 9, 2019), approved the distribution of cash dividends to shareholders amounted to 6 million Saudi riyals, at 1 Saudi riyal per share.

**21- Share Capital:**

Share capital was determined to be 60,000,000 SAR divided into 6,000,000 equal cash shares. The value of each share is 10 SAR and all are ordinary shares. The founders had subscribed to all the shares of capital as follows:

	2020		2019	
	Ownership Percentage	Total	Ownership Percentage	Total
Beshr bin Mohammed Borhan bin Yasin Bakheet	22.40%	13,441,280	24.90%	14,941,280
Abdul -Rahman Yahya Abdullah Al-Yahya	12.62%	7,569,740	16.78%	10,069,740
Saleh Mohammed Saleh Al-Hajjaj	12.50%	7,500,000	12.50%	7,500,000
Sultan Yahya Abdullah AL-Yahya	5.75%	3,450,000	5.75%	3,450,000
Mansour Yahya Abdullah AL-Yahya	5.75%	3,450,000	5.75%	3,450,000
MazIn Mohammed Nasir Al-Dawood	5.16%	3,093,750	5.16%	3,093,750
Others	35.82%	21,495,230	29.16%	17,495,230
	<b>100.00%</b>	<b>60,000,000</b>	<b>100.00%</b>	<b>60,000,000</b>

**22- Statutory Reserve :**

According to the Saudi Companies' Regulations, the company retains 10% of its annual net income as statutory reserve. This deduction could be discontinued if the reserve reached 30% of the company's capital, although this reserve is not available for distribution.

**23- Administrative and general Expenses:**

	2020	2019
Salaries and wages and equivalents	8,569,743	8,705,232
Depreciation of right of use asset	739,353	739,353
Audit and consultancy expenses	610,536	357,991
Service and data provider expenses	532,328	1,048,991
Insurance expenses	496,521	538,473
GOSI	445,700	470,873
Rents	129,198	116,158
Funds expenses	117,744	80,323
Bonuses	-	176,644
Others	2,091,044	2,218,362
	<b>13,732,167</b>	<b>14,452,400</b>

**24- Other Income**

	2020	2019
Fees for establishing funds and studying investment opportunities	-	3,658,672
Real estate rental income	2,025,000	2,025,000
Gain from selling fixed assets	1,693	-
Cooperation Fees-IPO	189,420	-
Other	768,173	930,968
	<b>2,984,286</b>	<b>6,614,640</b>

**25- Earnings per Share:**

Earnings per share related to income from operations and net income for the year were calculated by dividing the income from operations and net income for the year by the weighted average number of shares outstanding during the year of 6 million shares as at December 31, 2020 (December 31, 2019: 6 million shares).

The following tables reflect the income and share data used in the earnings per share accounts for the main business and the net public profit:

**For The Year Ended 31 December 2020**

	Result	Average No. of shares	Earnings per share, from profit or loss
Net loss from main activities	2,013,319	6,000,000	0.34
Net profit for the year	3,700,429	6,000,000	0.62

**For the year ended 31 December 2019**

	Result	Average No. of shares	Earnings per share, from profit or loss
Net loss from main activities	(2,497,963)	6,000,000	(0.42)
Net profit for the year	2,827,369	6,000,000	0.47

**26- Funds held in client money bank account:**

According to the requirement of Capital Market Authority (Article 78) of the Authorized Persons List, the bank accounts held by the Company, included local bank accounts (Samba Financial Group) and (Banque Saudi Fransi) with balances, as of 31 December 2020, amounting to SAR 162,304,387.56 (2018: SAR 86,156,363) represented in investment accounts, currents accounts, clients deposits and as well as account of fees & subscriptions of clients.

**27- Capital Adequacy**

The capital adequacy prepared by management is according to the requirements of capital market authority, is presented as follows:

	31 Dec 2020	31 Dec 2019
<u>Capital Basis</u>	SAR.000	SAR.000
Tier -1 of Capital	67,631	64,021
Tier -2 of Capital	-	-
<b>Total</b>	<b>67,631</b>	<b>64,021</b>
<u>Minimum Capital requirement</u>		
Credit Risks	30,525	25,201
Market Risks	2,951	2,103
Operational Risks	3,973	4,066
<b>Total</b>	<b>37,449</b>	<b>31,370</b>
Capital Adequacy Ratio	1.81	2.40
<b>Surplus</b>	<b>30,182</b>	<b>32,651</b>

The third pillar will be published in the annual report on the company's website, knowing that there is a separate report on the calculations of minimum capital requirements adjusted by the external auditor to ensure that they are prepared correctly.

## **28- Financial risk management**

The company is exposed to multiple risks which are represented by the following: market risks (including: currency risks, fair value risks, cash flow interest rate, and price risks), credit and liquidity risks. The company's senior management oversees the management of those risks with the support of a financial risk committee that provides advice about financial risks and the appropriate framework for its governance. This committee also provides the company's senior management with guarantees and assurances that the company's financial risk activities are subject to appropriate policies and procedures, identification, measurement, and risk management Finance in accordance with the company's policies and its vulnerability, and the Board of Directors reviews and approves the policies to manage each of these risks, which are summarized below:

### **Market risk**

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices include risks such as: equity price risk, interest rate risk, and currency risk.

### **Currency risk**

These are risks represented by the fluctuation of the value of one of the financial instruments due to changes in foreign exchange rates, and given that the company's transactions are mainly in Saudi riyals and US dollars, and the Saudi riyal is linked and pegged to the US dollar, the company will not be exposed to currency risks in an important and substantial way.

### **Fair value risk and the cash flow interest rate**

Exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on financial conditions and cash flows. The company monitors and monitors fluctuations in the commission rate on a continuous basis and acts accordingly, and is subject to change on a periodic basis.

### **Price risk**

Price risk is the fluctuation in the value of a financial instrument as a result of changes in market prices, whether these changes are caused by specific factors of the individual instrument or the issuer, or from factors that affect all instruments traded in the market.

### **Credit risk**

The credit risk is that one of the counterparties has not fulfilled its obligations under one of the financial instruments or contracts concluded with the clients, which leads to the emergence of a financial loss, and the company places its cash and money with banks that have good credit ratings.

And sound, accounts receivable and amounts due from related parties are recorded in the net provision for expected losses, if any.

### **Liquidity risk**

Liquidity risk is the risk that one of the entities will encounter difficulties raising funds to fulfill the liabilities associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at a value close to its fair value. Liquidity risk is managed by systematically monitoring and monitoring those Sufficient funds available through credit facilities that are obligated to meet any future liabilities.

## 28- Financial risk management (continued)

### Fair value

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the capital or, in the absence of it, the most advantageous market that the company can access on that date. The fair value of the liability reflects the risk of non-performance.

When measuring the fair value of an asset or a liability, the company uses observable market data as closely as possible. Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level (1):** Financial assets and financial liabilities whose values are based on quoted unadjusted prices for similar assets or liabilities in an active market.

**Level (2):** Financial assets and financial liabilities whose values are based on quoted prices in the inactive markets or observable model inputs, either directly or indirectly substantially for the entire period of the asset or liability.

**Level (3):** Financial assets and financial liabilities whose values are based on prices or valuation techniques that require unobservable and significant inputs to measure fair value in general. These inputs reflect management assumptions about the assumptions that a market participant may use to pricing the asset or liability.

For the end 31 December 2020	Value	Level (1)	Level (2)	Level (3)
Investments in funds & Securities at fair value through profit or loss	20,024,462	10,490,818	-	9,533,644
Investment in securities at fair value through other comprehensive income	104,264	104,264	-	-
For the end 31 December 2019	Value	Level (1)	Level (2)	Level (3)
Investments in funds & Securities at fair value through profit or loss	12,041,373	12,041,373	-	-
Investment in securities at fair value through other comprehensive income	87,455	87,455	-	-



## **29- Subsequent Events**

In the opinion of the management, there have been no significant subsequent events since the year-end that require disclosure or adjustment in these Financial Statements.

## **30- Comparative figure**

Certain comparative figures for the previous year have been reclassified in line with the classification for the current year for the better and fair presentation of the financial statements.

## **31- Approval on the Financial Statements**

The financial statements have been approved by the board of directors on 17 Shaban 1442H (corresponding to 30 March 2021).