MALAZ CAPITAL COMPANY
(A Closed Joint Stock Company)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
AND INDEPENDENT AUDITOR'S REPORT

Head office: Moon Tower - 8 Floor
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders' of
Malaz Capital Company
(A Closed Joint Stock Company)

Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Malaz Capital Company,** a Closed Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2021 and the statements of profit or loss, 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 ("IFRSs") that are issued in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the 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 its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Company's Management and Those Charged with Governance for the financial statements

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

In preparing the financial statements, the Company's 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 the Company's management either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those Charged with Governance, in particular, the Audit Committee is responsible for overseeing the Company's financial reporting process.

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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 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, 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 the management and 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.

For Dr. Mohamed Al-Amri & Co.

Jamal M. Al-Amri
Certified Public Accountant
Registration No. 331

د. محمد العمري وشركاه - محاسبون قانونيون
س.ت: ١٠١٠٤٣٣٩٨٢
Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

Riyadh, on: 27 Sha'ban 1443 (H)
Corresponding to: 30 March 2022 (G)

MALAZ CAPITAL COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(Amounts in Saudi Riyals)

ASSETS	Note	31 December 2021	31 December 2020
Non-current assets			
Property and equipment	5	**295,752**	412,132
Intangible assets	6	**73,454**	105,213
Investments	7	**68,763,493**	48,747,291
Total non-current assets		**69,132,699**	49,264,636
Current assets			
Investments	7	**2,273,438**	1,527,630
Trade receivables	8	**4,468,354**	2,661,380
Due from related parties	9	**118,165**	64,278
Prepayments and other current assets	10	**912,337**	2,482,784
Cash and cash equivalents	11	**7,303,765**	46,296,113
Total current assets		**15,076,059**	53,032,185
TOTAL ASSETS		**84,208,758**	102,296,821
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	12	**50,000,000**	50,000,000
Statutory reserve	12.1	**6,007,199**	6,007,199
Other reserves (FVOCI)	12.2	**(313,207)**	31,524
Retained earnings		**19,829,588**	27,410,774
Total shareholders' equity		**75,523,580**	83,449,497
Non-current liabilities			
Employees’ end of service benefits	13.1	**4,139,655**	3,251,485
Total non-current liabilities		**4,139,655**	3,251,485
Current liabilities			
Trade and other payables	14	**2,751,163**	14,251,414
Provision for zakat	15	**1,794,360**	1,344,425
Total current liabilities		**4,545,523**	15,595,839
TOTAL LIABILITIES		**8,685,178**	18,847,324
TOTAL EQUITY AND LIABILITIES		**84,208,758**	102,296,821

The accompanying notes from 1 to 27 form an integral part of these financial statements

MALAZ CAPITAL COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts in Saudi Riyals)

	Note	**31 December 2021**	31 December 2020
INCOME			
Management fees		**19,867,432**	18,797,001
Trust fees		**195,000**	616,667
Performance-based fee	16	**-**	81,862,879
Subscription fee income		**2,608,695**	-
Custody and administration fees		**1,269,757**	1,159,874
Structuring fees		**-**	500,000
Dividend income		**560,701**	153,974
Profit from Sukuk		**1,580,871**	246,168
Special commission income		**72,842**	236,483
Gain on disposal of property and equipment		**-**	6,200
Net fair value gain from investments at FVTPL	7.2	**381,713**	993,740
Net realized fair value gain from investments at FVOCI	7.2	**33,794**	-
Other income	17	**70,738**	729,284
TOTAL INCOME		**26,641,543**	105,302,270
EXPENSES			
Allowance for expected credit loss		**(2,811,750)**	-
General, administrative and other expenses	18	**(26,990,879)**	(50,625,115)
TOTAL EXPENSES		**(29,802,629)**	(50,625,115)
(Loss) / profit before zakat		**(3,161,086)**	54,677,155
Zakat charge	15	**(3,915,505)**	(1,348,008)
(LOSS) / PROFIT FOR THE YEAR		**(7,076,591)**	53,329,147

The accompanying notes from 1 to 27 form an integral part of these financial statements

MALAZ CAPITAL COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts in Saudi Riyals)

	Note	**31 December 2021**	31 December 2020
(LOSS) / PROFIT FOR THE YEAR		**(7,076,591)**	53,329,147
Items that will or may be reclassified to profit or loss:			
Net fair value (loss) / gain on investments at FVOCI	7	**(344,731)**	17,418
Remeasurement loss on end of service benefits	13	**(504,595)**	-
Other comprehensive income for the year		**(849,326)**	17,418
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(7,925,917)**	53,346,565

The accompanying notes from 1 to 27 form an integral part of these financial statements

MALAZ CAPITAL COMPANY
(A CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts in Saudi Riyals)

	Note	Share capital	Statutory reserve	Other reserves (FVOCI)	Retained earnings / accumulated losses	Total
Balance as at 1 January 2020		50,000,000	674,284	14,106	(20,585,458)	30,102,932
Profit for the year		-	-	-	53,329,147	53,329,147
Other comprehensive income for the year	7	-	-	17,418	-	17,418
Total comprehensive income for the year		-	-	17,418	53,329,147	53,346,565
Transfer to statuary reserve	12.1	-	5,332,915	-	(5,332,915)	-
Balance as at 31 December 2020		50,000,000	6,007,199	31,524	27,410,774	83,449,497
Loss for the year		**-**	**-**	**-**	**(7,076,591)**	**(7,076,591)**
Other comprehensive loss for the year	7 & 13	**-**	**-**	**(344,731)**	**(504,595)**	**(849,326)**
Total comprehensive loss for the year		**-**	**-**	**(344,731)**	**(7,581,186)**	**(7,925,917)**
Balance as at 31 December 2021		**50,000,000**	**6,007,199**	**(313,207)**	**19,829,588**	**75,523,580**

The accompanying notes from 1 to 27 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Amounts in Saudi Riyals)

	Note	**31 December 2021**	31 December 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before zakat		**(3,161,086)**	54,677,155
Adjustments:			
Depreciation and amortization	5, 6	**181,616**	348,302
Provision for expected credit loss		**2,811,750**	-
End of service benefits expense	13.2	**517,240**	463,278
Gain on disposal of property and equipment		**-**	(6,200)
Fair value loss on financial investments		**(415,507)**	(993,740)
		(65,987)	54,488,795
Changes in operating assets and liabilities			
Trade receivables		**(4,543,974)**	(2,174,822)
Due from related parties		**(128,637)**	(34,754)
Prepayments and other current assets		**1,570,447**	3,813,002
Trade and other payables		**(11,500,251)**	7,298,804
Cash (used in) / from operations		**(14,668,402)**	63,391,025
End of service benefits paid	13.3	**(133,665)**	(5,487)
Zakat paid	15	**(3,465,570)**	(584,454)
Net cash (used in) / from operating activities		**(18,267,637)**	62,801,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(30,986,458)**	(41,929,364)
Proceeds from disposal of property and equipment		**-**	6,200
Proceeds from disposals of investments		**10,295,223**	10,798,959
Purchase of property and equipment	5	**(14,315)**	(77,579)
Purchase of intangible assets	6	**(19,161)**	(122,413)
Net cash used in investing activities		**(20,724,711)**	(31,324,197)
Net (decrease) / increase in cash and cash equivalents		**(38,992,348)**	31,476,887
Cash and cash equivalents at beginning of the year		**46,296,113**	14,819,226
Cash and cash equivalents at end of the year	11	**7,303,765**	46,296,113

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Malaz Capital Company ("the Company") is a Saudi Closed Joint Stock Company established under the Regulations for Companies in the Kingdom of Saudi Arabia. The Company was registered in Riyadh on 21 Rajab 1430H (corresponding to 14 July 2009) under Commercial Registration No. 1010271323.

The principal activities of the Company as per its Capital Market Authority ("CMA") license No. 09136-36 dated 23 Rabi Al-Thani 1430 (corresponding to 19 April 2009) are to participate in financial security activities, deal as principal, perform management activities to establish and arrange investment funds, manage portfolios, perform custody services for the purposes of the administrative procedures related to the investment funds.

Covid-19 update

A novel strain of coronavirus (Covid-19) was first identified at the end of December 2019 and subsequently declared as a pandemic in March 2020 by the World Health Organization (WHO). Covid-19 continues to spread all regions around the world, including the Kingdom of Saudi Arabia and resulted in travel restrictions and curfew in the cities and hence a slowdown of economic activities and shutdown of many sectors at global and local levels.

The Company's performance is indirectly affected due to the effect of Covid-19 on economic activities and sectors performances.

The Company does not foresee a going concern issue due to the above for at least 12 months after the reporting period. The Company will further continue to evaluate the nature and extent of the impact on its operations and financial results.

2. BASIS OF PREPARATION

The accounting policies set out below have been applied consistently to the years presented in the financial statements.

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), the requirements of Capital Market Authority in the Kingdom of Saudi Arabia, so far as they relate to the preparation and presentation of the financial statements of the Company.

2.2 Investment in Special purpose entities (SPEs)

The Company has shareholding in certain special purpose entities ("SPEs"), primarily for the purpose of holding the legal title of investments which are beneficially owned by the mutual funds managed by the Company. These entities are not consolidated to the Company's financial statements as the Company does not have power over these entities, nor it is exposed or has a right to variable returns from its involvement with these entities and does not have the ability to affect those returns through its power over these entities. These SPEs are incorporated in Kingdom of Saudi Arabia and listed below:

- Second Malaz Commercial Company;
- Saudi Technology Fund Company Limited;
- Salwa Malaz Commercial Company (liquidated in 2021); and
- Fourth Malaz Commercial Company.

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis, using the accrual basis of accounting and the going concern concept, except for the following items (refer to individual accounting policies for details):

- Financial assets at fair value through profit or loss that are measured at fair value;
- Financial assets at fair value through other comprehensive income are measured at fair value; and
- Employee's end of service benefits measured at present value of future obligations using projected unit credit method.

2.4 Functional and presentation currency

These financial statements are presented in Saudi Riyal (SR), which is the functional and reporting currency of the Company.

2.5 Financial year

The financial year of the Company commences on 1st January and ends on 31st December of each calendar year.

2.6 Significant accounting judgements, estimates and assumptions

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of investments not quoted in an active market

The fair values of securities that are not quoted in an active market are determined by using valuation techniques, primarily earnings multiples, discounted cash flows and recent comparable transactions. The models used to determine fair values are validated and periodically reviewed by the management. The inputs in the earnings multiples models include observable data, such as earnings multiples of comparable companies to the relevant portfolio company, and unobservable data, such as forecast earnings for the portfolio company. In discounted cash flow models, unobservable inputs are the projected cash flows of the relevant portfolio company and the risk premium for liquidity and credit risk that are incorporated into the discount rate.

However, the discount rates used for valuing equity securities are determined based on historic equity returns for other entities operating in the same industry for which market returns are observable. Management uses models to adjust the observed equity returns to reflect the actual debt/equity financing structure of the valued equity investment. Models are calibrated by back-testing to actual results/exit prices achieved to ensure that outputs are reliable.

Useful lives, residual values, and depreciation method of property and equipment

The Company's management determines the estimated useful lives for property and equipment. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives, residual values, and depreciation method of property and equipment annually. Future depreciation expense would be adjusted where management believes that useful lives, residual values, and depreciation method differ from those used in previous years.

Amortization of intangible assets

The Company's management determines the estimated useful lives of intangible assets annually. Intangible assets with infinite useful lives are checked annually for impairment. Amortization is reviewed annually and adjusted where management believes that future estimates will differ from those used in previous years.

Provision for zakat

The calculation of the Company's zakat charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits and losses and/or cash flows.

Impairment of non-financial assets

The Company's management periodically reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognized in the statement of profit or loss.

End of service benefits

The liabilities relating to defined benefit plans are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of annual reporting year. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in note 13 to these financial statements.

Recognition and measurement of provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. The Company's estimates related to provisions for environmental matters are based on the nature and seriousness of the contamination, as well as on the technology required for remediation. Provisions for litigation are based on an estimate of costs, considering legal advice and other information available.

Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. 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 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 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 by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Fair value measurement (continued)

- 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. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the related notes.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective in current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(Amounts in Saudi Riyals)

3.2 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows:

Standards	Title	Effective date
IAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
IAS 16	Property and Equipment: proceeds before intended use	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
IFRS 3	Reference to conceptual framework	1 January 2022
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 8	Definition of accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

3.3 Others

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company. The Company is yet to assess the impact of the above amendments in its financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the accounting policies to all periods presented in these financial statements. Following are the significant accounting policies applied by the Company in preparing its financial statements:

(a) Property and equipment

Recognition and measurement

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of income as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

Asset Category	Useful life (years)
Lease hold improvement	Shorter of lease term or economic life
Office equipment and furniture	4
Computers and software	3
Vehicles	4

Derecognition

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate**.**

(b) Intangible assets

Recognition and measurement

Intangible assets include software acquired by the Company. Subsequent expenditures are capitalized only when it increases the future economic benefits to be obtained from these intangible assets. All intangible assets acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category that is consistent with the function of the intangible assets.

Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is de-recognized.

(c) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

According to IFRS 9, a financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is measured at: amortized cost; fair value through other comprehensive income FVOCI; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; 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.
- A debt investment is measured at fair value through other comprehensive income (FVOCI) if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income (FVOCI) as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets, if any. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value though profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
- Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.
- Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss (FVTPL).

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes 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. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the Company’s claim to cash flows from specified assets (e.g. non□recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

i) Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

ii) Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iii) Debt instruments at fair value other comprehensive income (FVOCI)

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

iv) Equity investments at fair value through comprehensive income (FVOCI)

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

De-recognition

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not de-recognized.

Offsetting

Financial assets are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial instruments and contract assets

The Company recognizes loss allowances for expected credit losses (ECLs) on: – financial assets measured at amortized cost;

- Debt instruments measured at fair value through other comprehensive income (FVOCI); and
- Contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for the following, which are measured as 12month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is 90 days or more past due.

Lifetime expected credit losses (ECLs) are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of ECLs that result from default events that are possible within the12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses (ECLs)

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for* expected credit loss *in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through other comprehensive income (FVOCI), the loss allowance is charged to the statement of other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities: Subsequent measurement

The Company categorizes its financial liabilities into two measurement categories: FVTPL and amortized cost.

The Company designates a financial liability as measured at FVTPL when it meets the definition of held for trading or when they are designated as such on initial recognition using the fair value option.

Gains and losses on financial liabilities designated as at FVTPL are split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount in profit or loss. The Company recognizes the full amount of change in the fair value in profit or loss only if the presentation of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. That determination is made at initial recognition and is not reassessed.

Cumulative gains or losses presented in other comprehensive income are subsequently transferred within equity.

Financial liabilities not held at FVTPL are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities include trade and other payables and accrued expenses.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

(d) Leases

Right of use asset ("RoU") / lease liabilities

On initial recognition at the inception of the contract, the Company shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. Control is identified if most of the benefits are flowing to the Company and the Company can direct the usage of such assets.

Right of use assets

The Company applies cost model and measures the right of use asset at cost;

(a) Less any accumulated depreciation and any accumulated impairment losses; and

(b) Adjusted for any re-measurement of the lease liability for lease modifications

Generally, the RoU asset would equate to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the RoU asset value.

Lease liabilities

On initial recognition, the lease liability is the present value of all remaining payments to the lessor.

After the commencement date, the Company measures the lease liability by:

1. Increasing the carrying amount to reflect the interest on the lease liability;
2. Reducing the carrying amount to reflect the lease payments made; and
3. Re-measuring the carrying amount to reflect any re-assessment or any lease modification.

Short-term and low values leases

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less.

(e) Current and non-current classification

An asset (liability) category combines amounts that will be received (settled) after 12 months with assets (liabilities) that will be received (settled) within 12 months. Current assets are assets that are:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the reporting period
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. Current liabilities are those:

- Expected to be settled within the entity's normal operating cycle
- Held for purpose of trading
- Due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Other liabilities are classified as non-current.

(f) Trade receivables

These are stated at original invoice amount less provisions made for amounts which in the opinion of the management may not be recovered. Bad debts are written off when expected, against its related provisions.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks in current accounts and on hand and short-term deposits with a maturity of less than one year from the placement date, which are subject to an insignificant risk of changes in value.

(h) Employees' end of service benefits

- ***Short-term obligations***

Short-term benefits are those amounts expected to be settled wholly within 12 months of the end of the period in which the employees render the service that gives rise to the benefits.

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves and benefits-in-kind that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under other payables.

- ***Post-employment obligation***

The Company provides end of service benefits to its employees in accordance with the requirements of Saudi labor law. The entitlement to these benefits, is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are recognized over the service period.

The employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality United States government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the statement of profit or loss.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in Employees' benefit expense in the statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

(i) 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.

(j) Zakat

The Company is subject to zakat in accordance with Saudi Zakat, Tax and Customs Authority (the "ZATCA") laws and regulations. Zakat is charged to the statement of profit or loss. Additional zakat liabilities, if any, related to prior years' assessments arising from ZATCA are accounted for in the year in which the final assessments are finalized.

The Company withholds taxes, if any, on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under the ZATCA laws and regulations.

(k) Revenue recognition

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. IFRS 15specifies that the requirements an entity must apply to measure and recognize revenue and the related cashflows. The core principle of the standard is that an entity will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised services to a customer.

Rendering of services

The Company recognizes revenue only when it satisfies a performance obligation by transferring control of a promised service to the customer. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the service. In preparing to IFRS 15, the Company is considering the following:

The transaction price is the amount of consideration to which an entity expects to be entitled. It includes an estimate of any variable consideration, the effect of a significant financing component (i.e., the time value of money), the fair value of any non-cash consideration and the effect of any consideration paid or payable to a customer.

The Company must determine the amount of the transaction price at the contract inception and revisit this determination at the end of each subsequent reporting period. The Company determines the constraint on variable consideration at the end of each reporting period. Part of the variable consideration may be included in the transaction price, even though the total expected amount may not be included due to the constraint (i.e., part of the performance-based fee may be recognized even though the full amount may not be recognized due to the constraint).

Management fees

Management fees represent variable consideration which is based on each fixed percentage of the fund size. The transaction price will generally include the amount determined at the end of the period(s). There may be a few exceptions that could complicate recognition when the calculation date is not the same as the reporting date. Estimates of future period management fees would generally not be included in the transaction price because they would be constrained.

Performance-based fees

Performance fees based on a fund's performance, relative to a benchmark or the realized appreciation of fund's investments, are types of variable consideration. In many cases, these performance fees are highly susceptible to market volatility until they are crystallized or are no longer subject to call back, which may be after the end of the reporting period. Under a callback provision, The Company may be required to return certain distributions received from the fund if a specific performance threshold is not met. Therefore, even the receipt of cash may not indicate that performance-based fees may be recognized as revenue.

IFRS 15 prohibits the recognition of variable consideration as revenue until it is highly probable that a significant reversal of the cumulative amount of revenue recognized will not occur upon the resolution of the uncertainty.

Performance-based fees are unlikely to be recognized in full until they have crystallized or are no longer subject to call back. However, the Company may determine that part of these performance fees can be recognized before this time.

Dividend income

Dividend income is recognized when the announcement of dividend declaration has been published and communicated by the investee on Tadawul for listed securities and Formal communication in board meeting for Unlisted securities has been observed by the company.

Trust fee

Trust fee represents fee earned for holding and managing customer's assets in a fiduciary capacity, according to the terms and conditions based on the agreement. Moreover, Company is entitled to revenue when it satisfied performance obligations regarding the provision of services over the period of time.

Custody and administration fee

The Company is entitled to Custody fee for holding the assets on behalf of the fund. The entity recognizes revenue when it satisfies the performance obligation over the period of time as per the terms and conditions of the Fund. The administration fee is charged in lieu of administration of fund activities over the period of time.

Structuring fee

The structuring fee referred to the revenue earned from establishing a new fund. The company is entitled to get reimburse all the expense incurred on establishment of fund and recognize it under the structuring fee.

Profit from Sukuk

Profit from sukuk has been recognized at the proportion of the holding period of the Sukuk at the rates reflecting in the brokerage statement and the market values of the Sukuk.

(l) Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income
- Interest expense

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which company's right to receive the payment is established.

The effective rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instruments to;

- The gross carrying amount of the financial asset; or
- The amortized cost of financial liability

In calculating the interest income and expense, the effective interest rate is applied on the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortized cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of financial asset. If the assets is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

(m) Trade date accounting

All regular way purchases and sales of financial assets are recognized / derecognized on the trade date (i.e. the date that the Company commits to purchase or sell the assets). Regular way purchases or sales are purchases or sales of financial assets that require settlement of assets within the time frame generally established by regulation or convention in the market place.

(n) Assets held under fiduciary capacity

Assets under management:

The Company offers assets management services to its customers, which include management of certain mutual funds and investments. Such assets are not treated as assets of the Company and accordingly are not included in these financial statements.

Clients' cash accounts:

Clients' cash accounts are not treated as assets of the Company and accordingly are not included in these financial statements.

(o) General and administrative expenses

Expenses are measured and recognized as a year cost at the time when they are incurred. Expenses related to more than one financial year are allocated over such years proportionately. All expenses, excluding direct costs are classified as general and administration expenses.

(p) Foreign currency translations

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translations of foreign currency transactions are included in the statement of profit or loss.

(q) Contingent assets and contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past event, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but is not probable that an outflow of the resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

(r) Share capital

Share capital represents the nominal value of shares that have been issued and paid.

(s) Statutory reserve

Under the Company's By-Laws and the Companies Law the Company transfers 10% of the profit for the year to a statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution.

(Amounts in Saudi Riyals)

5. PROPERTY AND EQUIPMENT

	Leasehold improvements	**Office equipment and furniture**	**Computers**	**Vehicles**	**31 December 2021**
Cost:					
As at 1 January	**1,034,806**	**718,448**	**718,417**	**31,500**	**2,503,171**
Additions	**1,800**	**5,924**	**6,591**	**-**	**14,315**
As at 31 December	**1,036,606**	**724,372**	**725,008**	**31,500**	**2,517,486**
Accumulated depreciation:					
As at 1 January	**721,240**	**672,939**	**665,359**	**31,500**	**2,091,038**
Depreciation (note18)	**88,462**	**18,946**	**23,288**	**-**	**130,696**
As at 31 December	**809,702**	**691,885**	**688,647**	**31,500**	**2,221,734**
Net book value:					
As at 31 December	**226,904**	**32,487**	**36,361**	**-**	**295,752**

	Leasehold improvement	Office equipment and furniture	Computers	Vehicles	31 December 2020
Cost:					
As at 1 January	1,021,771	719,783	673,088	117,150	2,531,792
Additions	13,035	12,215	52,329	-	77,579
Disposals	-	(13,550)	(7,000)	(85,650)	(106,200)
As at 31 December	1,034,806	718,448	718,417	31,500	2,503,171
Accumulated depreciation:					
As at 1 January 2020	634,065	658,749	658,007	117,150	2,067,970
Depreciation (note18)	87,176	27,740	14,352	-	129,268
Disposals	-	(13,550)	(7,000)	(85,650)	(106,200)
As at 31 December	721,240	672,939	665,359	31,500	2,091,038
Net book value:					
As at 31 December	313,565	45,509	53,058	-	412,132

(Amounts in Saudi Riyals)

6. INTANGIBLE ASSETS

	Software and license	
	31 December 2021	31 December 2020
Cost:		
As at 1 January	**2,168,710**	2,046,297
Additions	**19,161**	122,413
As at 31 December	**2,187,871**	2,168,710
Accumulated amortization:		
As at 1 January	**2,063,497**	1,844,462
Amortization (note 18)	**50,920**	219,035
As at 31 December	**2,114,417**	2,063,497
Net book value:		
As at 31 December	**73,454**	105,213

7. INVESTMENTS

	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss - FVTPL		
Listed equity securities	**33,226,586**	5,688,704
Unquoted foreign equity securities	**-**	4,548,710
Quoted perpetual bonds	**3,156,862**	4,140,324
	36,383,448	14,377,738
Financial assets at fair value through other comprehensive income – FVOCI		
Quoted Sukuks	**34,653,483**	35,897,183
	71,036,931	50,274,921

7.1 Investments are presented in the statement of financial position are as follows:

	31 December 2021	31 December 2020
Current (quoted Sukuks – FVOCI)	**2,273,438**	1,527,630
Non-current	**68,763,493**	48,747,291
	71,036,931	50,274,921

Sukuks are issued by counterparties having sound credit ratings and are traded in NASDAQ and Dubai Stock Exchange. Equity securities are listed on the Saudi Arabia Stock Exchange (Tadawul).

7.2 NET FAIR VALUE GAIN ON FINANCIAL INVESTMENTS

	31 December 2021	31 December 2020
Financial assets at fair value through profit or loss - FVTPL		
Realized net fair value gain on quoted equity securities	**1,947,260**	890,489
Unrealized net loss on quoted perpetual bond	**(36,113)**	(43,547)
Unrealized net gain on quoted equity securities	**769,276**	146,798
Realized net loss on sale of unquoted foreign equity securities	**(2,298,710)**	-
	381,713	993,740
Financial assets at fair value through other comprehensive income – FVOCI		
Unrealized net fair value (loss) / gain on quoted sukuks	**(344,731)**	17,418
Realized net fair value gain on quoted sukuk	**33,794**	-
	(310,937)	17,418

(Amounts in Saudi Riyals)

8. TRADE RECEIVABLES

	31 December 2021	31 December 2020
Accounts receivable	**7,205,354**	2,661,380
Less: allowance for expected credit loss	**(2,737,000)**	-
	4,468,354	2,661,380

8.1 Aging of trade receivables

As at reporting date, the ageing of past due receivables are as follows:

Year end	**< 60 days** SR	**61 – 120 days** SR	**121 – 180 days** SR	**181 - 300 days** SR	**301 – 360 days** SR	**Total** SR
2021	**4,813,645**	**1,725,000**	**-**	**590,042**	**76,667**	**7,205,354**
2020	964,852	575,000	1,121,528	-	-	2,661,380

(Amounts in Saudi Riyals)

9. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties of the Company include the funds under management, the Company's shareholders, its equity-accounted investee and affiliated companies and directors and key management personnel. Terms and conditions of these transactions are approved by the Company's management. Significant related parties' transactions for the years ended 31 December and balances arising there from are described as under:

Name of related party	Relationship	Nature of transactions	Amount of transaction 2021	Amount of transaction 2020	Closing balance 2021	Closing balance 2020
Due from related parties						
Initiative Information Communication and Technology	The associate	Expenses paid	**(76,481)**	(1,029,118)	**-**	-
ARKAD Engineering and Construction Company*	Others	Trust and support fee collected	**245,000**	229,000	**74,750**	28,750
Less: allowance for expected credit loss*			**(74,750)**	-	**(74,750)**	-
Mutual funds under management	Fund under management	Administration and nominee fee collected	**1,224,549**	1,057,231	-	-
Saudi Development and Training Fund	Fund under management	Net amount received on behalf of SPE	**264,496**	86,100	**1,792**	-
Malaz Industrial Fund	Fund under management	Net payment made on behalf of the fund under management	**(10,990)**	(1,130,623)	**10,783**	10,990
Second Malaz	SPE	Net payment made on behalf of SPE	**(58,624)**	(89,908)	**83,162**	24,538
Fourth Malaz	SPE	Net payment made on behalf of SPE	**(19,950)**	-	**19,950**	-
Future Fund	Fund under management	Administration fee	**2,478**	-	**2,478**	-
					118,165	64,278
Due to related parties						
Saudi SME Fund – I	Fund under management	Professional services	**-**	(622)	**-**	-
Board of Directors	Board of Directors	Remuneration, attendance fees and travel expenses	**(459,000)**	(472,000)	**-**	-
Prepayment and other current assets						
Bupa Arabia for cooperative insurance	Common directorship	Medical insurance	**754,378**	581,021	**-**	14,021
Funds under management	Funds under management	Management fee, setup fees and structuring fees	**(18,141,981)**	(110,531,514)	**2,950,000**	964,853

(Amounts in Saudi Riyals)

9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Compensation to key management personnel

	31 December 2021	31 December 2020
Short term employee benefits	**6,779,172**	6,368,880
Post-employment benefits	**3,320,896**	2,605,684
	10,100,068	8,974,564

10. PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2021	31 December 2020
Accrued special commission income	**323,312**	52,931
Accrued income	**84,115**	-
Staff receivable	**25,055**	-
Reimbursable expenses	**-**	691,082
Margin deposit against bank guarantee	**-**	1,101,416
Prepaid rent	**-**	7,143
Others	**479,855**	630,212
	912,337	2,482,784

11. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash in hand	**11,000**	6,000
Cash at banks – current accounts	**7,292,765**	10,284,113
Short-term deposit (note 11.1)	**-**	36,000,000
	7,303,765	46,296,113

11.1 This represents short-term deposit placed with a local bank with an original maturity of less than 3 months and carried an average special commission rate of 0.71%.

12. SHARE CAPITAL

The Company's share capital amounted to SR 50 million as at 31 December 2021 (31 December 2020: SR 50 million) consists of 5 million fully paid shares of SR 10 each.

12.1 Statutory reserve

In accordance with the Company's By-laws and the Regulations for Companies, the Company sets aside 10% of its profit each year as statutory reserve until such reserve reaches 30% of the share capital.

This reserve is currently not available for distribution to the shareholders of the Company.

12.2 Other reserves (FVOCI)

	31 December 2021	31 December 2020
As at 1 January	**31,524**	14,106
Net fair value gain on debt securities at FVOCI	**(344,731)**	17,418
As at 31 December	**(313,207)**	31,524

(Amounts in Saudi Riyals)

13. EMPLOYEES' END OF SERVICE BENEFITS

The Company has a post-employment defined benefit plan. The benefits are required by Saudi Labor law. The benefit is based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia. The liability for end of service benefits is estimated through actuarial methods using the projected unit credit method.

13.1 Amounts recognized in statement of financial position

	31 December 2021	31 December 2020
Present value of defined benefit obligation	**4,139,655**	3,251,485

13.2 Net benefit expense recognized in profit or loss

	31 December 2021	31 December 2020
Current service cost	**456,732**	382,078
Interest cost on benefit obligation	**60,508**	81,200
Net benefit expense	**517,240**	463,278

13.3 Movement in defined benefit obligation:

	31 December 2021	31 December 2020
As at 1 January	**3,251,485**	2,793,694
Interest cost	**60,508**	81,200
Current service cost	**456,732**	382,078
Remeasurement loss on end of service benefits -recognized in other comprehensive income	**504,595**	-
Benefits paid	**(133,665)**	(5,487)
As at 31 December	**4,139,655**	3,251,485

13.4 Significant assumptions

The following range of significant actuarial assumptions were used by the Company for the valuation of post-employment benefit liability:

	31 December 2021	31 December 2020
Discount rate	**2.4%**	1.90%
Long term salary increases	**1.00%**	1.00%

13.5 Sensitivity analysis of actuarial assumptions

The impact of changes in sensitivities on present value of defined benefit obligation is as follows:

	31 December 2021	31 December 2020
Actuarial assumptions		
Discount rate + 1%	**(3,893,295)**	(3,135,206)
Discount rate + 1%	**4,233,569**	3,380,809
Long term salary increase + 1%	**4,256,912**	3,401,583
Long term salary increases - 1%	**(3,868,408)**	(3,113,143)

(Amounts in Saudi Riyals)

14. TRADE AND OTHER PAYABLES

	31 December 2021	31 December 2020
Accrued employees' expenses (note 16)	**1,949,088**	13,465,060
Trade payables	**159,490**	186,153
Professional fees	**156,552**	261,195
Other payables	**86,112**	116,443
Other provisions and accruals	**-**	76,557
Others	**399,921**	146,006
	2,751,163	14,251,414

15. PROVISION FOR ZAKAT

Movement of the Company's Zakat provision as follows:

	31 December 2021	31 December 2020
As at 1 January	**1,344,425**	580,871
Payments during the year	**(3,465,570)**	(584,454)
	(2,121,145)	(3,583)
Charge for the year	**1,794,363**	1,344,425
Prior year charges	**2,121,142**	3,583
	3,915,505	1,348,008
As at 31 December	**1,794,360**	1,344,425

The significant components of the Company's Zakat base comprise of the following:

	31 December 2021	31 December 2020
Adjusted shareholders' equity	**86,728,442**	30,568,466
Adjusted net income	**(1,543,365)**	29,894,182
Less:		
Property and equipment	**(369,206)**	(517,346)
Other investments	**(33,226,585)**	(5,688,704)
Zakat base	**51,589,286**	54,256,598

Zakat for the year is payable at 2.5% of higher of the Zakat base and adjusted net income attributable to Saudi shareholders. The Company has filed its Zakat returns with the ZATCA up to year ended 31 December 2020 and received a zakat certificate for the year 2020.

The Company settled during the year an amount of SR 1.4 million as a result of final ZAKAT assessment for the years from 2010 to 2013.

Further, in April 2021, ZATCA issued a Zakat assessment for the year 31 December 2015 and determined additional liability of SR 0.9 million. The Company raised an objection of ZATCA assessment before ZATCA committees, and then, appealed it before General Secretarial of Tax Committees (GSTC). Management assessed probability of the final outcome and created a provision of 50% of the additional liability.

Further, Zakat and withholding tax for the years 2016 and 2017 are under review of ZATCA and no assessment or further correspondence has been received by the Company.

(Amounts in Saudi Riyals)

16. PERFORMANCE-BASED FEE

During 2020, Malaz Real Estate Fund-I had been liquidated on resolution of the unitholders and the underlying investment in real estate compound was disposed off. The Company was entitled to a performance-based fee amounting to SR 81.9 million. As per the Company's incentive policy, SR 24.6 million was recorded as an incentive cost within employee related cost (note 18), out of which SR 10.8 million was paid in 2021 and included in accrued employee expenses in note 14 at 31 December 2020.

17. OTHER INCOME

	31 December 2021	31 December 2020
Reimbursement of expenditure from funds managed by the Company	**-**	667,924
Others	**70,738**	61,360
	70,738	729,284

18. GENERAL, ADMINISTRATIVE AND OTHER EXPENSES

	31 December 2021	31 December 2020
Employee related cost (note 16)	**12,616,383**	38,555,740
Management fee rebate (a)	**4,921,457**	1,443,800
Fines and penalties (b)	**3,080,000**	-
Reimbursable expenses written off	**2,128,393**	3,925,155
Legal, professional and consultancy expenses	**1,259,809**	826,940
Board members remuneration	**720,000**	601,000
IT & networking related expenses	**548,701**	568,360
Rent expenses	**467,310**	444,997
Government and subscription fee	**208,081**	96,566
Management fee expenses	**202,952**	-
Depreciation (note 5)	**130,696**	129,268
License fee	**124,583**	75,000
Cleaning expenses	**108,000**	110,404
Communication and utilities	**90,104**	200,143
Travelling expenses	**55,700**	1,985
Amortization (note 6)	**50,920**	219,035
Financial charges	**25,976**	12,651
Marketing expenses	**-**	3,266,518
Others	**251,814**	147,553
	26,990,879	50,625,115

(a) The amounts relate to rebates against management fee to the unitholders of Second Sara Real Estate Investment Fund.

(b) During the year, CMA carried out an inspection at the Company and as a result of identification of certain instances of regulatory non-compliance, imposed a penalty which was paid during the year.

(Amounts in Saudi Riyals)

19. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyzes the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets recognized in profit or loss.

Geographical dispersion of financial assets (**exposure in Sukuk)**

	31 December 2021	31 December 2020
United Arab Emirates	**15,022,060**	15,602,994
Kingdom of Saudi Arabia	**11,428,560**	11,851,575
Indonesia	**6,580,406**	6,330,375
Bahrain	**2,414,985**	2,403,450
Turkey	**1,550,029**	721,388
Kuwait	**814,305**	753,075
Oman	**-**	2,374,650
	37,810,345	40,037,507

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The risk management committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board of Directors has established limits on the interest gaps for stipulated periods. The Company enters into interest rate derivatives, mainly interest rate swaps in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount in an effort to manage these risks.

The majority of interest rate exposure arises on investments in debt securities. Most of the Company's investments in debt securities carry fixed interest rates and mature within five years. The following table demonstrates the sensitivity of the Company's profit or loss for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on:

- The net commission income for one year, based on the floating rate financial assets held at the end of the reporting period.
- Changes in fair value of investments for the year, based on revaluing fixed rate financial assets and liabilities at the end of the reporting period.

There is no sensitivity effect on other comprehensive income as the Company has no assets classified as designated hedging instruments. Therefore, the impact on equity is the same as the impact on profit or loss.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities and other investments that are denominated in currencies other than the Saudi Riyal. Accordingly, the value of the Company's assets may be affected favorably or unfavorably by fluctuations in currency rates. Therefore, the Company will necessarily be subject to foreign exchange risks.

Equity price risk

Equity price risk is the risk of unfavorable changes in the fair values of equities or equity-linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Company's investments in equity securities, from equity securities sold short and from equity-linked derivatives. The Company manages this risk by investing in a variety of stock exchanges and by limiting exposure to a single industry sector to 25% of NAV. The Company's constitution limits equity investments to 5% (or 10%, subject to a special approval of the Board of Directors) of the share capital of a single entity. Management's best estimate of the effect on the profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. There is no effect on other comprehensive income as the Company has no assets classified as designated hedging instruments. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

(Amounts in Saudi Riyals)

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's accounting policies and disclosures requires the measurement of fair values, for financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Company's Audit Committee.

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

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 liability. The Company's financial assets consist of cash and cash equivalents, certain receivables, advance for investments, debt securities measured at FVOCI, debt securities measured at FVTPL and financial liabilities consisting of certain payables and accrued expenses. The fair values of financial assets and liabilities are not materially different from their carrying values in statement of financial position.

The following table shows the fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Level 1	**Level 2**	**Level 3**	**Total**
31 December 2021				
Debt securities measured at FVOCI	**34,653,483**	**-**	**-**	**34,653,483**
Equity securities measured at FVTPL	**33,226,586**	**-**	**-**	**33,226,586**
Debt securities measured at FVTPL	**3,156,862**	**-**	**-**	**3,156,862**
	71,036,931	**-**	**-**	**71,036,931**
31 December 2020				
Debt securities measured at FVOCI	35,669,399	-	-	35,669,399
Equity securities measured at FVTPL	5,688,704	-	4,548,710	10,237,414
Debt securities measured at FVTPL	4,090,725	-	-	4,090,725
Total	45,448,828	-	4,548,710	49,997,538

There were no transfers between the levels of fair value hierarchies during the year.

Reconciliation of fair value measurements categorized within Level 3 of the fair value hierarchy

The balance of Level 3 investment of SR 4,548,710 at 31 December 2020 relates to investment in equity shares of Ideal rating Inc. (a Delaware Corporation). The investment was disposed in full during the year with a realized loss of SR 2,298,710 (note 7).

(Amounts in Saudi Riyals)

20. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis of Level 3 investments

	Sensitivity factor	Impact on fair value due to increase in sensitivity factor	Impact on fair value due to decrease in sensitivity factor
		SAR	
31 December 2020			
Equity securities measured at FVTPL	+/- 2% change in fair value	90,974	(90,974)

21. ASSETS HELD UNDER FIDUCIARY CAPACITY

Assets under management

Asset under management represents the mutual funds' assets and investments managed by the Company on behalf of its customers amounting to SR 2,134 million (31 December 2020: SR 2,139 million). Consistent with the Company's accounting policy, such balances are not included in the Company's financial statements.

Clients' cash accounts

Pursuant to the CMA's Capital Market Institutions Regulations requiring Client money segregation, the Company holds Clients' money in Omnibus accounts at a local bank to carry out its dealing, managing and custody activities.

The Company is holding clients' cash accounts amounting to SR 107 million (31 December 2020: SR 153 million). Consistent with the Company's accounting policy, such balances are not included in the Company's financial statements.

22. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	31 December 2021	31 December 2020
Financial assets		
Financial assets at amortized cost:		
Trade receivables (note 8)	**4,468,354**	2,661,380
Accrued income and other assets (excluding prepayments and reimbursable expenses)	**929,299**	1,716,778
Due from related parties (note 9)	**118,165**	64,278
Cash and cash equivalents (note 11)	**7,303,765**	46,296,113
Total financial assets at amortized cost	**12,819,583**	50,738,549
Financial assets at fair value through OCI:	**34,653,483**	35,897,183
Financial assets at fair value through profit or loss:		
Listed equity securities	**33,226,586**	5,688,704
Foreign equity investments	**-**	4,548,710
Quoted perpetual bonds	**3,156,862**	4,140,324
Total financial assets at fair value through profit or loss	**36,383,448**	14,377,738
Financial liabilities		
Financial liabilities at amortized cost:		
Employees-end-of-service benefits (note 13.1)	**4,139,655**	3,251,485
Trade and other payables (note 14)	**2,751,163**	14,251,414
Total financial liabilities at amortized cost	**6,890,818**	17,502,899

(Amounts in Saudi Riyals)

23. REGULATORY CAPITAL REQUIREMENTS AND CAPITAL ADEQUACY RATIO

The Capital Market Authority (the "CMA") has issued Prudential Rules (the "Rules") dated 30 December 2012G (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology. The Company's objectives when managing capital are to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base.

In accordance with this methodology, the Company has calculated its minimum capital requirement and capital adequacy ratios as follows:

	31 December 2021	31 December 2020
Capital Base:		
Tier 1 Capital	**75,450**	83,313
Tier 2 Capital	**-**	-
Total Capital Base	**75,450**	83,313
Minimum Capital Requirement:		
Market Risk	**-**	-
Credit Risk	**14,405**	14,036
Operational Risk	**8,430**	12,993
Total Minimum Capital Required	**22,834**	27,029
Capital Adequacy Ratio:		
Surplus in Capital	**52,616**	56,284
Total Capital Ratio (times)	**3.30**	3.08

The comparative information has been extracted from the Company's annual Capital Adequacy Model for 31 December 2020 submitted to CMA. The Capital Base of the Company comprise of:

Tier-1 capital consists of paid-up share capital, retained earnings, share premium (if any), reserves excluding revaluation reserves, with certain deductions as per the Rules.

Tier-2 capital consists of subordinated loans, cumulative preference shares and revaluation reserves, with certain deductions as per the Rules.

The minimum capital requirements for market, credit and operational risk are calculated as per the requirements specified in the Rules.

24. CONTINGENCIES AND COMMITMENTS

Contingencies

There were no contingencies as at the reporting date (31 December 2020: nil).

Capital commitments

There were no capital commitments as at the reporting date (31 December 2020: nil).

25. SUBSEQUENT EVENTS

In the opinion of management there have been no subsequent events since the year ended 31 December 2021, which would have material impact on the financial position of the Company as reflected in these financial statements.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year presentation.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Board of Directors of the Company on 30 March 2022 corresponding to 27 Sha'ban 1443H.