سدرة المالية
Sidra Capital

BOARD OF DIRECTORS REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

2021

GLOBAL SHARI'AH INVESTMENTS

JEDDAH RIYADH LONDON SINGAPORE DUBAI

CMA-regulated / Established in

2009

Unique access to global markets through an expanding network of offices and partners

Total Assets Under Management

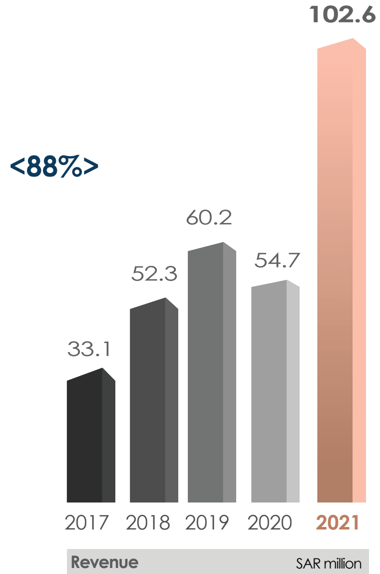
SAR 13.1bn

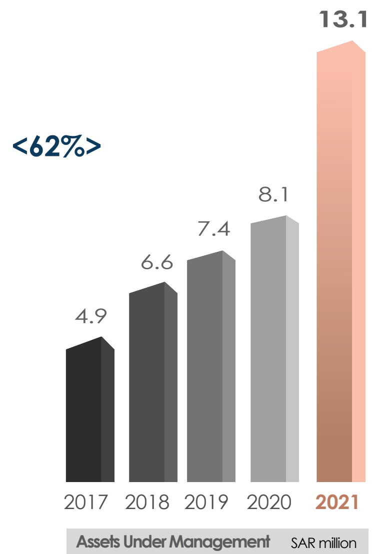
Focused on Shari'ah compliant real estate, private finance and private equity investments

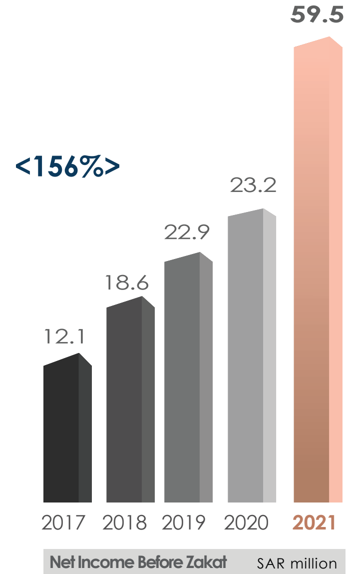
Licensed and regulated by the Saudi Arabian Capital Market Authority, Sidra Capital is a Shari'ah-compliant asset management firm that focuses on alternative asset classes such as global income-generating real estate, private finance, and private equity.

By applying a responsible and prudent investment strategy that is focused on alternative assets, coupled with our unique access to global markets through our growing network of offices, we have been able to unlock long-term return potential and deliver consistent risk-adjusted returns to clients.

BUILDING ON SOLID FOUNDATIONS



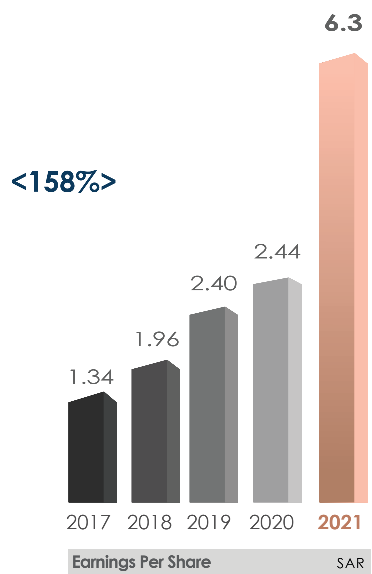


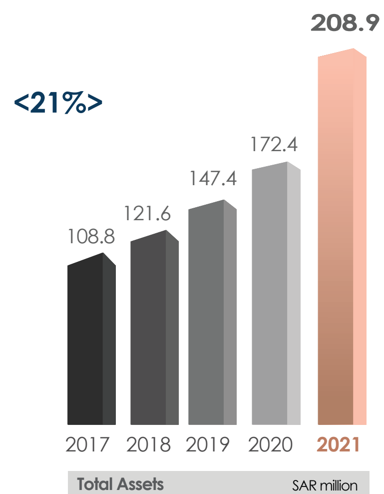


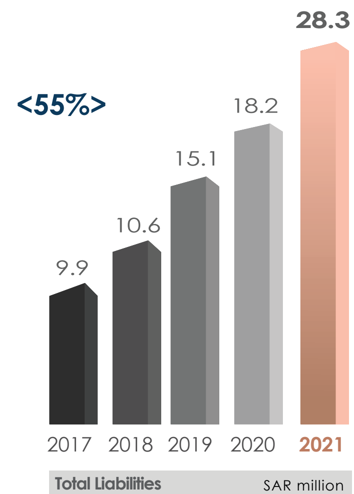
SAR

13.1 bn

ASSETS UNDER MANAGEMENT







SAR

8.3 bn

CURRENT AUM IN REAL ESTATE

REVIEW OF ACTIVITIES

BUSINESS REVIEW

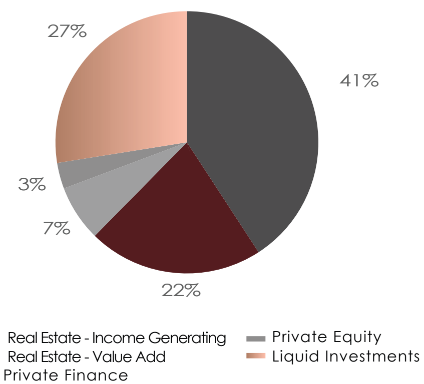
BUSINESS HIGHLIGHTS

- Embarking on our first real estate aggregation program in the US with the launch of a US$155 million fund.
- Private Finance activities thrived in 2021 with the Sidra income fund exceeding its annual target net return.
- Steady growth of AUM to
  SAR 13.1 bn
- Sidra's global real estate portfolio grew by 19.2% to reach
  SAR 8.3 bn in 2021
- Closed Sidra PE program (SPE III) a multi strategy program focussing on co-investment and secondaries.
- Establishment of Sidra's first Saudi Residential Development Fund.
- Acquisition of Sidra Capital Dubai.
- Named recipient of two prestigious industry awards in 2021.

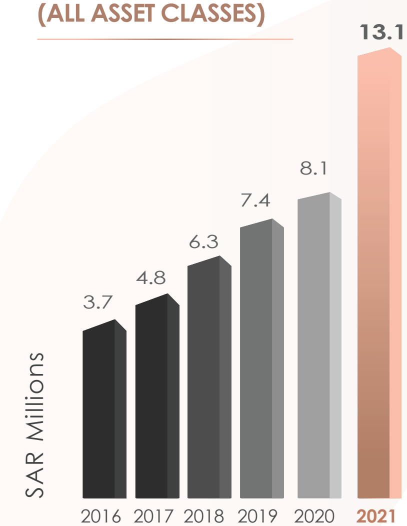
The Next 100 Global Awards 2021
Asset Management

Best Shari'ah compliant
Alternative Investment Firm KSA

AUM
(BREAKDOWN BY ASSET CLASS)



AUM
(ALL ASSET CLASSES)



OUTLOOK

- Launch of US$100 million fund that will invest in EV-related supply chains.
- Focussing on real estate development projects in Saudi Arabia.
- Expanding our activities in South East Asia from our Singapore office.
- Growing Sidra's PE mandate across sectors and geographies.

REAL ESTATE
UNITED STATES

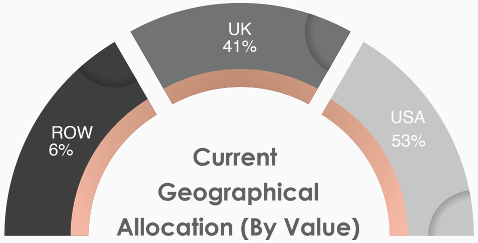
US Commercial real estate market exceeded expectations in 2021, fundamentals in many property sectors not only fully rebounded from pandemic lows, but some metrics improved from where they were pre-pandemic. 2021 saw commercial real estate volume in the United States also fully recover, as improving vaccination rates drove foot traffic back to retail brick-and-mortars and led to increased personal and business travel. Given the level of sales volume deals, 2021 is poised to be the strongest year in terms of investment acquisitions, surpassing the peak sales volume of 2006 and the pre-pandemic level.

ACQUISITIONS

- Initiated Sidra's first real estate aggregation program in the US with the launch of a US$155 million fund for the acquisition of single tenant absolute-net leased industrial properties in the United States. The fund completed its first acquisition in 2021.
- 10000 Energy Drive, a statement headquarters building built for NYSE listed Southwestern Energy was also purchased in 2021 with a joint venture including prominent American Ivy league university pension funds and endowments.
- Acquisition of Oakmont Point, a long lease class A office property in Chicago, marking a strategic shift in strategy to aggregating properties valued below US$30 million.
- Successful sale of the Bon Secours Mercy Health (BSMH) headquarters building in Cincinnati, Ohio, which generated an IRR in excess of 9.5%.

STRATEGY OUTLOOK

- We expect the demand for commercial real estate to strengthen in 2022, with underlying demand fundamentals to dominate the impact of the higher interest rates in 2022.
- The strong underlying fundamentals especially of the multifamily and industrial market will continue to drive investors towards these asset classes.



Total Acquisitions	**58 Assets**
Total Acquisitions Value since inception	**US$ 1.3 bn**
Size of real estate portfolio in the US	**10.4 million sq ft**


Mercy Health, US


10000 Energy Drive, US


Oakmont Point, US

REAL ESTATE
UNITED KINGDOM

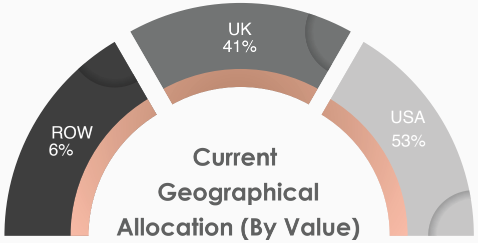
UK commercial real estate had a varied recovery with Omicron dampening early signs of a recovery on the back of the fastest vaccine roll out in Europe. Logistics and residential sectors saw capital and rental inflation growth above expectations with Hotel and Leisure sectors still 12-24 months away from their 2019 highlights. Core office investment volumes increased to almost pre pandemic levels with value-add strategies close behind. Brexit undertones still plagued the market as a whole with the supply of opportunities remaining at an all-time low resulting in significant price inflation. Finally retail and specifically supermarkets are seeing the fastest turn around in capital values as their classification moves from ‘threatened by online’ to ‘essential’.

ACQUISITIONS

- Acquisition of Countryside HQ Building in Brentwood. A 38,878 sq. ft freehold office building fully let to Countryside PLC, a FTSE 250 company, on an unbroken 15-year lease.
- Acquisition of landmark office property facing Buckingham Palace. The 33,000 sq ft corner freehold property is the closest commercial office space to Buckingham Palace.
- Acquisition of Coca Cola UK HQ in Uxbridge in West London. A 122,000 sq. ft. Grade A office accommodation fully leased to long term tenant Coca Cola.

STRATEGY OUTLOOK

- Refocus portfolio into London and Greater London
- Acquire resilient, well-located long income generating real estate assets which demonstrate excellent fundamentals and enhanced ESG credentials.



Total Acquisitions	**23 Assets**
Total Acquisitions Value since inception	**GBP 1bn**
Size of real estate portfolio in the UK	**1.3 million sq ft**


Coca Cola HQ Building, UK


Countryside PLC HQ, UK


Buckingham Gate 4 – 5, UK

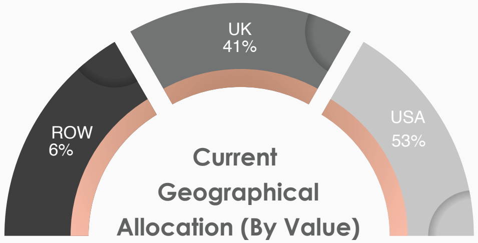
REAL ESTATE
SAUDI ARABIA

Despite the impact of Covid-19 on the Saudi real estate sector, the residential market witnessed growth in demand and supply with home ownership growing to 60% in 2020 surpassing the 2020 targets by 8%. This can be attributed to the numerous government programs and initiatives that boosted demand for housing units and facilitated homeownership for Saudi citizens. This momentum is expected to accelerate in line with vision 2030 to raise homeownership to 70% by 2030.

In 2021, we launched the Sidra Capital Residential Development Fund in Saudi Arabia with a target size of SAR 200 million. The fund's strategy is to acquire and develop attractive residential lands for mid to high households in major Saudi cities by strategically partnering with multiple developers who have established client bases with proven track records in residential projects.

STRATEGY OUTLOOK

In 2022, we will continue to focus on the Saudi real estate sector, exploring the development of greenfield residential projects that are in line with Vision 2030.



Initial close of the Sidra Capital Residential Development Fund

Acquired one plot of land and started construction

SHARI'AH-COMPLIANT
PRIVATE FINANCE

Sidra's Private Finance activities thrived in 2021 with the Sidra Income Fund exceeding its annual target net return of 7.75% by delivering 8.39% in 2021. Sidra Income Fund proved to be an important strategic cornerstone to Sidra's private finance platform, aiming to achieve stable, unlevered high yield return uncorrelated to the stock market, interest rate movements and global commodity prices.

Sidra-Ancile Global Structured Trade Investment Fund (GSTIF) which invests in emerging market commodity supply chains were caught in Covid-induced economic headwinds which translated into an annual return of 4.21% in 2021. With economic and social restrictions being lifted globally, spurring economic growth, we are confident that GSTIF will capitalise on these positive developments to record improvements in its future performance.

STRATEGY OUTLOOK

Encouraged by the Sidra Income Fund's success and looming opportunities in global trend towards increased ownership of electric vehicles (EV), Sidra Capital will be launching a USD100 million fund that will invest in EV-related supply chains. Indonesia is well-poised to harness the trend as it attracts investments from global players for developing EV components manufacturing capacities especially batteries.

KEY HIGHLIGHTS

Total disbursed capital since 2012

US$ 1.5 bn

Transactions with 50 counterparties financed

4,000+

Above-target returns achieved by Sidra Income Fund

PRIVATE EQUITY

- In 2021 Sidra closed its PE program (SPE III). This $100m global multi-strategy program was structured to allow for quick deployment with significant allocations to co-investments and secondaries.
- Sidra also commenced fund raising for its PE program (SPE IV). The $100m fund, structured in conjunction with BlackRock, targets co-investment opportunities in the Asia Pacific region.
- During 2021, 3 deals were fully or partially exited in SPE I returning an average MOIC of 1.77x and achieving an average IRR of 16.8%.
- Looking ahead, we expect to continue to expand in the PE space and further enhance our value proposition by launching additional funds covering a variety of strategies and regions.

SAUDI RETAIL OPPORTUNITY
2011

SIDRA PRIVATE EQUITY PROGRAM I
2016

SIDRA PRIVATE EQUITY PROGRAM II
2018

CHINA PRE-IPO FUND
2019

SIDRA PRIVATE EQUITY PROGRAM III
2021

SIDRA PRIVATE EQUITY PROGRAM IV
2022

INVESTMENT BANKING

- We closed a financing for SAR 250,000,000 for a real estate development in Jeddah.
- During 2021, the company looked into various prospects in the real estate, healthcare and hospitality sectors. We shall continue to serve our active customers during 2022, providing the requisite financial advisory and arranging services.
- We aim to onboard more clients in 2022, focusing on acting as their trusted financial advisor, helping them navigate the implications of the COVID wave and the ever-changing business landscape of the Kingdom.

REVIEW OF ACTIVITIES

CORPORATE REVIEW

CORPORATE REVIEW

- Implemented a new Online Performance Management System to facilitate the performance management process in an efficient and easy way.
- Training and development continued to be a key focus at Sidra, with professional development courses conducted online and in person.
- Sidra also continued to pursue inclusion and diversity goals, concentrating on the recruitment of both male and female Saudi employees. We are proud to have built a workforce that is currently 43% female and from 14 different nationalities.
- With Cybersecurity becoming a major global trend due to a continuous increase of malware, phishing, and fraud attacks over the internet, Sidra Capital conducted a comprehensive Cybersecurity awareness training to all employees equipping them with the tools and knowledge to overcome these threats and enhance data security.
- On April 2021, the CMA (Capital Market Authority) conducted an AML/CFT (Anti-Money Laundry / Combating the Financing of Terrorism) inspection visit on the Company to assist the adequacy of the AML/CFT measures and controls. No fines were issued on Sidra Capital which reflects the level of compliance in relation to AML/CFT laws and their implemented regulations as well as CMA's relevant regulations.

Training Hours
2,007

Saudization
76%

Females
43%

Nationalities
14

ESG REVIEW

Sidra continues to be fully cognizant of our obligation to deliver sustainably value to all our stakeholders. To that end, 2021 saw the launch of a new ESG department.

Sidra's ESG strategy is to continue generating healthy returns to investors while implementing policies and programs to ensure the future well-being of the planet and to support the welfare of our employees as well as all members of society. The ESG strategy will also ensure that our corporate governance will remain shariah-compliant in our approach to the investment world, to our employees and to our long-term financial and social goals.

CELEBRATING THE SPIRIT OF RAMADAN WITH ORPHANS

In the spirit of Ramadan, the company organized a community engagement initiative to make the month of Ramadan a special time for the Kingdom's orphans. Sidra employees donated clothes and toys to the most deprived segment of our population, giving them the opportunity to celebrate Eid and experience the true spirit of the holy month.

DONATE BLOOD… SAVE LIVES

Celebrating World Blood Donor Day, Sidra Capital hosted a blood donation drive in collaboration with the King Faisal Specialist Hospital & Research Center in Jeddah. More than 100 donors including sidra employees participated in the blood drive initiative and helped save lives.

CELEBRATING SAUDI NATIONAL DAY

Sidra Capital dedicated its observance of Saudi Arabia's 91st National Day to the Kingdom's orphans and to bringing joy to their lives. The company donated toys, stationery, and other gifts to children residing in an orphanage in Jeddah. We extend a very special thanks to our team who volunteered their time and energy to make this important initiative a success.

BUILDING A RESILIENT HEALTH AND SAFETY CULTURE

In recognition of the importance of World First Aid Day, the company held a First Aid training course in the Jeddah office with the participation of the Ejadah CPR Center.

The course covered a wide range of knowledge and skills vital to the assessment and immediate treatment of a variety of medical emergencies.

CORPORATE GOVERNANCE
REPORT

INTRODUCTION

Sidra Capital is committed to adopting widely accepted and industry standard corporate governance practices that are aligned to prevailing regulations issued by the relevant authorities in the Kingdom of Saudi Arabia. Our main corporate governance objective is to uphold the interests of the shareholders and stakeholders by operating in accordance with the prescribed rules and regulations of the CMA.

LICENSED ACTIVITIES

Sidra Capital is licensed by the Capital Market Authority ('CMA') to conduct the following activities as a capital market institution:

- Dealing
- Managing Investments and Operating Funds
- Arranging
- Advising
- Custody

OFFICES AND SUBSIDIARY DETAILS

Jeddah	Riyadh	Sidra Capital (UK) Limited	Sidra Capital PTE. LTD.	Sidra Capital Limited
(headquarters)	**(branch)**	**(subsidiary)**	**(subsidiary)**	**(subsidiary)**
Level 3, Al Murjanah Tower Prince Sultan Street PO Box 118528 Jeddah 21312 Kingdom of Saudi Arabia	Office 11, First Floor, Building (B) Al Nemer Al Nakheel Center 5262 Al Imam Saud Ibn Abdul Aziz Road An Nakheel, Riyadh 12381 Kingdom of Saudi Arabia	48 Charles Street Mayfair London W1J 5EN United Kingdom	3 Fraser Street #05-24 Duo Tower Singapore 189352	Unit 107 Level 1 Currency House - Tower 2, Dubai International Financial Centre P O Box 482086 Dubai, United Arab Emirates

Sidra Capital (UK) Limited was established and is currently operating in London, UK, to enhance our existing in-house capability in relation to investment into the UK and European real estate markets with an issued and paid-up capital of £500,000, of which the Company owns 100%.

Sidra Capital PTE. LTD. is a 100% subsidiary of the company that operates in Singapore. It is a Registered Fund Management Company (RFMC) which is regulated by the Monetary Authority of Singapore to conduct fund management activities. Its main focus is on launching and managing private debt funds for the South East Asian region. It has an issued and paid-up capital of SGD 250,000.

Sidra Capital Limited is a 100% subsidiary of the company and has a Category 4 license issued by the Dubai Financial Services Authority (DFSA). It operates in the Dubai International Financial Centre (DIFC), UAE. Its main activity is advising on financial products and arranging deals in investments. It has an issued and paid-up capital of USD 1,000,000.

BOARD OF DIRECTORS

Sidra Capital's Board of Directors 'Board' comprises five members who are elected by shareholders for a period of three years. Each member can be re-elected upon completing the initial term, in accordance with the company's bylaws. The Board is responsible for providing strategic guidance to the business and affairs of the company, based on its vision and objectives.

The Board's key responsibilities include providing guidance on enhancing Sidra Capital's performance and protecting and enhancing the interests of shareholders while managing the interests of various other stakeholders. Other key roles of the Board include:

- Reviewing and providing strategic guidance on corporate strategy, major plans of action including capex, acquisitions and divestitures, risk appetite, annual budgets and business plans, and business performance.
- Monitoring and continuously improving the effectiveness of the company's governance practices.
- Ensuring that appropriate policies and procedures are in place and in line with the overall direction of the company.
- Reviewing and approving the evolution of the company's organizational and functional structures.
- Monitoring and managing potential conflicts of interest of Board members, senior management, and shareholders including misuse of Sidra Capital's assets, and abuses in related-party transactions.
- Forming Board sub-committees as required, with clearly defined tasks, rights, and obligations.

BOARD MEMBERS

NAME	MEMBERSHIP CLASSIFICATION	POSITION
Hani Othman Baothman	Non-Executive	Chairman
Anas Mohammed Saleh Seirafi	Independent	Vice Chairman
Shaukat Aziz[1]	Independent	Board Member
Ammar Farouq Zahran	Non-Executive	Board Member
Riaz Cassum	Independent	Board Member

[1] Resigned as a Board Member on 9th December 2021

BOARD MEETING ATTENDANCE

Board meetings attendance record for the financial year ended 31 December 2021:

NAME	FIRST MEETING: 25 MARCH 2021	SECOND MEETING: 7 DECEMBER 2021
Hani Othman Baothman	●	●
Anas Mohammed Saleh Seirafi	●	●
Shaukat Aziz	●	●
Ammar Farouq Zahran	●	●
Riaz Cassum	●	●

BOARD AND DIRECTORS MEMBERSHIPS IN OTHER COMPANIES

NAME	POSITION	NAME OF THE COMPANY
Hani Othman Baothman	Board Member	Alkhozama Management Company
	Board Member	King Abdullah Economic City (KAEC) - EMAAR
	Vice Chairman	Uptown Jeddah
	Chairman	INOKS Capital Ltd
	Board Member	Sidra Capital (UK) Limited
	Board Member	Sidra Capital Limited (UAE)
	Board Member	Sidra Capital PTE Limited (Singapore)
	Board Member	Roua Al Haram
Anas Mohammed Saleh Seirafi	Vice Chairman	Taiba Investment Company
	Board Member	Umm Al Qura Construction & Development
	Board Member	Wadi Taiba Company
	Board Member	Arch Capital
Shaukat Aziz	Board Member	Berggruen Institute of Governance
	Board Member	Millennium & Copthorne Hotels PLC
	Board Member	Sidra Capital Limited (UAE)
Ammar Farouq Zahran	Board Member	Al Murjan Group Holding

BOARD SUB-COMMITTEES

Sidra Capital's two Board sub-committees provide assistance to the Board to effectively discharge its responsibilities. The sub-committees' roles include:

- Advising the Board on complex issues in a more efficient manner by allowing specialists to focus on specific issues and provide detailed analyses and recommendations.
- Assisting the Board to develop subject-specific expertise on the company's operations, most notably on financial reporting, risk management and internal controls.
- Enhancing the objectivity and independence of Board decisions, insulating it from potential undue influence.

SIDRA CAPITAL'S BOARD SUB-COMMITTEES ARE:

1- AUDIT & RISK COMMITTEE

The Audit & Risk Committee ('ARC') is a Board sub-committee which has the vested authority to make recommendations to the Board for its approval. The ARC assists the Board in fulfilling its oversight responsibilities relating to:

- Preparation of financial statements and other financial information produced by the company for shareholders, the public and other stakeholders.
- Compliance with legal and regulatory requirements.
- Performance of the internal audit function.
- Proper functioning of the risk management and other governance activities.

ARC MEMBERS

NAME	POSITION
Abdulelah Abdu Mukred	Chairman
Ammar Farouq Zahran	Member
Seedy Keita	Member

ARC MEETING ATTENDANCE

ARC meetings attendance record for the financial year ended 31 December 2021:

NAME	FIRST MEETING: 21 MARCH 2021	SECOND MEETING: 15 JUNE 2021	THIRD MEETING: 29 SEPTEMBER 2021	FOURTH MEETING:13 DECEMBER 2021
Abdulelah Abdu Mukred	●	●	●	●
Ammar Farouq Zahran	●	●	●	●
Seedy Keita	●	●	●	●

2- NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee ('NRC') is a Board sub-committee that establishes and implements principles and parameters underlying the process of nominating and remunerating Board directors and senior management. The NRC undertakes the following duties and responsibilities:

- Review the Board's composition and ensure it has the appropriate mix of skills, experience and other factors required by the company and regulatory authorities to fulfil its responsibilities.
- Review and make recommendations to the Board on the compensation of directors and senior management

NRC MEMBERS

NAME OF THE MEMBER	POSITION
Hani Othman Baothman	Chairman
Anas Mohammed Saleh Seirafi	Member
Ammar Farouq Zahran	Member

NRC MEETING ATTENDANCE

NRC meetings attendance record for the financial year ended 31 December 2021:

NAME	MEETING DATE: 30 NOVEMBER 2021
Hani Othman Baothman	●
Anas Mohammed Saleh Seirafi	●
Ammar Farouq Zahran	●

BOARD MEMBERS' AND SENIOR EXECUTIVES' REMUNERATION AND COMPENSATION

The following is a detailed description of all expenses, remuneration, and salaries paid to Board members and the top five senior executives, added to them the Chief Executive Officer and Finance Manager, for the financial year ended 31 December 2021.

STATEMENT	EXECUTIVE BOARD MEMBERS	NON-EXECUTIVE BOARD MEMBERS	INDEPENDENT BOARD MEMBERS
Allowance for attendance of the board of directors' sessions	-	-	-
Allowance for attendance of the committees' sessions	-	-	-
Periodic and annual remunerations	-	50,000	400,000
Incentive plans	-	-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total	-	**50,000**	**400,000**

STATEMENT	FIVE OF THE SENIOR EXECUTIVES WHO RECEIVED THE HIGHEST REMUNERATIONS AND COMPENSATIONS IN ADDITION TO THE CEO AND CFO, IF THEY ARE NOT AMONG THEM
Salaries and wages	3,978,333
Allowances	1,414,917
Periodic and annual remunerations	2,655,159
Incentive plans	-
Commissions	-
Any compensations or other in-kind benefits paid monthly or annually	-
Total	**8,048,409**

THE RESULTS OF THE AUDIT REPORT OF THE COMPANY'S SYSTEM AND CONTROLS, IN ADDITION TO THE AUDIT COMMITTEE'S OPINION ON THE ADEQUACY OF THE INTERNAL AUDIT SYSTEM.

Sidra Capital has an independent Risk & Internal Audit division which provides assurance on the adequacy of risk management, governance and internal controls. The focus of this division is to enhance and protect stakeholder's value through a risk-based approach audit. In order to achieve its strategic objectives, the company's in-house risk & internal audit division shall carry out the execution of internal audit reviews with an externally hired internal audit service provider.

The Risk & Internal Audit division has internally developed a 3 year risk-based audit plan which has been carried out in consultation with the Executive Management of the Company and the Audit Risk Committee (ARC) which is based on the understanding of the Company's strategies, business objectives, associated risks and risk management processes. This plan is subject to reviews during the audit work to ensure that the focus continues to be on the higher risk areas. A follow-up review was also conducted internally to evaluate the adequacy, effectiveness, and timeliness of actions taken by management on reported observations and recommendations.

During the year BDO Dr. Mohamed Al- Amri & Co. conducted 5 audit reviews and the findings were presented to the Audit & Risk Committee (ARC). As part of the internal audit recommendations, the ARC also ensures that the results of the audit reviews and any corrective measures are implemented within the agreed timelines.

Based on the results of the assessment till date, there are no fundamental weakness identified in the internal systems and control of the company. Hence the ARC believes that Sidra Capital has a sound and effective system of internal controls – both in design and implementation – and that the company is continuously striving for excellence to add value for its stakeholders.

INFORMATION RELATED TO ANY RISKS FACED BY THE COMPANY AND THE POLICY FOR MANAGING AND MONITORING THESE RISKS.

Sidra understands that risk is an integral part of any investment business and would like to take informed decisions before accepting any risk. This enables Sidra to optimize the risk- return trade-off in any business decision. Given the company's size and operations, Sidra Capital has in place a risk management framework to identify and manage key risks. As outlined previously, the Board is assisted by sub-committees, particularly the ARC, in fulfilling its oversight responsibility for risk management activities, and operating in accordance with best practice in the industry.

The company recognizes that enterprise risks have mutual interdependencies and should not be managed independently. Hence it has an integrated view of risk and the approach to handle risks at an entity level which are highlighted below:

A) CREDIT RISK

Credit risk is one of the most important operational risks that Sidra Capital faces, which is the failure of one or more of its major counterparties. To mitigate this risk, the company has diversified its banking relationships across several Saudi and international banks having sound credit ratings. In managing & monitoring its credit risk, the company applies the CMA Prudential rules, one of the components used to calculate minimum capital requirements.

B) MARKET RISK

Market risk is the risk that the value of an investment will decrease due to movements in the market. After discussions with Sidra Capital's external auditor and considering that the company does not have a trading book, the only applicable market risk is foreign exchange. The company again applies the CMA Prudential rules to manage & monitor the market risk, whilst continuing assessing any hedging requirements.

C) LIQUIDITY RISK

Liquidity risk is the risk resulting from the Company's inability to fund its portfolio of assets and meet obligations at appropriate maturities. It is also the inability to pursue profitable business opportunities and continue as a viable business due to a lack of access to sufficient cost-effective resources. Liquidity risk could also arise due to the inability of an institution to liquidate a position in a timely manner at a reasonable price. The Company manages its liquidity requirements by closely monitoring its liquidity ratio.

D) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems – and the risk of loss arising from external events. The company applies the CMA Prudential rules to manage & monitor operational risk. It also uses the expenditure-based approach, which adds a 25% risk charge to the previous year's level of operating expenses.

These risks are managed & monitored monthly, as part of its management in determining the capital adequacy requirements specified by the CMA and also reported in the notes 24 of the audited financial statements.

PENALTIES, SANCTIONS, PRECAUTIONARY MEASURES, OR PRECAUTIONARY RESTRICTIONS

Sidra Capital conducts its businesses in line with the highest standards of ethics and in compliance with the relevant laws, regulations and regulatory directives issued by the supervisory and regulatory authorities in Saudi Arabia.

In 2021, the company did not receive any sanction, penalty, precautionary measures or precautionary restrictions imposed on Sidra Capital by the CMA or any other supervisory, regulatory or judicial body.

LOANS

For the financial year ended 31 December 2021, Sidra Capital has no loans outstanding.

ARRANGEMENTS OR AGREEMENTS WHEREBY A MEMBER OF THE BOARD OF DIRECTORS OR SENIOR EXECUTIVE OF THE COMPANY HAS WAIVED ANY REMUNERATION AND COMPENSATIONS

Sidra Capital confirms that there has been no situation whereby a member of the board of directors or senior executive of the company has waived any remuneration and compensations for the financial year ended 31 December 2021.

INTERESTS, CONTRACTUAL SECURITIES AND RIGHTS BELONGING TO THE BOARD MEMBERS, SENIOR EXECUTIVES AND THEIR RELATIVES IN THE SHARES OR DEBT INSTRUMENTS OF THE COMPANY OR ANY OF ITS AFFILIATES, AND ANY CHANGES IN THAT INTEREST, THOSE SECURITIES OR RIGHTS DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021.

NAME	POSITION	INTEREST STATUS	NUMBER OF SHARES AS AT 1/1/2021	PERCENTAGE SHAREHOLDING AS AT 1/1/2021	NUMBER OF SHARES AS AT 31/12/2021	PERCENTAGE SHAREHOLDING AS AT 31/12/2021	SHARE PAR VALUE (SAR)
Hani Othman Baothman	Chairman	Indirect interest	90,000	1	90,000	1	10
Ammar Farouq Zahran	Board Member	Indirect interest	1,440,000	16	1,440,000	16	10

TRANSACTIONS WITH RELATED PERSONS

Sidra Capital confirms that there were no transactions with related persons during the financial year ended 31 December 2021.

BUSINESS ACTIVITIES OR CONTRACTS TO WHICH THE COMPANY IS A PARTY OR IN WHICH IT HAS AN INTEREST FOR ONE OF THE MEMBERS OF THE BOARD OF DIRECTORS OR FOR SENIOR EXECUTIVES (OR FOR ANY PERSON RELATED TO ANY OF THEM), INCLUDING THE NAMES OF THE PERSONS IN RELATION, AND THE NATURE OF THESE BUSINESS OR CONTRACTS, THEIR TERMS, DURATIONS AND AMOUNT OF THE BUSINESS OR CONTRACT

Sidra Capital confirms that there were no instances of business activities or contracts to which it is a party or in which it has an interest for one of the members of the board of directors or senior executives (or for person related to any of them) during the financial year ended 31 December 2021.

CONCLUSION

The Sidra Capital Board extends its appreciation to the company's senior management and employees, whose dedication and efforts played such a vital role in the achievements and progress made during the year.

CONSOLIDATED
FINANCIAL STATEMENTS 2021

KPMG Professional Services
Zahran Business Center
Prince Sultan Street
P.O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
مركز زهران للأعمال
شارع الأمير سلطان
ص.ب 55078
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Sidra Capital Company

Opinion

We have audited the consolidated financial statements of Sidra Capital Company ("the Company") (and its subsidiaries) ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Those charged with governance, Board of Directors, are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Shareholders of Sidra Capital Company (continued)

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Sidra Capital Company ("the Company") and its subsidiaries ("the Group").

KPMG Professional Services

Nasser Ahmed Al Shutairy
License No: 454

Jeddah,30 March 2022
Corresponding to 27 Shaban 1443H

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	Note	2021	2020
Assets			
Property and equipment	4	1,240,516	2,472,522
Intangible assets	5	233,167	258,836
Investment property	6	5,125,000	5,125,000
Investments	7	97,707,916	104,287,080
Right of use of asset	8	2,624,320	2,582,189
Non-current assets		**106,930,919**	114,725,627
Trade and other receivables	9	30,209,327	16,768,495
Prepayments	10	1,861,561	1,275,960
Cash and cash equivalents	11	69,942,669	39,681,782
Current assets		**102,013,557**	57,726,237
Total assets		**208,944,476**	172,451,864
Equity			
Share capital	12	90,000,000	90,000,000
Statutory reserve	13	12,668,772	6,998,737
Foreign currency translation reserve		(22,301)	27,425
Retained earnings		77,997,581	57,218,589
Total equity		**180,644,052**	154,244,751
Liabilities			
Employee benefits	14	6,148,777	5,171,223
Lease liability	15	1,738,771	1,807,120
Non-current liabilities		**7,887,548**	6,978,343
Lease liability – Current portion	15	909,376	804,187
Trade and other payables	16	19,378	685,037
Accrued expenses	17	16,727,308	8,434,802
Accrued zakat and income tax	18	2,756,814	1,304,744
Current liabilities		**20,412,876**	11,228,770
Total liabilities		**28,300,424**	18,207,113
Total equity and liabilities		**208,944,476**	172,451,864

The notes on pages from 28 to 64 form an integral part of these consolidated financial statements.

	Note	2021	2020
Revenue			
Management services		78,368,025	44,809,253
Arrangement and advisory services		20,411,746	6,796,834
Operational investments		3,873,345	3,120,317
Total revenue		**102,653,116**	54,726,404
Operating expenses			
Employee related costs		(30,850,497)	(20,467,692)
Marketing and promotion expenses		(321,376)	(310,653)
General and administrative expenses		(19,116,260)	(13,307,909)
Impairment on trade receivable	19	--	(301,882)
Reversal of impairment on investment property	9	--	1,132,000
Gain on investments at FVTPL	6	5,027,029	634,513
Total operating expenses		**(45,261,104)**	(32,621,623)
Operating profit		57,392,012	22,104,781
Other income		1,711,300	239,013
Foreign currency gain	20	354,603	886,501
Profit before zakat and income tax		**59,457,915**	23,230,295
Zakat and income tax	18	**(2,757,569)**	(1,242,961)
Profit for the year		**56,700,346**	21,987,334
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability	14	(251,319)	64,714
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation reserve		(49,726)	(11,237)
Other comprehensive income / (loss) for the year		**(301,045)**	53,477
Total comprehensive income for the year		**56,399,301**	22,040,811
Basic and diluted earnings per share	21	**6.30**	2.44

The notes on pages from 28 to 64 form an integral part of these consolidated financial statements.

	Share capital	Statutory reserve	Foreign currency Translation reserve	Retained earnings/ (accumulated losses)	Total equity
Balance as at 1 January 2020	90,000,000	4,800,004	38,662	37,365,274	132,203,940
Profit for the year	--	--	--	21,987,334	21,987,334
Other comprehensive loss	--	--	(11,237)	64,714	53,477
Total comprehensive income for the year	--	--	(11,237)	22,052,048	22,040,811
Transfer to statutory reserve	--	2,198,733	--	(2,198,733)	--
Balance at 31 December 2020	90,000,000	6,998,737	27,425	57,218,589	154,244,751
Profit for the year	--	--	--	56,700,346	56,700,346
Other comprehensive income	--	--	(49,726)	(251,319)	(301,045)
Total comprehensive income for the year	--	--	(49,726)	56,449,027	56,399,301
Transfer to statutory reserve	--	5,670,035	--	(5,670,035)	--
Dividends paid	--	--	--	(30,000,000)	(30,000,000)
Balance at 31 December 2021	**90,000,000**	**12,668,772**	**(22,301)**	**77,997,581**	**180,644,052**

The notes on pages from 28 to 64 form an integral part of these consolidated financial statements.

	Note	2021	2020
Cash flow from operating activities			
Profit before zakat and income tax		59,457,915	23,230,295
Adjustments for:			
Depreciation on property and equipment	4	1,480,275	1,781,448
Depreciation on right of use assets	8	1,135,330	790,303
Amortization	5	108,909	100,719
Lease charges	19	293,901	--
Impairment on trade receivable	9	--	301,882
Fair value gain on investment at FVTPL		(5,027,029)	(634,513)
Loss on disposal of property and equipment		3,711	--
Loss on sale of investment		10,000	50,648
Foreign exchange gain on investment		(248,098)	(815,030)
Reversal of impairment on investment property	6	--	(1,132,000)
Employee benefits	14	837,784	860,613
		(1,405,217)	1,304,070
		58,052,698	24,534,365
Changes in			
Increase in trade and other receivables		(13,440,832)	(6,099,624)
Increase in prepayments		(585,602)	(54,062)
Increase in trade and other payables		(665,659)	(133,165)
Increase in accrued expenses		8,292,506	858,549
Cash generated from operating activities		51,653,111	19,106,063
Zakat paid	18	(1,305,499)	(1,350,358)
Employees' benefits paid	14	(111,549)	(744,341)
Net Cash generated from operating activities		**50,236,063**	17,011,364
Cash flow from investing activities			
Investment made during the year	7	(29,374,782)	(51,048,570)
Proceeds from sale of investments		41,229,944	31,481,062
Additions in property and equipment	4	(252,039)	(2,618,897)
Proceed from disposal of property and equipment	4	--	427,122
Additions in intangible assets	5	(83,280)	(96,276)
Net cash used in investing activities		**11,509,843**	(21,855,559)
Cash flow from financing activities			
Payments for leases made during the year		(1,435,293)	(682,352)
Dividends paid		(30,000,000)	--
		(31,435,293)	(682,352)
Net decrease in cash and cash equivalents		30,310,613	(5,526,547)
Effect of currency exchange rates on cash and cash equivalents		(49,726)	(33,538)
Cash and cash equivalents at 1 January		39,681,782	45,241,867
Cash and cash equivalents at 31 December	11	**69,942,669**	39,681,782

The notes on pages from 28 to 64 form an integral part of these consolidated financial statements.

1. REPORTING ENTITY

Sidra Capital Company ("the Company") is a Saudi closed joint stock company registered in Jeddah, Kingdom of Saudi Arabia under Commercial Registration No. 4030187025 on February 25, 2009, corresponding to Safar 30,1430H. The Company commenced its operation as per the resolution of Ministry for Commerce and Industry, dated January 24, 2009, corresponding to Muharram 27, 1430H.

The Company's principal activities are dealing as principal, agent, underwriting, managing, arranging, advising and custody services with respect to the securities business as per the license issued by The Capital Market Authority (CMA) number 08116-37 on September 1, 2008 and renewed for the period from 1 July 2021 to 30 June 2022.

The registered office of the Company is located at the following address:

3rd Floor, Al Murjanah Tower,
Al Rawdah District,
P.O. Box 118528,
Jeddah 21312,
Kingdom of Saudi Arabia.

(A) STATEMENT OF COMPLIANCE

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by Saudi Organization for Certified Public Accountants (SOCPA) in the Kingdom of Saudi Arabia as well as other standards and pronouncements issued by SOCPA (collectively referred to as “IFRS as endorsed in KSA”).

(B) BASIS OF MEASUREMENT

These consolidated financial statements have been prepared using the accrual basis of accounting and the going concern assumption under the historical cost convention except for the following:

ITEMS	MEASUREMENT BASES
Employees’ Benefits	Present value of the defined benefit obligation, limited as explained in Note No. 14
Investments	Investments at FVTPL are carried at Fair value of investments as at 31 December 2021 as explained in Note No. 7

(C) FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Arabian Riyals (‘SR’), which is the Company’s functional currency.

2. BASIS OF PREPARATION Continued

(D) BASIS OF CONSOLIDATION

These consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (together referred to as the 'Group'). The Company has the following subsidiaries as at December 31, 2021:

NAME OF THE SUBSIDIARY	COUNTRY OF INCORPORATION	Effective Ownership interest (%)	
		2021	2020
Sidra Capital (UK) Limited	England and Wales	100%	100%
Sidra Capital Limited *	Dubai – United Arab Emirates	100%	0%
Sidra Capital PTE. Limited	Singapore	100%	0%

*The Company acquired the shares in Sidra Capital Limited at the end of the year 2021.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended December 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company and to the non-controlling interests. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2. BASIS OF PREPARATION Continued

(D) BASIS OF CONSOLIDATION Continued

Consolidated financial statements are prepared for the subsidiaries to the same financial year of the parent Company and using the same accounting policies adopted by the parent Company. If one of the subsidiary use accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiary's financial statements, in preparing the consolidated financial statements to ensure conformity with the International Financial Reporting Standards.

(E) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and accompanying disclosures and disclosures of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revision to accounting estimates are recognized in the period in which the estimate is revised and any future period affected.

Critical accounting judgments and estimates

Significant areas where management has used estimates, assumptions or exercised judgments are as follows:

(i) Useful lives and residual value of property and equipment, right of use of asset and intangibles

The management determines the estimated useful lives of property and equipment, right of use of asset and intangibles for calculating depreciation / amortization. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value, depreciation method and useful lives annually and future depreciation / amortization charges are adjusted where management believes these differ from previous estimates.

(ii) Impairment of non-financial assets

The Group reviews the carrying amounts of non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value in use.

Non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date. Impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized as income immediately in the consolidated statement of profit or loss and other comprehensive income.

(iii) Employee benefits

The cost of the defined benefit plan (end of service benefits) and the present value of the end of service benefits obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(iv) Impairment of trade and other receivables

The Group follows a life-time expected credit loss model for the impairment of trade and other receivables, this requires the Group to take into consideration, certain estimates for toward looking factors while calculating probability of default.

2. BASIS OF PREPARATION Continued

(E) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS Continued

Critical accounting judgments and estimates Continued

(v) Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee.

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

- Level 1: quoted prices (unadjusted) 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note No. 3(f) – financial assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

Except for what is mentioned in note (25), the accounting policies applied in these consolidated financial statements are the same as those applied in the last annual consolidated financial statements. The following is the most significant accounting policies applied by the Company:

(A) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

Assets:

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements:

- Cash or cash equivalent 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.

Liabilities:

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

(B) PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and presented net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress is not depreciated. The cost of property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets as follows:

	YEARS
Leasehold improvements	Shorter of lease term or useful life of 5 years
Furniture and fixtures	10
Office equipment	2-4
Computer	2-4

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amounts. These are included in the consolidated statement of profit or loss and other comprehensive income. Property and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

The depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted prospectively, if required.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(C) INTANGIBLE ASSETS

Intangible assets, other than goodwill, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in consolidated statement of profit or loss and other comprehensive income as incurred.

Amortization is calculated over the cost of the asset less its residual value and is recognized in statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of four years, intangible assets (software) from the date that they are available for use, since it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Gains or losses arising from derecognition 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 consolidated statement of profit or loss and other comprehensive income when the asset is derecognized.

(D) RIGHT OF USE ASSETS

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

(E) LEASE LIABILITIES

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the internal cost of funds as the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accrual of interest and is reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. Lease liabilities are included within other liabilities.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(E) LEASE LIABILITIES Continued

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(F) FINANCIAL ASSETS AND LIABILITIES

(i) Initial recognition and derecognition

Initial recognition

A financial asset or financial liability (unless it's a trade receivable / other receivable without a significant financing component) is initially measured at fair value plus, for an item not carried at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade and other receivable without a significant financing component is initially measured at transaction price.

Derecognition

A financial asset (or a part of a financial asset, or a part of a Group of similar financial assets) is derecognized, when the contractual rights to the cash flows from the financial asset expires. A financial liability (or a part of financial liability) can only be derecognized when it is extinguished, that is, when the obligation specified in the contract is either discharged, cancelled or expired.

(ii) Classification under IFRS 9

Financial Asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at 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.

Assessments whether contractual cash flows are solely payments of principal and interest

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

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(F) FINANCIAL ASSETS AND LIABILITIES Continued

(ii) Classification under IFRS 9 Continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group 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 the assessment, considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money- e.g. periodical reset of interest rates.

Financial Asset at FVTPL

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at 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, for an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Financial Asset at FVTPL

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Business model assessment

The Group makes an assessment of the objective of a business model in which an 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. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group'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 flow s collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realized.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(F) FINANCIAL ASSETS AND LIABILITIES Continued

(ii) Classification under IFRS 9 Continued

Business model assessment Continued

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Classification of financial liabilities

The Group classifies its financial liabilities, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss or an entity has opted to measure a liability at fair value through profit or loss as per the requirements of IFRS 9.

Financial liabilities classified as FVTPL using fair value option, if any, after initial recognition, for such liabilities, changes in fair value related to changes in own credit risk are presented separately in OCI and all other fair value changes are presented in the statement of profit or loss and other comprehensive income.

Amounts in OCI relating to own credit are not recycled to the profit or loss even when the liability is derecognized and the amounts are realized.

Financial liabilities that are required to be measured at fair value through profit or loss will have all their fair value movements, including those related to changes in the credit risk of the liability, recognized in statement of profit or loss and other comprehensive income.

(iii) Impairment in financial assets under IFRS 9

The Group recognizes loss allowances for ECL on financial assets that are debt instruments and are not carried at FVTPL, at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

• Debt investment securities that are determined to have low credit risk at the reporting date; and
• Other financial instruments on which credit risk has not increased significantly since their initial recognition.

Trade and other receivables

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECL. The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The key inputs into the measurement of ECL are the term structure of the following variables:

• Probability of default (PD)
• Loss given default (LGD)
• Exposure at default (EAD)

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(F) FINANCIAL ASSETS AND LIABILITIES Continued

(iii) Impairment in financial assets under IFRS 9 Continued

The Group categorizes its financial assets into following three stages in accordance with the IFRS-9 methodology:

• Stage 1 – Performing assets: Financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months Probability of Default (PD).
• Stage 2 – Underperforming assets: Financial assets that has significantly deteriorated in credit quality since origination
• Stage 3 – Impaired assets: For Financial assets that are impaired, the Group is recognize the impairment allowance based on life time PD.

This credit quality assessment is made by comparing the remaining lifetime PD as at reporting date with the remaining lifetime PD point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations). The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on life time PD.

The Group also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECL.

The forward-looking information will include the elements such as macroeconomic factors (e.g., unemployment, GDP growth, inflation, profit rates and house prices) and economic forecasts obtained through internal and external sources.

(iv) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The fair value less costs of disposal is determined by taking into account recent market transactions. If no such transactions can be identified, an appropriate valuation model is used. The value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGU (group of units) on a pro rata basis.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(G) TRADE AND OTHER PAYABLE, ACCRUALS AND OTHER CURRENT LIABILITIES

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(H) EMPLOYEE BENEFITS

Employee benefits comprise of Post-employment benefits. The Group's net obligations in respect of defined unfunded post-employment benefit plan ("the plan") is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognized past service costs. The discount rate used is the market yield on government bonds at the reporting date that have maturity dates approximating the terms of the Group's obligations. The cost of providing benefits under the defined benefits plan is determined using the projected unit credit method to determine the Group's present value of the obligation. As at the consolidated statement of financial position date, the Group's post-employment defined benefit plan is represented by employees' end of service benefit plan.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(H) EMPLOYEE BENEFITS Continued

Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before retirement date, or to provide termination benefits as a result of an offer to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer for voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(I) INVESTMENT PROPERTY

Investment property is measured initially at its cost and transaction costs are included in the initial measurement. The Group is following cost model for subsequent measurement of investment property that includes land and is subsequently carried at cost less impairment losses.

(J) CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash, balances with banks and other financial assets, with original maturity of three months or less which are subject to insignificant risk of changes in their fair value.

(K) ZAKAT AND INCOME TAX

The Group is subject to zakat in accordance with the regulations of Saudi General Authority of Zakat and Income Tax ('GAZT'). Foreign subsidiary is subject to the relevant income tax regulation in its country of domicile. Zakat and its share in foreign subsidiary income tax is accrued and charged to consolidated statement of profit or loss and other comprehensive income currently. Additional zakat and income tax liability, if any, related to prior years' assessments is accounted for in the period in which the final assessment is finalized.

(L) PROVISIONS, CONTINGENCIES AND COMMITMENTS

Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured. Certain provisions are based on management's estimate of the actual amount payable.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed in the consolidated statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(L) PROVISIONS, CONTINGENCIES AND COMMITMENTS Continued

Contingent liability is:

a) A possible obligation that arises from past events and 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 entity; or

b) A present obligation that arises from past events but is not recognized because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized and are disclosed, unless the probability of an outflow of resources embodying economic benefits is remote.

Commitments represent binding agreements of the Group to carry out specified courses of action involving in a transfer of cash or other asset to the respective counterparties. For details of Group's contingencies and commitments at the reporting date, please refer note 23.

(M) REVENUE RECOGNITION

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue at a point in time when control of the asset is transferred to the customer i.e. when the title and the associated risks and rewards of the services are passed to the customer. The following five steps are followed:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: the transaction price is the amount of consideration to which the Company expects to be entitled to in exchange for transferring promV

Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

Fees
Revenue from management services are recognized when the corresponding obligations have been performed.

Arrangement and Advisory Services
Arrangement fees are recognized when the deal is finalized with the client and the right to receive the arrangement fee is established.

Operational Investments
The Group earns pre-agreed revenue and fixed revenue on the investments in the projects and real estate funds.

3. SIGNIFICANT ACCOUNTING POLICIES Continued

(N) EXPENSES

All expenses are classified as general and administrative expenses unless they are incurred for, and directly attributable to, the core revenue generating activities of the Group, in which case they are classified as direct expenses. Allocations of common expenses between direct expenses and general and administrative expenses, where required, are made on a consistent basis, appropriate to the nature of the item of expense and circumstances of the Group.

(O) DIVIDENDS

Final dividends are recorded in the consolidated financial statements in the period in which they are approved by shareholders of the Group.

(P) EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares.

(Q) FIDUCIARY ASSETS

Assets held in trust or in a fiduciary capacity are not treated as assets of the Group, and accordingly, are not included in the consolidated financial statements.

4. PROPERTY AND EQUIPMENT

Movement in property and equipment during the year ended 31 December 2021 is as follows:

	Leasehold improvement	Furniture and fixtures	Office equipment	Computer equipment	Total
Cost					
Balance at 1 January 2021	3,087,170	1,897,761	1,448,820	1,302,982	7,736,733
Additions during the year	--	37,592	119,278	95,169	252,039
Disposals	--	(3,850)	(56,584)	(653,158)	(713,592)
Effect of translation	--	(29)	--	(30)	(59)
Balance at 31 December 2021	**3,087,170**	**1,931,474**	**1,511,514**	**744,963**	7,275,121
Accumulated depreciation					
Balance at 1 January 2021	2,100,120	1,308,581	721,809	1,133,701	5,264,211
Depreciation	751,080	100,415	538,374	90,406	1,480,275
Disposals	--	(3,849)	(56,584)	(649,448)	(709,881)
Effect of translation	--	--	--	--	--
Balance at 31 December 2021	**2,851,200**	**1,405,147**	**1,203,599**	**574,659**	**6,034,605**
Carrying amounts as at 31 December 2021	**235,970**	**526,327**	**307,915**	**170,304**	**1,240,516**

Movement in property and equipment during the year ended 31 December 2020 is as follows:

	Leasehold improvement	Furniture and fixtures	Office equipment	Computer equipment	Total
Cost					
Balance at 1 January 2020	2,319,349	1,755,345	213,725	1,254,418	5,542,837
Additions during the year	1,194,943	141,222	1,235,095	47,637	2,618,897
Disposals	(427,122)	--	--	--	(427,122)
Effect of translation	--	1,194	--	927	2,121
Balance at 31 December 2020	**3,087,170**	**1,897,761**	**1,448,820**	**1,302,982**	**7,736,733**
Accumulated depreciation					
Balance at 1 January 2020	1,287,147	1,209,765	161,906	979,190	3,638,008
Depreciation	969,588	98,099	559,903	153,858	1,781,448
Disposals	(156,615)	--	--	--	(156,615)
Effect of translation	--	717	--	653	1370
Balance at 31 December 2020	**2,100,120**	**1,308,581**	**721,809**	**1,133,701**	**5,264,211**
Carrying amounts as at 31 December 2020	**987,050**	**589,180**	**727,011**	**169,281**	**2,472,522**

5. INTANGIBLE ASSETS

Movement in intangible assets (represented by computer software) during the year ended 31 December 2021 and 2020 is as follows:

	2021	2020
Cost		
Balance as at 1 January	606,558	510,282
Additions	83,280	96,276
Effect of translation	--	--
Balance as at 31 December	**689,838**	606,558
Accumulated amortization		
Balance as at 1 January	347,722	247,003
Amortization	108,909	100,719
Effect of translation	40	--
Balance as at 31 December	**456,671**	347,722
Carrying amounts	**233,167**	258,836

6. INVESTMENT PROPERTY

Movement in investment property during the year ended 31 December 2021 and 2020 is as follows:

	2021	2020
Cost as at 1 January and 31 December	**5,125,000**	5,125,000
Accumulated provision for impairment		
Balance as at 1 January	--	1,132,000
reversal of impairment losses for the year	--	(1,132,000)
Balance as at 31 December	--	--
Carrying amount as at 31 December	**5,125,000**	5,125,000

6. INVESTMENT PROPERTY Continued

6.1 Investment property comprises a land that is a vacant property situated in neighborhood of Al-Manarat in Jeddah in Kingdom of Saudi Arabia.

6.2 The reversal of impairment loss recognized by the Group during the year ended 31 December 2020 is SR 1,132,000.

6.3 Measurement of fair Values

(I) FAIR VALUE HIERARCHY

As at 31 December 2021, the fair value of the property is assessed as at SR 6.3 million (2020: SR 6.0 million) and investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued and while calculating the reversal of impairment charge average of two property valuations is used.

Measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

(II) VALUATION TECHNIQUE AND SIGNIFICANT UNOBSERVABLE INPUTS

Market comparison technique: The valuation model is based on market multiples derived from quoted prices of land comparable to the investee.

7. INVESTMENTS

	Note	2021	2020
Investments at amortized cost	7.1	2,151,026	5,270,356
Investments at FVTPL	7.2	95,556,890	99,016,724
Balance as at 31 December		**97,707,916**	104,287,080

7.1 Investments at amortised cost

	Locality	2021	2020
Drakehouse	United Kingdom	2,151,026	2,324,129
Sterling UK Real Estate Fund	United Kingdom	--	2,946,227
Balance as at 31 December		**2,151,026**	5,270,356

7. INVESTMENTS Continued

7.2 Investments at FVTPL

	Note	2021	2020
Investment in private equities	7.2.1 & 7.2.4	40,700,450	28,004,338
Investments in mutual funds	7.2.2 & 7.2.5	49,173,017	66,192,939
Investments in other venture	7.2.3	5,683,423	4,819,447
Balance as at 31 December		**95,556,890**	99,016,724

7.2.1 Movement in Investment in private equities

	2021	2020
Balance as at 1 January	28,004,338	41,668,727
Additions during the year	18,844,132	--
Disposals during the year	(14,103,656)	(11,338,160)
Fair value adjustment for the year	7,955,636	(2,326,229)
Balance as at 31 December	**40,700,450**	28,004,338

7.2.2 Movement in Investment in mutual funds

	2021	2020
Balance as at 1 January	66,192,939	33,006,988
Additions during the year	10,000,000	49,282,581
Disposals during the year	(23,689,514)	(20,017,230)
Fair value adjustment for the year	(3,330,408)	3,920,600
Balance as at 31 December	**49,173,017**	66,192,939

7.2.3 Investments in other venture is held in the name of a related party on behalf of the Group.

7. INVESTMENTS Continued

7.2.4 Investment in Private Equities

	Locality	Percentage of Holding	2021	2020
Tawazon Al Enjaz Co.	Saudi Arabia	0%	--	10,000
Greycoat Street	United Kingdom	1.81%	800,000	1,531,112
Drakehouse	United Kingdom	8.34%	6,347,360	1,842,965
Mercy Health	United States of America	4.02%	--	5,510,881
Industrial Portfolio	United States of America	1.75%	6,740,805	4,212,189
Quest	Australia	0.38%	50,279	52,652
Student Accommodation - USSA6P	United States of America	2.77%	7,529,301	7,001,357
Industrial Portfolio - 30 Properties	United States of America	2.63%	10,855,506	7,843,182
Arborcrest	United States of America	0.19%	471,762	--
AIC Heartland	United States of America	5.02%	622,500	--
10K Energy Drive	United States of America		625,511	--
Okmount JLL	United States of America	7.82%	6,657,426	--
Closing balance			**40,700,450**	28,004,338

During the year ended 31 December 2020, the Board of Directors of the Company by way of a board resolution resolved to transfer the Company's entire shareholding in Tawazon Al Enjaz Company to Al-Murjan Arabia United Company Limited, a related party. The legal requirements to effectuate the transfer and amendment in articles of association of Tawazon Al Enjaz are finalized during the year 2021, therefore, the investment is disposed.

7.2.5 Investment in Mutual Funds

	Locality	Percentage of Holding	2021	2020
Sterling UK Real Estate Fund	United Kingdom	0%	--	7,916,342
Ancile Fund	Luxembourg	3.50%	12,300,868	15,721,967
Deco Opes	Luxembourg	0.75%	288,018	318,175
Investcorp Gulf Institutional Private Equity Fund	United States of America	0.38%	428,527	811,332
Investcorp Private Equity Fund	United States of America	17.08%	19,000,000	33,657,479
Investcorp China IPO Fund	United States of America	8.66%	2,676,624	2,767,644
Sidra Income Fund	Saudi Arabia	0.07%	5,033,480	5,000,000
Sidra Residential Development Fund	Saudi Arabia	43.01%	9,445,500	--
Closing balance			**49,173,017**	66,192,939

7.2.6 This represents Group's investment in private equity via equity injection and additional funding in the form of shareholder loan that does not carry a fixed repayment or return. The Group does not intend to call the additional funding in the foreseeable future. The entities have been established as part of structures for onward investment in real estate properties held for income generation and development.

7.2.7 At the reporting date, the investee funds comprise of trade finance based in Luxembourg and Jeddah and real estate funds are domiciled in Jersey.

8. RIGHT OF USE OF ASSET

	Note	2021	2020
Cost			
Balance at 1 January		4,071,212	928,499
Additions during the year		1,178,231	2,863,091
Effect of translation	20	(2,567)	279,622
Balance at 31 December		**5,246,876**	4,071,212

	Note	2021	2020
Cost			
Balance at 1 January		1,489,023	429,955
Depreciation		1,135,330	790,303
Effect of translation	20	(1,797)	268,765
Balance at 31 December		2,622,556	1,489,023
Balance at 31 December		**2,624,320**	2,582,189

9. TRADE AND OTHER RECEIVABLES

	Note	2021	2020
Cost			
Trade receivables		11,875,124	1,579,277
Due from related parties - trade receivables	22	6,847,139	--
Accrued income		11,162,833	15,625,080
Other receivable		2,325,453	1,565,360
Gross trade and other receivables		32,210,549	18,769,717
Less: Provision for bad debts		(2,001,222)	(2,001,222)
Net trade and other receivables		**30,209,327**	16,768,495

The movement in the provision for allowance for credit losses is as follows:

	Note	2021	2020
Cost			
Balance at the beginning of the year		2,001,222	1,699,340
Charge for the year		--	301,882
Provisions written off	20	--	--
Balance at the end of the year		**2,001,222**	2,001,222

10. PREPAYMENTS

	2021	2020
Prepayments	**1,861,562**	1,275,960
	1,861,562	1,275,960

11. CASH AND CASH EQUIVALENTS

	2021	2020
Cash in hand	**17,000**	17,000
Cash at bank on current account – local currency	**17,063,078**	2,560,350
Cash at bank on current accounts – foreign currency	**52,862,591**	37,104,432
	69,942,669	39,681,782

11.1 During the year ended 31 December 2021, the Group incurred foreign exchange gain / loss amounting to SR 0.161 million (2020: SR 0.033 million) on account of translation of foreign currency denominated monetary assets into Group's functional currency, including cash at bank in foreign currency accounts.

11.2 In addition to the cash at bank disclosed above, the Group has certain bank accounts wherein client money is being held in the fiduciary capacity.

12. SHARE CAPITAL

As at 31 December 2021 the share capital of the Group amounting to SR 90,000,000 (2020: SR 90,000,000) is divided into 9,000,000 shares (2020: 9,000,000 shares) of SR 10 each (2020: SR 10 each) is as follows:

	31 December 2021			31 December 2020		
	Percentage Holding	**No. of Shares**	**Share Capital**	Percentage Holding	No. of Shares	Share Capital
Al Murjan Group Holding Limited	91%	8,229,600	82,296,000	91%	8,229,600	82,296,000
Sheikh Ahmed Salem Bugshan	0%	--	--	6%	500,400	5,004,000
Sheikh Abdulrahman Khalid Bin Mahfouz	6,56%	590,400	5,904,000	1%	90,000	900,000
Sheikh Sultan Khalid Bin Mahfouz	1%	90,000	900,000	1%	90,000	900,000
Talid Arabia Trading	1%	90,000	900,000	1%	90,000	900,000
	100%	**9,000,000**	**90,000,000**	100%	9,000,000	90,000,000

13. STATUTORY RESERVE

In accordance with the Company's Articles of Association, the Group established a statutory reserve by the appropriation of 10% of net income until the reserve is equal 30% of the share capital. This reserve is not available for divided distribution.

14. EMPLOYEE BENEFITS

The Group operates an approved unfunded employees' end of service benefits plan ("EOSB") for its employees as required by the Saudi Arabian Labor Law. The amount recognized in the consolidated statement of financial position is determined as follows:

	2021	2020
Present value of defined benefit obligation	**6,148,777**	5,171,223

An independent actuarial exercise has been conducted as at 31 December 2021 to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labour Law by using the Projected Unit Credit Method as required under International Accounting Standards 19: Employee Benefits.

MOVEMENT IN NET DEFINED LIABILITY

The movement in the present value of the end-of-service benefits over the year is as follows:

	2021	2020
Balance at 1 January	5,171,223	5,119,665
Included in profit or loss		
Current service cost	739,847	709,771
Interest cost	97,937	150,842
Total	**837,784**	860,613
Included in other comprehensive income		
Actuarial loss arising from:		
- financial assumptions	251,319	(64,714)
- experience adjustments	--	--
Total	**251,319**	(64,714)
Other		
Benefits paid	(111,549)	(744,341)
Balance at 31 December	**6,148,777**	5,171,223

14. EMPLOYEE BENEFITS Continued

The expense is recognized in the following line items in the consolidated statement of profit or loss and other comprehensive income:

	2021	2020
Employee related costs	**739,847**	709,771
General and administration expenses - Other	**97,937**	150,842

ACTUARIAL ASSUMPTIONS

The main actuarial assumptions used to calculate the indicative defined unfunded benefit plans liabilities are as follows (expressed as weighted averages):

	2021	2020
Financial assumptions		
Discount rate	2.30%	1.85%
Future salary growth/ expected rate of salary increase	2.30%	1.85%
Demographic assumptions		
Mortality	0.075%	0.075%
Retirement age	**60 years**	60 years
Turnover (age wise)	**Heavy**	Heavy

SENSITIVITY ANALYSIS:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

At the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2021		2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	**(220,608)**	**234,701**	(79,938)	490,218
Future salary growth (0.5% movement)	**243,905**	**(231,331)**	498,397	(70,384)
Employee turnover (Medium to High)	**High**	**--**	High	--

As at 31 December 2021, the weighted average duration of the defined benefit obligation is 7.39 years (31 December 2020: 7.78 years).

During the year ended 31 December 2021, an independent actuarial exercise has been conducted to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Saudi Arabian Labor and Workmen Law by using the Projected Unit Credit Method as required under IAS 19.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

15. LEASE LIABILITY

	2021	2020
Lease liability – current portion	909,376	804,187
Lease liability – long term portion	1,738,771	1,807,120
Lease liability as at 31 December	**2,648,147**	2,611,307

Movement in lease liability

	2021	2020
Lease liability as at 1 January	2,611,307	317,445
Additions during the year	1,178,232	2,863,091
Charge during the year	293,901	104,624
Repayments made during the year	(1,435,293)	(682,352)
Effect of translation	--	8,499
Lease liability as at 31 December	**2,648,147**	2,611,307

16. TRADE AND OTHER PAYABLES

	Note	2021	2020
Due to related parties	22	16,976	584,683
Accounts payable		2,402	100,354
		19,378	**685,037**

17. ACCRUED EXPENSES

	2021	2020
Accrued staff cost	7,020,884	3,028,927
Accrued expenses	9,706,424	5,405,875
	16,727,308	8,434,802

18. ZAKAT AND INCOME TAX

18.1 At 31 December accrued Zakat and income tax comprise of the following:

	2021	2020
Accrued zakat	2,756,814	1,304,744
Accrued zakat and income tax	**2,756,814**	1,304,744

18. ZAKAT AND INCOME TAX Continued

18.2 Zakat and tax charge for the year comprise of the following:

	2021	2020
Zakat charge	2,757,569	1,284,080
Tax Charge	--	(41,119)
	2,757,569	1,242,961

18.3 Zakat charge for the year ended December 31 has been calculated on Zakat base, Zakat base is equity netted of by book value of long-term assets, the components of which are as follows:

	2021	2020
Equity	154,217,326	165,200,675
Opening allowances and other adjustments	16,074,909	6,819,005
Book value of long-term assets	(106,844,483)	(114,725,627)
Zakat able profit / (loss) for the year	44,704,222	24,275,051
Zakat base higher of adjusted net loss or Zakat base	**108,151,974**	50,475,048

Some of the aforementioned amounts have been adjusted (consistent with Zakat rules) in arriving at the Zakat charge for the year.

18.4 Movement in accrued zakat and income tax during the year ended 31 December is as follows:

	2021	2020
1 January	1,304,744	1,371,675
Reclassification / reversal	--	40,466
Charge for the year	2,757,569	1,242,961
Payments during the year	(1,305,499)	(1,350,358)
31 December	**2,756,814**	1,304,744

18.5 The Company has filed Zakat declaration up to the financial year ended 31 December 2020 with the Zakat, Tax and Customs Authority (ZATCA). The Company has also obtained Zakat certificate valid until 30 April 2022. The ZATCA issued Zakat assessments for the years from 2015 to 2019. The Company has filed appeal against the ZATCA assessments for the year 2015 to 2019 with General Secretariat of Tax Committees (GSTC).

18.6 The subsidiary company has also filed the income tax return for and up to 2019 and there is no assessment pending as at 31 December 2020.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2021	2020
Office Rent, Utilities and Other expenses		882,346	674,672
Consultancy		9,744,642	5,840,536
Depreciation	4 & 8	2,615,605	2,571,751
Amortization	5	108,909	100,719
Insurance		517,324	303,309
Travelling		293,548	120,293
Lease Charge		293,901	104,624
Others		4,659,985	3,592,005
		19,116,260	13,307,909

20. FOREIGN CURRENCY (LOSS) / GAIN

During the year, the Group has recognized the foreign currency gains / (losses) on cash and cash equivalents, investments and trade and other receivables and payables.

21. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share have been computed by dividing the profit for the year attributable to the owners of the parent company by the number of shares outstanding during the year. As there are no diluted shares outstanding, basic and diluted earnings per share are identical.

The earnings per share calculation is given below:

	2021	2020
Profit for the year	**56,700,346**	21,987,334
Weighted average number of shares outstanding	**9,000,000**	9,000,000
Profit per share (Saudi Arabian Riyals) – Basic and Diluted	**6.30**	2.44

22. RELATED PARTY TRANSACTIONS

Transactions with the related parties mainly represent payments on behalf and loans to and from entities within the Group that are undertaken in the ordinary course of business on mutually agreed terms between the parties and approved by the management. Related parties also include the Shareholders, key management personnel and their close family members.

22. RELATED PARTY TRANSACTIONS Continued

A) DUE FROM RELATED PARTIES AS AT 31 DECEMBER ARE COMPRISED OF THE FOLLOWING:

Name of entity	Nature of transactions	Amount of transaction 2021	2020	Balance as at 31 December 2021	2020
Al Murjan Arabian United Company Limited	Expenses incurred on behalf of related party	--	898,250	--	--
Al Murjan International Holding Company Limited	Expenses incurred on behalf of related party	1,014,744	1,036,930	66,299	--
	Management Fees	7,905,908	--		--
Tawazon Al-Enjaz	Expenses incurred on behalf of related party	64,340	39,375	--	--
Azalea Services (PTC) LTD. British Virgin Islands	Revenue generated from related party	6,779,493	--	6,780,840	--
SCHW PROPERTIES LIMITED	Revenue generated from related party	20,910	--	--	--
SCHW PROPERTIES LIMITED	Revenue generated from related party	20,910	--	--	--
SCAZ PROPERTIES LIMITED	Revenue generated from related party	20,910	--	--	--
SCGW Holdings Limited	Revenue generated from related party	20,910	--	--	--
SCBL HOLDINGS LIMITED	Revenue generated from related party	20,910	--	--	--
SCJS HOLDINGS LIMITED	Revenue generated from related party	20,910	--	--	--
SCTS PROPERTIES LIMITED	Revenue generated from related party	20,910	--	--	--
KINNAIRD HOUSE LIMITED	Revenue generated from related party	20,910	--	--	--
SCHH Holdings Limited	Revenue generated from related party	20,910	--	--	--
SCWS PROPERTIES LIMITED	Revenue generated from related party	20,910	--	--	--
SC37 GROUP LIMITED	Revenue generated from related party	20,910	--	--	--
SCCP PROPERTIES LIMITED	Revenue generated from related party	20,736	--	--	--
SC 10K Holding Company, LLC	Revenue generated from related party	1,874,627	--	--	--
SCBG FUNDING LIMITED	Revenue generated from related party	97,825	--	--	--
SC Arborcrest Holding Company	Revenue generated from related party	1,487,204	--	--	--
				6,847,139	

B) DUE TO RELATED PARTIES AS AT 31 DECEMBER ARE COMPRISED OF THE FOLLOWING:

Name of entity	Nature of transactions	Amount of transaction 2021	2020	Balance as at 31 December 2021	2020
Al Murjan Arabian United Company Limited	Expenses incurred on behalf	--	3,227,583	--	--
Al Murjan international Holding Company Limited	of related party	7,498,510	1,746,182	16,976	584,683
Key Rent Car Company		33,670	27,535	--	--
				16,976	584,683

22. RELATED PARTY TRANSACTIONS Continued

C) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

i. Key management personnel compensation comprised the following

	2021	2020
Short term employee benefits	**9,667,515**	7,901,596
Post-employment benefits	**2,707,061**	2,381,711

Compensation to key management personnel includes salaries and contributions to post-employment defined benefit plan.

23. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at 31 December 2021.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT

Accounting classification and fair values

The following table shows the carrying amounts and fair values 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.

Further, for the current year the fair value disclosure of lease liabilities is also not required.

	Carrying amount		Fair Value			
December 31, 2021	FVTPL	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets						
Investments	95,556,890	--	--	49,173,017	46,383,873	**95,556,890**
	95,556,890	--	--	49,173,017	46,383,873	**95,556,890**

	Carrying amount		Fair Value			
December 31, 2020	FVTPL	Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets						
Investments	99,016,724	--	--	66,192,939	32,823,785	**99,016,724**
	99,016,724	--	--	66,192,939	32,823,785	**99,016,724**

During the year ended 31 December 2021 and 2020 there were no transfers between level 1 and level 2 fair value measurements.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

Financial assets and liabilities that are not measured at fair value:

December 31, 2021	Carrying amount		Fair Value Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	69,942,669	--	--	--	--	--
Trade and other receivables	30,209,327	--	--	--	--	--
	100,151,996	--	--	--	--	--
Financial Liabilities:						
Trade and other payables	19,378					
Lease liability	2,648,147	--	--	--	--	--
	2,667,525					

December 31, 2020	Carrying amount		Fair Value Level 1	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	39,681,782	--	--	--	--	--
Trade and other receivables	16,768,495	--	--	--	--	--
	56,450,277	--	--	--	--	--
Financial Liabilities:						
Trade and other payables	685,037					
Lease liability	2,611,307	--	--	--	--	--
	3,296,344					

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Private equities and other venture investments	Investments in private equities and other venture are carried at fair value by taking the effective holding percentage of fair value of property less any third-party loans and losses incurred by SPVs. The market value of the property calculated under discounted cash flows method: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Expected future payments and discount rate	The estimated fair value would increase (decrease) if: the expected cash flows were higher (lower); or the risk-adjusted discount rate were lower (higher)
Mutual funds	The Investment in mutual funds are also carried at FVTPL and carried at NAV of the mutual fund of 31 December 2021	Net assets of the mutual fund	The estimated fair value would increase (decrease) if: the expected cash flows were higher (lower)

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

Level 3 recurring fair values

Movement in fair value of Financial Assets under level 3 for the year ended is as follow:

	2021	2020
Balance as at 1 January	32,823,785	47,230,220
Net movement in fair value	8,819,613	(3,068,275)
Additions During the year	18,844,131	--
Disposals During the year	(14,103,656)	(11,338,160)
Balance as at 31 December	**46,383,873**	32,823,785

During the year ended 31 December 2021 and 2020 there were no transfers between level 1 and level 2 fair value measurements.

FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

(ii) liquidity risk, and

(iii) market risk

Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group's activities expose it to certain financial risks. Such financial risk emanates from various factors that include, but are not limited to market risk, credit risk and liquidity risk.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in private equities and mutual funds.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

FINANCIAL RISK MANAGEMENT Continued

(i) Credit risk Continued

Impairment losses on financial assets and trade and other receivable recognised in profit or loss were as follows.

	2021	2020
Impairment loss / (gain) on trade receivables arising from contracts with customers	--	301,882

Trade receivables and contract assets

The Group'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 Group does not require collateral in respect of trade and other receivables. The group does not have trade receivable for which no loss allowance is recognised because of collateral.

At 31 December 2021, the exposure to credit risk for trade receivables by geographic region was as follows.

Geographic region	2021	2020
Saudi Arabia	109,424	--
UK	17,554,460	136,435
Africa	256,315	302,482
USA	--	904,023
Others	802,064	236,337
	18,722,263	1,579,277

Expected credit loss assessment for corporate customers

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

(i) Credit risk Continued

FINANCIAL RISK MANAGEMENT Continued

Expected credit loss assessment for corporate customers Continued

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2021.

	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit impaired
1–30 days past due	95%	17,870,719	112,034	No
31–60 days past due	0%	31,885	1,594	No
61–90 days past due	0%	--	--	No
More than 90 days past due	5%	819,659	166,389	Yes
	100%	**18,722,263**	280,017	

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2020.

	Weighted average loss rate	Gross carrying amount	Loss Allowance	Credit impaired
1–30 days past due	17%	268,329	9,746	No
31–60 days past due	24%	372,773	3,318	No
61–90 days past due	3%	43,306	14,781	No
More than 90 days past due	56%	894,869	274,037	Yes
	100%	**1,579,277**	301,882	

During the year ended 31 December 2020, the Company recorded a specific provision of SR 1,664,625 for the accrued income from Greycoat investment on prudence basis, because the investment is incurring losses.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

(i) Credit risk Continued

FINANCIAL RISK MANAGEMENT Continued

Expected credit loss assessment for corporate customers Continued

Movements in the allowance for impairment in respect of trade receivables (including the specific provision against accrued income) during the year was as follows:

	2021	2020
Balance at the 1 January	2,001,222	1,699,340
Charge for the year	--	301,882
Provisions written off	--	--
Balance at the 31 December	**2,001,222**	2,001,222

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties. As at the balance sheet date, the Group's maximum exposure to credit risk is represented by the respective carrying values of cash and cash equivalents and accounts and other receivables. Cash at banks are placed with reputable banks having sound credit rating while accounts and other receivables pertain to credit worthy counter parties.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation

The Group uses activity-based costing to cost its services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Group maintains no credit lines, since the Group earns major revenue in advance and has sufficient liquidity in day to day operations.

(iii) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group'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 optimising the return.

Market risk comprises of currency risk, interest rate risk and other price risk.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Saudi riyal and Pound sterling. The currencies in which these transactions are primarily denominated are euro and US dollars. The Group seeks to manage its currency risk by means of appropriate financial instruments including the use of derivatives if required.

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

(iii) Market risk Continued

FINANCIAL RISK MANAGEMENT continued

Currency risk continued

Following is the significant gross financial position exposure classified into separate foreign currencies:

December 31, 2021	US Dollars	United Arab Emirates Dirhams	Pound Sterling	Pound Sterling	Singapore Dollar
Property and equipment	--	--	115,097	--	--
Intangible assets	--	--	10,527	--	--
Investments	72,942,310	--	14,981,809	288,018	--
Right of use of asset	658,669	--	86,612	--	--
Trade and other receivables	7,626,030	--	10,773,620	256,532	--
Prepayments	96,371	--	185,645	--	5,979
Cash and cash equivalents	62,233,370	501,730	2,878,823	189,193	748,126
	143,556,750	501,730	29,032,133	733,743	754,105
Trade and other payables	16,976	--	969,411	--	159,132
Accrued expenses	1,854,476	--	914,493	--	8,012
Lease liability	205,991	--	91,172	--	--
	2,077,443	--	1,975,076	--	167,144
Net exposure	**141,479,307**	**501,730**	**27,057,057**	**733,743**	**586,961**

December 31, 2020	US Dollars	United Arab Emirates Dirhams	Pound Sterling	Pound Sterling	Singapore Dollar
Property and equipment	--	--	280,318	--	--
Intangible assets	--	--	15,838	--	--
Investments	74,720,406	--	29,185,847	318,175	--
Right of use of asset	--	--	--	260,617	--
Trade and other receivables	774,105	--	718,563	278,151	--
Prepayments	--	--	186,195	--	--
Cash and cash equivalents	34,780,724	294,176	1,810,695	219,129	--
	110,275,235	294,176	32,197,456	1,076,072	--
Trade and other payables	--	--	1,815,929	--	--
Accrued expenses	--	--	142,479	--	--
Lease liability	--	--	204,931	--	--
	--	--	2,163,339	--	--
Net exposure	110,275,235	294,176	30,034,117	1,076,072	--

24. FINANCIAL INSTRUMENT – FAIR VALUES AND RISK MANAGEMENT Continued

(iii) Market risk Continued

FINANCIAL RISK MANAGEMENT continued

The following significant exchange rates have been applied.

	Weighted average rates		Year end spot rates	
	2021	2020	**2021**	2020
USD	**3.75**	3.75	**3.75**	3.75
GBP	**5.0687**	4.2842	**5.0612**	5.0762
Euro	**4.4090**	4.8184	**4.2491**	4.5688
SGD	**2.8057**	2.8054	**2.7732**	2.8377

Sensitivity analysis

Every 5% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before zakat and income tax for the year by SR 286,516 (2020: SR 307,609).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The Group manages interest rate risk by monitoring interest rate exposures and mismatches between interest bearing financial assets and liabilities on a regular basis. As at the reporting date, the Group is not exposed to any significant interest rate risk.

This is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

Other price risk

The primary goal of the Group's investment in private equity securities is to hold the investments for the long term for strategic purposes. Management is assisted by external advisers in this regard.
Certain investments are designated as at FVTPL because their performance is actively monitored
and they are managed on a fair value basis.

25. ROSPECTIVE CHANGES IN ACCOUNTING POLICIES

Following are the new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2021 and earlier application is permitted; however, the Company has not early adopted them in preparing these financial statements.

Effective date	New standards or amendments 2021
1 January 2021	Onerous contracts - cost fulfilling a contract (Amendments to IAS 37) COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) Definition of Accounting Estimates (Amendments to IAS 8) Reference to the Conceptual Framework (Amendments to IFRS 3)

The management believes that the above pronouncement has no material impact on the consolidated financial statements.

The following is a brief on the other new IFRS and amendments to IFRS, effective for annual periods beginning on or after 1 January 2022:

Effective for annual periods beginning on or after	Standard, amendment or interpretation	Summary of requirements
1 January 2022	Amendments to IAS 1 – "Classification of Liabilities as Current or Non-current"	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification the amendment is not expected to have an impact on the financial statements of the Company.
1 January 2022	Reference to the Conceptual Framework – Amendments to IFRS 3	In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations -Reference to the Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

25. PROSPECTIVE CHANGES IN ACCOUNTING POLICIES Continued

The following is a brief on the other new IFRS and amendments to IFRS, effective for annual periods beginning on or after 1 January 2022: Continued

Effective for annual periods beginning on or after	Standard, amendment or interpretation	Summary of requirements
1 January 2022	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.
1 January 2022	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'.
1 January 2022	Amendments to IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment

26. STANDARD ISSUED BUT NOT YET EFFECTIVE

Following are the new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted them in preparing these consolidated financial statements.

	New standards or amendments 2021
1 January 2022	Amendments to IAS 37 – Onerous contracts – Cost of fulfilling a Contract
1 January 2021	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform – phase 2

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to comply with the capital requirements set by the Capital Market Authority ('CMA') to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base.

During the year ended 31 December 2013, new Prudential Rules (the "rules") were introduced by the CMA pursuant to its Resolution Number 1-40-2012 dated 17/2/1434H corresponding to 30/12/2012G. The rules state that an authorized person shall continually possess a capital base which corresponds to not less than the total of the capital requirements as prescribed under Part 3 of Prudential Rules.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Capital Management of the Group is as follows:

	2021 **SR 000**	2020 SR000
Description:		
Capital Base:		
Tier I capital	180,411	153,986
Total	**180,411**	153,986
Minimum capital requirement:		
Credit Risks	77,005	54,592
Market Risks	7,632	7,194
Operational risks	11,315	8,363
Total	**95,952**	70,149
Total Capital Ratio	1.88	2.20
Surplus in Capital	84,459	83,837

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Company's Board of Directors on 27 March 2022, corresponding to 24 Shaban 1443H.

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