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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
TOGETHER WITH 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)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

INDEX

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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 2021, 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 2021 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 Chartered and Professional 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.

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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

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License No, 283

28 Shaban 1443H (31 March 2022)
Riyadh, Kingdom of Saudi Arabia

OSOOL & BAKHEET INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company)
Statement of Financial Position
As at 31 December 2021
(SAUDI RIYALS)

	Note	31 December 2021	(Adjusted) 31 December 2020
Assets			
Current assets			
Cash and cash equivalents	5	7,169,871	17,283,424
Financial Investments at fair value through profit or loss short term	6-a	56,386,251	22,979,262
Accounts receivable, Net	7	945,294	2,351,520
Due from related parties, Net	10	7,768,333	5,805,196
Prepaid expense and other debit balances	8	1,664,528	971,238
Clients loans	9	3,332,399	442,747
Total current assets		**77,266,676**	**49,833,387**
Non-current assets			
Financial Investments at fair value through profit or loss long term	6-b	7,016,630	10,000
Financial Investments at fair value through other comprehensive income	11	122,002	104,264
Property and equipment, net	12	681,398	869,111
Intangible assets, net	13	1,433,129	1,822,617
Right of use asset, net	14	1,188,046	1,577,178
Investments property	15	27,000,000	27,000,000
Total non-current assets		**37,441,205**	**31,383,170**
Total assets		**114,707,881**	**81,216,557**
Liabilities & Shareholder's Equity			
Liabilities			
Current liabilities			
Accrued expenses and other credit balances	16	8,165,800	1,102,040
Lease liability – current portion	14	673,350	766,978
Due to related parties	10	278,000	311,000
Zakat provision	17	3,489,258	2,835,353
Total current liabilities		**12,606,408**	**5,015,371**
Non-current liabilities			
Lease liability- non current portion	14	432,066	716,254
Employees' defined benefits liabilities	18	3,944,105	3,076,513
Total non-current liabilities		**4,376,171**	**3,792,767**
Total liabilities		**16,982,579**	**8,808,138**
Shareholder's equity			
Share capital	19	60,000,000	60,000,000
Statutory reserve	20	6,557,075	3,968,386
Fair value reverse		(2,739)	(20,477)
Retained earnings		31,170,966	8,460,510
Total Shareholder's equity		**97,725,302**	**72,408,419**
Total Liabilities & Shareholder's equity		**114,707,881**	**81,216,557**

The accompanying notes from (1) to (30) forms an integral part of these financial statements and Independent Auditor's Report

OSOOL & BAKHEET INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company)
Statement of Profit or Loss
FOR THE YEAR ENDED 31 DECEMBER 2021
(SAUDI RIYALS)

	Note	2021	(Adjusted) 2020
Revenues			
Portfolio Management fees		3,571,752	1,798,160
Fund Management fees		7,988,735	5,716,483
Custody and operation management fees		1,111,295	751,631
Brokerage revenues, net		1,423,654	1,212,867
Revenues of special commissions		6,428	17,461
Revenue from Murabaha loans		199,203	495,648
Gains from financial investments valuation at fair value through profit and loss		34,149,138	6,690,038
Cash dividends received		252,555	362,601
Gains from selling of financial investments at fair value through profit and loss		2,063,075	1,955,704
Dealing fees		-	561,368
Total revenues		**50,765,835**	**19,561,961**
Operation expenses			
Depreciation and amortization		(937,873)	(861,675)
Administrative and general expenses	21	(24,742,147)	(13,732,167)
Profit from main activities		**25,085,815**	**4,968,119**
Results from other activities:			
Financing expenses		(79,565)	(112,920)
Other Income	22	2,724,738	2,984,286
Net income for the year before zakat provision		**27,730,988**	**7,839,485**
Zakat provision	17	(1,844,101)	(1,184,256)
Net profit for the year		**25,886,887**	**6,655,229**
Earnings per share:			
From main activities	23	**4.18**	**0.83**
From net profit for the year	23	**4.31**	**1.11**

The accompanying notes from (1) to (30) forms an integral part of these financial statements and independent auditor's report.

OSOOL & BAKHEET INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company)
Statement of other comprehensive income
FOR THE YEAR ENDED 31 DECEMBER 2021
(SAUDI RIYALS)

	Note	2021	(Adjusted) 2020
Net profit for the year		25,886,887	6,655,229
Other comprehensive gain that will not be reclassified to profit or loss in subsequent periods:			
Change in fair value reserve	11	17,738	16,809
Loss from re-measurement of defined employee benefit obligations	18	(587,742)	(24,865)
Total other comprehensive (loss) for the year		**(570,004)**	**(8,056)**
Total comprehensive income for the year		**25,316,883**	**6,647,173**

The accompanying notes from (1) to (30) forms an integral part of these financial statements and independent auditor's report.

OSOOL & BAKHEET INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company)
Statement of Changes in Shareholder's Equity
FOR THE YEAR ENDED 31 DECEMBER 2021
(SAUDI RIYALS)

	Share Capital	Statutory Reserve	Fair value reserve	Retained Earnings	Net Shareholder's Equity
As at January 1, 2020	60,000,000	3,302,863	(37,286)	2,495,669	65,761,246
Net profit for the year	-	-	-	6,655,229	6,655,229
Other comprehensive loss	-	-	16,809	(24,865)	(8,056)
Total comprehensive income	-	-	16,809	6,630,364	6,647,173
Transferred to statutory reserve	-	665,523	-	(665,523)	-
As at December 31, 2020 (Adjusted)	**60,000,000**	**3,968,386**	**(20,477)**	**8,460,510**	**72,408,419**
As at January 1, 2021	60,000,000	3,968,386	(20,477)	8,460,510	72,408,419
Net profit for the year	-	-	-	25,886,887	25,886,887
Other comprehensive loss	-	-	17,738	(587,742)	(570,004)
Total comprehensive income	-	-	17,738	25,299,145	25,316,883
Transferred to statutory reserve	-	2,588,689	-	(2,588,689)	-
As at December 31, 2021	**60,000,000**	**6,557,075**	**(2,739)**	**31,170,966**	**97,725,302**

The accompanying notes from (1) to (30) forms an integral part of these financial statements and independent auditor's report.

OSOOL & BAKHEET INVESTMENT COMPANY
(A Saudi Closed Joint Stock Company)
Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2021
(SAUDI RIYALS)

	2021	(Adjusted) 2020
Cash Flows from Operating Activities:		
Profit for the year before zakat	27,730,988	7,839,485
Adjustments to reconcile profit before zakat to net cash flows:		
Depreciation of property and equipment	366,745	343,172
Amortization of intangible assets	571,128	518,503
Loss/(Gain) from sale of property and equipment	3,061	(1,549)
Realized gain from sale of financial investments at fair value through profit or loss	(2,063,075)	(1,955,704)
Unrealized gain from financial investments at fair value through profit or loss	(34,149,138)	(6,690,038)
Financing Costs	32,900	32,900
Provision for expected credit losses	3,060,700	-
Depreciation of right of use assets	733,416	739,353
Provision for employees' defined benefits liabilities	466,515	449,017
Operating (Loss) /profit before change in working capital	**(3,246,760)**	**1,275,139**
Changes in working capital		
Accounts receivable	1,383,619	(1,526,539)
Clients loans	(2,889,652)	9,860,000
Due from related parties	(5,001,230)	2,840,204
Prepaid expenses and other debit balances	(693,290)	762,368
Accrued expenses and other credit balances	7, 063,760	(110,651)
Due to related parties	(33,000)	59,000
End of service benefits paid	(217,608)	(28,070)
Zakat paid	(1,190,196)	(1,075,521)
Net cash (used in) / from operating activities	**(4,824,357)**	**12,055,930**
Cash Flow from Investing Activities:		
Purchase of financial investments at fair value through profit or loss	(47,026,945)	(33,873,578)
Purchases property and equipment	(182,093)	(521,082)
Purchases intangible assets	(150,697)	(550,614)
Proceeds from sale of financial investments at fair value through the statement of profit or loss	42,825,539	31,571,431
Proceeds from sale property and equipment	-	13,735
Net cash (used in) investing activities	**(4,534,196)**	**(3,360,108)**
Cash flows from Financing Activities:		
Lease liability paid	(755,000)	(753,000)
Net cash (used in) financing activities	**(755,000)**	**(753,000)**
Net (decrease) increase in cash and cash equivalents	(10,113,553)	7,942,822
Cash and cash equivalents at beginning of the year	17,283,424	9,340,602
Cash and Cash Equivalents at End of the year	7,169,871	17,283,424
Non-cash items		
Charge for the cost of an intangible asset from employee benefit obligations	30,943	50,535

The accompanying notes from (1) to (30) forms an integral part of these financial statements and independent auditor's report.

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.
(Investment Management, Investment Management and Fund Operation, Dealing with Securities, Custody of Securities)

Fund manager's investments in funds:

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

	2021	2020
Osool & Bakheet Saudi Trading Equity Fund	19,119,096	16,971,882
Osool & Bakheet IPO Fund	30,917,446	28,199,367
Osool & Bakheet IPO Trading Funds Sharia	1,914,467	947,804
Osool & Bakheet Parallel market Funds	31,724,235	16,603,018
IMena growth fund	20,379,698	-
Almalga Hills Compound Fund	159,204,813	100,506,837
ALMA'ATHAR REIT Fund	594,598,074	587,272,672

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 chartered and professional Accountants ("SOCPA").

2-2) Preparation Financial Statements

These financial statements have been prepared on the historical, except for the following important items included in the statement of financial position: -

• Financial instruments that measured at fair value.

• Accruals for defined employee benefit obligations are recognized at the present value of the future liabilities using the projected unit credit method.

• Investments in equity instruments are measured at fair value through the statement of profit or loss, and the statement of other comprehensive income.

• Customer loans and receivables, as well as due from related parties, are measured on the amortized cost basis.

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 Polices:

Transformation into an investment entity

International Financial Reporting Standard No. (10): Consolidated financial statements provide an exception to the principle of consolidation of subsidiaries. Where it requires a parent entity that is an investment entity to measure its subsidiaries at fair value through profit or loss, in accordance with IFRS 9 (2017: IAS 39 Financial Instruments: Recognition and Measurement) rather than consolidating those subsidiaries where the company meets the definition of The investment entity is based on the following criteria in addition to the characteristics listed below:

• The company obtains funds from multiple investors for the purpose of providing these investors with investment management services.
• The company is committed to its investors that its business purpose is to invest money only to achieve returns from capital increase or investment income or both, and
• The company measures and evaluates the performance of all its investments on the basis of fair value.

To determine that a company meets the definition of an investment entity, further consideration is given to the following characteristics of an investment entity that the company exhibits:

• It has more than one investment.
• It has more than one investor.
• It has investors who are not related parties.

3- Summery for Significant Accounting Polices: (continued)

Transformation into an investment entity (continued)

- has proprietary interests in the form of equity or similar interests, and
- It keeps its investments for a limited period only, ie it has an exit strategy for its investments.

Further, for subsidiaries that act in a support function of the parent company, control is achieved when:-
- Has power over the investee company.
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- Has the ability to use his power over the investee to influence the amount of return for investors.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed.

The main accounting policies applied in the preparation of these financial statements have been consistently applied to all the periods presented in accordance with the above.

Revenue

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.

3- Summery for Significant Accounting Polices: (continued)

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

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 de-recognition;
* Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on de-recognition; 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.

3- Summery for Significant Accounting Polices: (continued)

Financial Instruments (continued)

Financial assets classified as amortized cost (continued)

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
- 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

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

Equity investment instruments are designated at fair value through profit or loss, unless the company designates that investment as held for non-trading and at fair value through other comprehensive income on initial recognition.

Debt instruments that do not meet the amortized cost criteria of fair value through other comprehensive income are measured at fair value through profit or loss. In addition, debt instruments that meet the amortized cost criteria, which have been designated at fair value through profit or loss to avoid account mismatches, are measured at fair value through profit or loss.

3- Summery for Significant Accounting Polices: (continued)

Financial Instruments (continued)

Investment in equity instruments designated as FVPL

Debt instruments may be designated as FVTPL upon initial recognition if such classification eliminates or significantly reduces measurement or recognition inconsistencies that may arise from measuring assets or liabilities or recognizing gains and losses on different bases.

Debt instruments are reclassified from amortized cost to fair value through profit or loss when the business model is changed such that it no longer meets the exhaustive cost criteria. Reclassification of debt instruments designated at fair value through profit or loss is not permitted upon initial recognition.

Financial assets are measured at fair value at the end of each review period, with any gain or loss arising on re-measurement recognized in profit or loss.

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

Dividend income on investments in equity instruments at fair value through profit or loss is recognized in the statement of profit or loss.

When the company's right to receive dividends is established in accordance with IFRS 15 revenue from contracts with customers.

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.

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 18, unless the dividends clearly represent a recovery of part of the cost of the investment.

3- Summery for Significant Accounting Polices: (continued)

Financial Instruments (continued)

Investment in equity instruments designated as FVOCI (continued)
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

Derivative financial instruments including forward foreign exchange contracts, commission rate swaps and commodity derivatives are measured at fair value. All derivatives are carried at fair value as assets where the fair value is positive and as liabilities where the fair value is negative. Any related transaction costs are recognized in profit or loss when incurred. Fair values are obtained by reference to quoted market prices.

Impairment of financial assets

The company determines the provision for expected credit losses for debt instruments that are measured at amortized cost or at the fair value of other comprehensive income, such as lease contracts receivable, trade receivables, in addition to loan liabilities and financial guarantee contracts.

No impairment losses are recognized for investments in equity instruments. The amount of ECL reflects the changes in credit risk since the initial recognition of the financial instrument.

The company applies the simplified method or approach to calculating the impairment for trade receivables, taking into consideration the expected credit losses over the life of the estimated cash flows. Expected credit losses on financial assets are estimated using a flow rate based on the company's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions and an assessment of both current and future conditions at the reporting date, including the time value of money if appropriate.

For all other financial instruments, the Company applies the general method or approach for calculating the amount of impairment. Lifetime ECL is recorded when there has been a significant increase in credit risk since initial recognition and 12-month ECL is recorded if the credit risk on the financial instrument has not increased significantly since initial recognition. An assessment of whether the credit risk of a financial instrument has increased significantly since initial recognition by considering the change in the risk of default over the remaining life of the financial instrument.

Measuring and estimating expected credit losses
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.

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:

3- Summery for Significant Accounting Polices: (continued)

Financial Instruments (continued)

Impairment of financial assets (continued)

- 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.

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).

3- Summery for Significant Accounting Polices: (continued)

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.

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 and others	25%

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

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.

3- Summery for Significant Accounting Polices: (continued)

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.

Clients Loans

Clients loan are non-derivative financial assets with fixed or determinable payments originated or obtained by the company. Loans are recognized when cash is paid to borrowers and are derecognised when the borrowers pay their obligations, or when these loans are sold or written off, or when all the risks and rewards of ownership have been transferred. All loans and advances transactions are initially recognized at fair value, and clients are loaned these amounts to invest in the company's investment funds and portfolios.

3- Summery for Significant Accounting Polices: (continued)

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 amount of the company's non-financial assets is reviewed at the end of each financial period to determine whether there is any indication of impairment. If there is any indication of impairment, the recoverable amount of the asset is estimated. The recoverable amount of an asset or cash-generating unit is the higher of the value in use or the fair value after reducing the cost to sell.

In assessing value in use, the expected future cash flows are discounted to their present value using a discount rate before zakat that reflects the current market assessment of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that can be tested individually are grouped into the smallest group.

An asset that generates cash flows from continuing operations and is largely independent of cash flows from other assets or a cash-generating unit. The company's assets that do not generate internal cash flows individually. If there is any indication of impairment of these assets, the recoverable value of that asset is estimated for the cash-generating unit to which that asset belongs. An impairment loss is recognized when the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in previous periods are evaluated at the end of each financial period for any indications that the value of the losses have decreased and no longer exist.

An impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The carrying amount of the asset auctioned due to the reversal of the impairment loss shall not exceed the carrying amount that would have been determined less amortization or depreciation. No impairment loss was recognized for the asset in prior years.

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.

3- Summery for Significant Accounting Polices: (continued)

Employee end of service obligation (continued)

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.

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.

(SAUDI RIYALS)

4- New standards and amendments to standards and interpretations

In the below statement of the new standards and amendments to the applicable standards for the years beginning or after January 1, 2022, allowing early application but not applied by the company when preparing these financial statements

Effective date	New standards or amendments
1 January 2021	Interest Rate Standard Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 COVID-19 Lease Concessions)

In the opinion of the Company's Board of Directors, these standards and amendments to standards and interpretations are not expected to affect the Company. New standards, amendments and interpretations issued but not yet effective The following standards and amendments to standards and interpretations are not valid and are not expected to have a significant impact on the company's financial statements:

Effective date	New standards or amendments
1 January 2022	Onerous Contracts - Cost of Completion (Amendments to IAS 37)
1 January 2022	Refer to the Conceptual Framework (Amendments to IFRS 3)
1 January 2022	Annual Improvements to IFRS 2018-2020
1 January 2023	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
1 January 2023	Accounting Policies, Changes in Accounting Estimates and Errors: Definitions of Accounting Estimates (Amendments to IAS 8)
1 January 2023	Income Taxes: Deferred taxes relating to assets and liabilities arising from a single transaction (Amendments to IAS 12)
1 January 2023	IFRS 17 Insurance Contracts

In the opinion of the Company's Board of Directors, these standards and amendments to standards and interpretations are not expected to affect the Company. The Company intends to adopt these standards, if any, when they become effective.

5- Cash And Cash Equivalents

	31 Dec 2021	31 Dec 2020
Cash in investment portfolio	4,405,275	4,376,070
Current accounts at local banks	2,754,251	2,901,467
Cash at hand	10,345	5,887
Bank deposit	-	10,000,000
	7,169,871	**17,283,424**

(SAUDI RIYALS)

6- Financial investments at fair value through profit or loss

6-a Financial Investments at fair value through profit or loss short term represented by the following: -

	31 December 2021		
	Cost	**Unrealized gain**	**Fair value**
Investments in securities traded (note 6-1)	4,639,737	466,348	5,106,085
Investments in real estate funds (note 6-2)	3,122,289	21,049	3,143,338
Investments in the Fund for Osool & Bakheet Parallel market Funds (Note 6-3)	1,295,602	138,816	1,434,418
Investment in Impact Private Equity Fund - it and e commerce SECTO (Note 6-4)	6,354,800	18,463,400	24,818,200
Investments in unlisted company (note 6-5)	9,133,635	10,171,895	19,305,530
Osool & Bakheet Fund - IMena growth fund" (note 6-6)	1,000,000	(129,000)	871,000
Investments in Parallel Market "Nomu"(note 6-7)	1,707,680	-	1,707,680
	27,253,743	**29,132,508**	**56,386,251**

	31 December 2020 (Adjusted)		
	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	2,954,800	3,354,800
Investments in unlisted company (note 6-5)	5,733,930	3,399,714	9,133,644
	16,289,224	**6,690,038**	**22,979,262**

6-b Financial investments at fair value through profit or loss long-term represented by the following: -

	31 December 2021		
	Cost	**Unrealized gain**	**Fair value**
Creative Future Company (note 6-8)	2,000,000	5,016,630	7,016,630
	2,000,000	5,016,630	7,016,630

(SAUDI RIYALS)

6- Financial investments at fair value through profit or loss (continued)

	31 December 2020		
	Cost	**Unrealized gain**	**Fair value**
Creative Future Company (note 6-8)	10,000	-	10,000
	10,000	-	10,000

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, 2020: 350,819 units), in the Al-Ma'ather reit Fund that is listed and managed by the company.

6-3 The investment represents 311,390 units (December 31, 2020: 214,899 units), in an Osool & Bakheet Parallel market Funds not listed and managed by the company.

6-4 The investment represents 110,000 units (December 31, 2020, 40,000 units), in the Impact Private Equity Fund - it and e commerce SECTO, as the company is the custodian of the fund, the fund manager deserve benefits fees in addition to its VAT at the date of settlement.

6-5 The investment represents 16,667 units (December 31, 2020,16,667 units), in an OBCI SPV Ltd not listed.

6-6 The investment represent 100,000 units (December 31, 2020: nil), in Osool Bakheet - IMena growth fund

6-7 The investment is represented in local stocks listed in the parallel market (Nomu).

6-8 During the year ending on December 31, 2020, the company established the Creativity Future Company, which is registered in Commercial Register No. 1010650887 on Muharram 14, 1442 AH corresponding to September 2, 2020, with a capital of 10,000 Saudi riyals, and during the year ending on December 31, 2021 the company amended the contract Incorporation for the purpose of increasing the company's capital to become 2,000,000 Saudi riyals and the ownership percentage of the company was 100% as on December 31, 2021 (December 31, 2020: 100%). The company has classified them as investments in companies and securities at fair value through profit or loss long-term based on the accounting policy mentioned in Note 3 - note that the market value of it according to the last assessment on December 31, 2021 was 7,016,630 Saudi riyals.

7- Accounts Receivable, Net

	31 Dec 2021	**31 Dec 2020**
Service fee due	930,976	2,117,037
Other	36,925	234,483
Provision for expected credit losses	(22,607)	-
	945,294	**2,351,520**

Movement in Provision for expected credit losses during the year:

	31 Dec 2021	**31 Dec 2020**
Balance at the beginning of the year	-	-
Provided during the year	22,607	-
Balance at the end of the year	**22,607**	-

(SAUDI RIYALS)

8- Prepaid Expenses and Other debits

	31 Dec 2021	31 Dec 2020
Fund establishment fees	935,808	445,628
Medical insurance	286,651	218,233
Fees and licenses	231,974	104,062
Employees loans	83,890	80,090
Risk insurance	90,344	47,594
Advance payments	-	62,463
Other	35,861	13,168
	1,664,528	**971,238**

9- Clients Loans

	31 Dec 2021	31 Dec 2020
Client loans with margin *	3,332,399	442,747
	3,332,399	**442,747**

* Margin finance clients are represented as of 31 December 2021 from the following:

A- The company has signed a facility agreement with its customers with a maximum of 119,500 Saudi riyals and an annual commission of 7% of the amount of the withdrawn facility, and since during the year 2021 an amount of 119,500 Saudi riyals was withdrawn until December 31, 2021.

B- The company has signed a facility agreement with its customers with a maximum of 15,000,000 Saudi riyals and an annual commission of 6.5% of the amount of the withdrawn facility, and since during the year 2021 an amount of 100,000 Saudi riyals was withdrawn until December 31, 2021.

C- The company has signed a facility agreement with its customers with a maximum of 100,000 Saudi riyals and a commission of 1% per month of the financing amount, from which the monthly trading commissions are deducted, and since during the year 2021 an amount of 100,000 Saudi riyals was withdrawn until December 31, 2021.

D- The company has signed a facility agreement with its customers with a maximum of 3,000,000 Saudi riyals and an annual commission of 7% of the amount of the withdrawn facility, and since during the year 2021 an amount of 3,000,000 Saudi riyals was withdrawn until December 31, 2021.

(SAUDI RIYALS)

10- Transactions with Related Parties:

The related parties of the company include the share holders key management employees in the entity and its subsidiaries that has a significant effect over it and the board of directors. All transactions with the related parties approved by the management and performed on fair condition option.

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

The name of the related party	The nature of the transactions	31 Dec 2021	31 Dec 2020
Osool and Bakheet Saudi Equity Trading Fund	Management, Administration, Brokerage and other fees	586,682	534,448
Osool & Bakheet IPO Fund	Management, Administration, Brokerage and other fees	895,929	989,017
Osool & Bakheet IPO Trading Funds Sharia	Management, Administration, Brokerage and other fees	35,751	24,594
Osool & Bakheet Parallel Market Trading Equity Fund	Management, Administration, Brokerage and other fees	948,228	46,310
Amalga Hills Compound Fund	Management fees	695,122	562,741
ALma'athar REIT Fund	Management, Dealing and other fees	5,038,628	4,727,944
Osool & Bakheet Fund IMENA Rua Growth	Management, Administration, Brokerage and other fees	1,384,206	245,497
Osool & Bakheet Private Investment Fund 1	Brokerage fees	-	5,522
Osool & Bakheet Private Investment Fund 2	Brokerage fees	16,936	-
Beshr Bakheet	Murabaha facilities and other fees	4,446,691	2,170,089
Abdullah Al Khudair	Murabaha facilities and other fees	739,780	31,621
Abdul Rahman Yahya ALYahya	Murabaha facilities and other fees	15,824,693	52,312,935
Ghada Abdul Rahman Al Yahya	Management, Administration, Brokerage and other fees	16,056	-
Raad Yahya Al Yahya	Management, Administration, Brokerage and other fees	865,730	966,136
Al Hanouf Abdul Rahman Al Yahya	Management, Administration, Brokerage and other fees	16,151	-
Sarah Abdul Rahman Al Yahya	Management, Administration, Brokerage and other fees	16,056	-
Mansour Yahya Al Yahya	Murabaha facilities and other fees	2,538,891	2,920,952
Ibrahim Abdul Rahman Al Yahya	Murabaha facilities and other fees	297,716	105
Khaled Abdul Rahman Al Mousa	Murabaha facilities and other fees	16,020,267	17,433,385
Abdul Mohsen Abdul Rahman Al Musa	Murabaha facilities and other fees	3,851,246	2,357,300
Wael Mohammed Al-Sarhan	Murabaha facilities and other fees	963,122	364,063
Creative Future for Information Technology Company	Finance	5,864,896	1,093,336
RG One Company - Series One S	Purchase shares	937,500	-
Board of Directors	Other fees	-	3,902
Shareholder of Osool and Bakheet	Other fees	77,954	954,860
Executive of Osool & Bakheet Investment Company	Murabaha facilities and other fees	4,390,675	435,681
Shareholders for Osool Capital	Finance	90,000	-
Relatives of Board of Directors	Other fees	9,445	2,073
Board of Directors	Attendance Allowance	(78,000)	(111,000)
Board of Directors of Al-Maather reit	Board of Directors remuneration	(200,000)	(200,000)

(SAUDI RIYALS)

10- Transactions with Related Parties (continued)

Following are balances from transactions with related parties:

Due from related parties	**31 Dec 2021**	**31 Dec 2020**
Creative Future for Information Technology Company	3,864,896	1,093,336
Osool & Bakheet for the development of the Urban Village complex Fund	2,634,500	2,734,500
ALma'athar REIT Fund	1,015,763	425,410
RG One Company - Series One S	937,500	-
Board Member	587,148	707,052
Shareholder of Osool & Bakheet Investment Company	420,962	52,206
Executive of Osool & Bakheet Investment Company	347,421	1,232
Osool & Bakheet IPO Fund	266,350	235,588
Osool & Bakheet Parallel market Funds	247,896	25,466
Amalqa Hills Compound Fund	193,964	147,066
Osool & Bakheet Saudi Trading Equity Fund	148,188	142,228
Shareholders for Osool Capital	73,261	-
IMENA Rua Growth Fund	35,013	221,830
Relatives of board members	22,622	14,351
Osool & Bakheet IPO Trading Funds Sharia	10,942	4,931
Provision for expected credit losses	(3,038,093)	-
	7,768,333	**5,805,196**

The following table shows the movement on the Provision for expected credit loss: -

	31 Dec 2021	**31 Dec 2020**
Balance at the beginning of the year	-	-
Provided during the year	3,038,093	-
At the end of the year	**3,038,093**	-

*The company has signed a facility agreement with Board Member with a maximum limit of 1,000,000 Saudi riyals and an annual commission of 7% of the amount of the drawn facility, since during the year 2021 an amount of 1,000,000 SAR was outstanding until 31 December 2021.

Due to related parties	**31 Dec 2021**	**31 Dec 2020**
Board of Directors	78,000	111,000
Board of Directors of alma'athar REIT Fund	200,000	200,000
	278,000	**311,000**

(SAUDI RIYALS)

10- Transactions with Related Parties (continued)

Transactions with senior management personnel
For the purposes of the disclosure requirements in IAS 24 "Related Entity Disclosures", the term key management personnel (i.e. individuals with authority and responsibility for planning, directing and controlling the activities of the company) includes the chief executive officer, chief financial officer, general manager and members of the board of directors.

	2021	2020
Salaries and benefits related to employees	**7,624,532**	**3,832,227**
Attendance allowances of members of the Board of Directors	**(78,000)**	**(111,000)**

The compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to the post-retirement defined benefit programme. The amounts disclosed in the table below represent the amounts recognized as expenses during the financial period in respect of key management personnel.

11- Financial investment at fair value through other comprehensive income

	31 Dec 2021	31 Dec 2020
* Investments in an investment portfolio managed by the company	104,264	87,455
Fair value reserve	17,738	16,809
Total	**122,002**	**104,264**

* The investment represent 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- Property and equipment, net

	Equipment	Furniture & Fixture	vehicles	computers	Telecommunication devices	Total
Cost:						
Balance as on 01 Jan , 2021	827,884	4,986,757	95,562	3,200,217	641,004	9,751,424
Additions during the year	43,232	7,180	-	131,681	-	182,093
Disposals during the year	-	(1,500)	-	(3,100)	-	(4,600)
Balance as at Dec 31, 2021	**871,116**	**4,992,437**	**95,562**	**3,328,798**	**641,004**	**9,928,917**
Accumulated Depreciation						
Balance as on 01 Jan , 2021	522,154	4,848,084	51,048	2,875,880	585,147	8,882,313
Addition during the year	75,199	44,064	12,144	203,706	31,632	366,745
Disposals during the year	-	(849)	-	(690)	-	(1,539)
Balance as at Dec 31, 2021	**597,353**	**4,891,299**	**63,192**	**3,078,896**	**616,779**	**9,247,519**
Net book value						
Balance as at Dec 31, 2021	**273,763**	**101,138**	**32,370**	**249,902**	**24,225**	**681,398**
Balance as on Dec 31, 2020	305,730	138,673	44,514	324,337	55,857	869,111

(SAUDI RIYALS)

13- Intangible assets, net

Cost	31 Dec 2021	31 Dec 2020
Balance as at 1 January	2,755,493	2,154,344
Addition during the year	150,697	550,614
Transfers during the year (note 18)	30,943	50,535
Balance as at 31 December	**2,937,133**	**2,755,493**
Accumulated Amortization		
Balance as at 1 January	932,876	414,373
Addition during the year	571,128	518,503
Balance as at 31 December	**1,504,004**	**932,876**
Net book value as at	**1,433,129**	**1,822,617**

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.

14- Right of use assets and lease liabilities, net

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

Cost:	31 Dec 2021	31 Dec 2020
Balance as at 1 January	3,055,884	3,055,884
Addition during the year	344,284	-
Balance as at 31 December	**3,400,168**	**3,055,884**
Depreciation		
Balance as at 1 January	1,478,706	739,353
Charge for the year	733,416	739,353
Balance as at 31 December	**2,212,122**	**1,478,706**
Net book value as at	**1,188,046**	**1,577,178**

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14- 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.

	31 Dec 2021	31 Dec 2020
Liability		
At beginning of the year	3,139,606	3,106,706
Additions for the year	344,284	-
Finance cost	32,900	32,900
At end of the year	**3,516,790**	**3,139,606**
Payments		
At beginning of the year	1,656,374	903,374
Paid during the year	755,000	753,000
At end of the year	**2,411,374**	**1,656,374**
Balance at the end of the year	**1,105,416**	**1,483,232**

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

	31 Dec 2021	31 Dec 2020
lease liability – non-current portion	432,066	716,254
lease liability –current portion	673,350	766,978
Total lease liability	**1,105,416**	**1,483,232**

15- 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 2021 through Olaat Valuation and for the year ended 31 December 2020 through the MAKEN Company for Assessment and Consulting Services and is an accredited Saudi resident. The fair value was 54,102,000 SAR as of December 31, 2021 (31 December 2020: 47,925,000SAR).

16- Accrued expenses and other credit balances

	31 Dec 2021	31 Dec 2020
Accrued Bonuses	7,000,000	-
Accrued Expenses	577,458	246,773
Value added Tax	408,838	387,357
Suppliers of services	126,762	437,410
Other	52,742	30,500
	8,165,800	**1,102,040**

(SAUDI RIYALS)

17- Zakat Provision

A) Zakat Base

The provision for zakat charge is based on the following:

Saudi shareholder share in:	**31 Dec 2021**	**31 Dec 2020**
Shareholders' equity - as per ZATCA	74,428,896	65,798,532
Beginning period provision and other settlement	5,922,721	5,984,368
Investments	(7,016,630)	(114,264)
Other adjustments	(29,745,916)	(30,420,272)
Book value of long-term assets	(681,398)	(869,111)
Adjusted income for the year	31,585,289	5,622,208
Zakat base	74,492,962	46,001,461
Zakat calculated	**1,844,101**	**1,184,256**

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 which is bigger.
For The Year Ended 31 December 2021, Zakat is due at 2.5% of the adjusted net profit and 2,57768٪ of the Zakat pool after deducting the adjusted profit which its bigger.

B) Adjusted Net Income For The Year

	2021	**2020**
Net Income for the year	27,730,988	4,884,685
Add provisions	3,558,158	449,117
Other	296,143	288,406
Adjusted net income for the year	**31,585,289**	**5,622,208**

C) Provision for zakat:

	31 Dec 2021	**31 Dec 2020**
Balance as at 1 January	2,835,353	2,726,618
Addition's during the year	1,844,101	1,184,256
Paid during the year	(1,190,196)	(1,075,521)
Balance as at 31 December	**3,489,258**	**2,835,353**

(SAUDI RIYALS)

17- 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, 2020, and the final assessment has not yet been issued by the Zakat and Income Authority.

18- 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 2021	31 Dec 2020
The present value of employees' defined benefit liability	3,944,105	3,076,513
	3,944,105	**3,076,513**

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

	31 Dec 2021	31 Dec 2020
Balance at beginning of the year	3,076,513	2,580,166
Charge for the year	466,515	449,017
Charge on the cost of an intangible asset	30,943	50,535
Actuarial loss	587,742	24,865
Paid during the year	(217,608)	(28,070)
Balance at Ending of the year	**3,944,105**	**3,076,513**

C. major actuarial

	31 Dec 2021	31 Dec 2020
Discount rate	2.35%	1.85%
Salary increase rate	2.35%	1.85%
Retirement age	60 Years	60 Years

(SAUDI RIYALS)

19- Share Capital:

Share and paid up 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:

	2021		2020	
Shareholder Name	**Ownership Percentage**	**Total**	**Ownership Percentage**	**Total**
Beshr bin Mohammed Borhan bin Yasin Bakheet	22.40%	13,441,280	22.40%	13,441,280
Abdul -Rahman Yahya Abdullah Al-Yahya	12.62%	7,569,740	12.62%	7,569,740
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	35.82%	21,495,230
	100.00%	**60,000,000**	**100.00%**	**60,000,000**

20- 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.

21- Administrative and general Expenses:

	2021	2020
Salaries and wages and equivalents	9,368,626	8,569,743
Employee bonuses	7,000,000	-
Provision for expected credit losses	3,060,700	-
Service and data provider expenses	953,981	532,328
Depreciation of right of use asset	733,416	739,353
Insurance expenses	542,364	496,521
GOSI	494,635	445,700
Audit and consultancy expenses	403,539	610,536
Funds expenses	143,480	117,744
Rents	128,139	129,198
Others	1,913,267	2,091,044
	24,742,147	**13,732,167**

22- Other Income

	2021	2020
Real estate rental income	2,025,000	2,025,000
Cooperation Fees-IPO	367,590	189,420
(Loss) gain from selling fixed assets	(3,061)	1,693
Other	335,209	768,173
	2,724,738	**2,984,286**

(SAUDI RIYALS)

23- 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, 2021 (December 31, 2020: 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 2021

	Result	Average No. of shares	Earnings per share, from profit or loss
Net profit from main activities	25,085,815	**6,000,000**	**4,18**
Net profit for the year	25,886,887	**6,000,000**	**4,31**

For the year ended 31 December 2020 (Adjusted)

	Result	Average No. of shares	Earnings per share, from profit or loss
Net profit from main activities	4,968,119	**6,000,000**	**0,83**
Net profit for the year	6,655,229	**6,000,000**	**1,11**

24- 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 (Saudi National Bank) and (Banque Saudi Fransi) with balances, as of 31 December 2021, amounting to SAR 174,684,529 (2020: SAR 162,304,387) represented in investment accounts, currents accounts, clients deposits and as well as account of fees & subscriptions of clients.

25- Capital Adequacy

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

	31 Dec 2021 Thousand riyals	31 Dec 2020 Thousand riyals
Capital Basis		
Tier -1 of Capital	96,292	67,631
Tier -2 of Capital	-	-
Total	**96,292**	**67,631**
Minimum Capital requirement		
Credit Risks	52,084	30,525
Market Risks	4,432	2,951
Operational Risks	6,901	3,973
Total	**63,417**	**37,449**
Capital Adequacy Ratio	1.52	1.81
Surplus	**32,875**	**30,182**

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

(SAUDI RIYALS)

26- Changes on Accounting policies

The management has modified the figures for the comparative year for the year 2020 in order to comply with the requirements of International Accounting Standard No. (8) "Accounting Policies, Changes in Accounting Estimates and Errors", as the management did not prove the fair value of the investment in the Private Equity Impact Fund - Information Technology and Electronic Commerce, which is classified as an investment in Companies, securities and funds at fair value through short-term profit or loss at the time.

Accordingly, the financial statements for the year ending on December 31, 2020 have been amended in line with the International Accounting Standard "Presentation and Disclosure Standard", bearing in mind that there is no impact on the opening balance for the year 2020 or before. The following is a summary of these amendments:

(Balance as at 31 December 2020)

Statement of Financial Position

	Balances before modification	Effect of modifications	Balances after modification
Assets			
Financial Investments through profit or loss short term	20,024,462	2,954,800	22,979,262
Shareholder's equity			
Statutory reserve	3,672,906	295,480	3,968,386
Retained earnings	5,801,190	2,659,320	8,460,510

(Balance as at 31 December 2020)

Statement of profit or loss

	Balances before modification	Effect of modifications	Balances after modification
Gains from financial investments at fair value through profit or loss	3,735,238	2,954,800	6,690,038

27- 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.

(SAUDI RIYALS)

27- 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 2021	Value	Level (1)	Level (2)	Level (3)
Financial Investments at fair value through profit or loss	56,386,251	9,683,841	1,707,680	44,994,730
Financial Investment at fair value through other comprehensive income	122,002	122,002	-	-
Financial Investments at fair value through profit or loss long-term	7,016,630	-	-	7,016,630
Investments in property	27,000,000	-	-	27,000,000

For the end 31 December 2020	Value	Level (1)	Level (2)	Level (3)
Financial Investments at fair value through profit or loss	22,979,262	10,490,818	-	12,488,444
Financial Investment at fair value through other comprehensive income	104,264	104,264	-	-
Financial Investments at fair value through profit or loss long-term	10,000	-	-	10,000
Investments in property	27,000,000	-	-	27,000,000

28- 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.

29- 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.

30- Approval on the Financial Statements

The financial statements have been approved by the board of directors on 28 Shaban 1443H (corresponding to 31 March 2022).