Bait Al Mal Al Khaleeji Company
(A Saudi Closed Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Bait Al Mal Al Khaleeji Company
(A Saudi Closed Joint Stock Company)

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For the year ended 31 December 2024

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Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)
Adeer Tower, 15th Floor
Prince Turki Bin Abdulaziz Street, Al Khobar Corniche
P.O. Box 3795
Al Khobar 31952
Kingdom of Saudi Arabia
Head Office – Riyadh

C.R. No. 2051058792

Tel: +966 13 840 4600
Fax: +966 13 882 0087

ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BAIT AL MAL AL KHALEEJI COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

Opinion

We have audited the consolidated financial statements of Bait Al Mal Al Khaleeji Company ("the Company") (a Saudi Joint Stock Company) and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 2024, and its consolidated financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

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 International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with that Code. 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 Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the applicable provisions of the Regulations for Companies and 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 i.e, the Audit Committee is responsible for overseeing the Group's financial reporting process.

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 the 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 judgment and maintain professional skepticism 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, 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.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

for Ernst & Young Professional Services

Marwan S. AlAfaliq
Certified Public Accountant
Registration No. (422)

Al Khobar: 2 Shawwal 1446H
31 March 2025

Bait Al Mal Al Khaleeji Company
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	*2024* SR	*2023* SR
Revenue from contracts with customers	6	**1,007,378**	2,141,401
Loss on sale of investments at fair value through profit or loss		**(446,774)**	-
Fair value gain on investments at fair value through profit or loss		**9,546**	171,641
Dividends income		**386,145**	20,439
TOTAL REVENUE		**956,295**	2,333,481
General and administration expenses	10	**(6,070,395)**	(5,532,317)
Gain on sale of investment in properties	15	**-**	5,450,219
Finance costs	11	**(21,742)**	(33,073)
Fund establishment expenses		**(1,150,029)**	-
Custody fees		**(55,000)**	-
Finance income		**-**	441,039
Other income		**158,005**	20,700
(LOSS) / PROFIT BEFORE ZAKAT		**(6,182,866)**	2,680,049
Zakat	12	**(233,877)**	(308,631)
(LOSS) / PROFIT FOR THE YEAR		**(6,416,743)**	2,371,418
OTHER COMPREHENSIVE INCOME / (LOSS)			
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods (net of zakat):			
Actuarial gain / (loss) on employees' defined benefit liabilities	21	**65,270**	(23,770)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(6,351,473)**	2,347,648
Total comprehensive income attributable to:			
Equity holders of the parent		**(6,066,922)**	2,347,648
Non-controlling interests		**(284,551)**	-
		(6,351,473)	2,347,648
EARNING PER SHARE			
Basic and diluted earning per share from (loss) / profit for the year	24	**(0.80)**	0.30

The attached notes 1 to 27 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	*2024* SR	*2023* SR
ASSETS			
NON-CURRENT ASSETS			
Leasehold improvements and furniture	13	**136,035**	143,621
Investment properties	14	**39,662,433**	5,640,000
Investment in real estate fund	15	**-**	35,022,433
Right-of-use assets	16	**2,572,951**	283,115
TOTAL NON-CURRENT ASSETS		**42,371,419**	41,089,169
CURRENT ASSETS			
Financial assets at fair value through profit or loss	17	**3,647,229**	8,168,933
Amounts due from related parties	23	**1,314,849**	2,727,393
Prepayments and other receivables	18	**1,079,945**	338,048
Bank balances and cash	19	**5,072,729**	1,455,266
TOTAL CURRENT ASSETS		**11,114,752**	12,689,640
TOTAL ASSETS		**53,486,171**	53,778,809
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	**80,000,000**	80,000,000
Accumulated losses		**(34,641,040)**	(28,574,118)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**45,358,960**	51,425,882
Non-controlling interest		**4,715,449**	-
TOTAL EQUITY		**50,074,409**	51,425,882
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities	21	**70,329**	169,995
Lease liability	16	**1,753,951**	-
TOTAL NON-CURRENT LIABILITIES		**1,824,280**	169,995
CURRENT LIABILITIES			
Accruals and other payables	22	**865,712**	817,218
Current portion of lease liability	16	**546,000**	296,295
Zakat provision	12	**175,770**	1,069,419
TOTAL CURRENT LIABILITIES		**1,587,482**	2,182,932
TOTAL LIABILITIES		**3,411,762**	2,352,927
TOTAL EQUITY AND LIABILITIES		**53,486,171**	53,778,809

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to the equity holders of the parent				
	Share capital	*Accumulated losses*	*Total*	*Non-controlling interest*	*Total Equity*
	SR	*SR*	*SR*	*SR*	*SR*
Balance as at 1 January 2023	80,000,000	(30,921,766)	49,078,234	-	49,078,234
Profit for the year	-	2,371,418	2,371,418	-	2,371,418
Other comprehensive loss	-	(23,770)	(23,770)	-	(23,770)
Total comprehensive income	-	2,347,648	2,347,648	-	2,347,648
Balance as at 31 December 2023	80,000,000	(28,574,118)	51,425,882	-	51,425,882
Initial contribution	-	-	-	5,000,000	5,000,000
Loss for the year	-	(6,132,192)	(6,132,192)	(284,551)	(6,416,743)
Other comprehensive income	-	65,270	65,270	-	65,270
Total comprehensive loss	-	(6,066,922)	(6,066,922)	(284,551)	(6,351,473)
Balance as at 31 December 2024	**80,000,000**	**(34,641,040)**	**45,358,960**	**4,715,449**	**50,074,409**

The attached notes 1 to 27 form part of these financial statements.

Bait Al Mal Al Khaleeji Company
(A Saudi Closed Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	Notes	***2024*** ***SR***	*2023* *SR*
OPERATING ACTIVITIES			
(Loss) / profit before zakat for the year		**(6,182,866)**	2,680,049
Adjustments to reconcile (loss) / profit before zakat to net cash flows:			
Depreciation of leasehold improvements and furniture	13	**42,086**	36,558
Depreciation of right of-use-assets	16	**283,115**	283,115
Fair value gain on investments at fair value through profit or loss		**(9,546)**	(171,641)
Finance income		**-**	(441,039)
Finance costs	11	**21,742**	33,073
Gain on sale of investment properties		**-**	(5,450,219)
Employees' defined benefit liabilities provision	21	**124,153**	54,216
		(5,721,316)	(2,975,888)
Working capital adjustments:			
Amounts due from related parties		**1,412,544**	(1,163,299)
Prepayments and other receivables		**(741,897)**	(70,932)
Financial assets at fair value through profit or loss		**4,531,250**	(7,812,891)
Accruals and other payables		**48,494**	73,704
Cash used in operating activities		**(470,925)**	(11,949,306)
Zakat paid	12	**(1,127,526)**	(415,652)
Finance income received		**-**	441,039
Employees' defined benefit liabilities paid	21	**(166,276)**	(110,500)
Net cash flows used operating activities		**(1,764,727)**	(12,034,419)
INVESTING ACTIVITIES			
Purchases of investment in real estate fund		**-**	(1,000,000)
Acquisition of a subsidiary, net of cash acquired	5	**6,000,000**	-
Purchases of leasehold improvements and furniture	13	**(34,500)**	(65,048)
Net cash from / (used in) an investing activities		**5,965,500**	(1,065,048)
FINANCING ACTIVITY			
Payments of lease liability	16	**(583,310)**	(310,310)
Net cash flows used in a financing activity		**(583,310)**	(310,310)
INCREASE IN BANK BALANCES AND CASH		**3,617,463**	(13,409,777)
Bank balances and cash at the beginning of the year		**1,455,266**	14,865,043
BANK BALANCES AND CASH THE END OF THE YEAR	19	**5,072,729**	1,455,266

SUPPLEMENTAL NON CASH TRANSACTIONS:

Transfer of investment properties to real estate fund		**-**	**(28,572,214)**

The attached notes 1 to 27 form part of these financial statements.

1 CORPORATE INFORMATION

1.1 Bait Al Mal Al Khaleeji Company (the "Parent Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia in accordance with Ministerial Resolution number 133/Q dated 25 Rabi'II 1430H, corresponding to 21 April 2009. The Company is operating under commercial registration numbered 2050065112 issued in Dammam on 23 Jumada Al-Awwal 1430H (corresponding to 18 May 2009). The registered address of the parent Company is P.O. Box 9177, Dammam 31413, Kingdom of Saudi Arabia.

1.2 The parent Company owns an effective interest of 87.51% in units of Shubaily Real Estate Fund ("Real Estate Fund" or "subsidiary") for purposes of future business prospective of a plot of land under development located in Al-Khobar, Kingdom of Saudi Arabia.

1.3 The parent Company is wholly owned by GCC shareholders.

1.4 The parent Company's principal place of business is in Dammam city, Kingdom of Saudi Arabia.

1.5 The parent Company and its subsidiary is collectively referred to as (the "Group").

1.6 The Group is engaged in dealing as a principal, managing mutual funds and providing consultation and safekeeping services for securities business in accordance with its licenses No. 08123-37 and No. 15/5967/6/1/S dated 19 Jumada Al-Awwal 1436 H (corresponding to 10 March 2015), issued by the Capital Market Authority ("CMA") and investment in land located at Al-Khobar, Kingdom of Saudi Arabia to develop and construct 36 resident villas and sell it after project completion, to earn investment returns to units owners.

1.7 The consolidated financial statements of the Group as of 31 December 2024 were authorised for issuance by the Board of Directors on 1 Shawwal 1446H (corresponding to 30 March 2025).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia ("KSA') and other standards and pronouncements that are endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA").

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting. The Group has prepared these consolidated financial statements on the basis that it will continue to operate as going concern.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Saudi Arabian Riyals (SR), which is the functional currency of the Group.

2 BASIS OF PREPARATION (continued)

2.4 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2024. 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
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 consolidated financial statements 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 Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. 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 the 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 derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss. Any investment retained is recognised at fair value.

Non-controlling interest represents the portion of profit or loss and net assets that are not held by the Group and are presented separately in the consolidated statement of financial position and within shareholder's equity in the consolidated statement of financial position, separately from the equity attributable to the shareholder of the Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The following are the material accounting policies adopted in preparation of the consolidated financial statements:

3.1 Fair value measurement

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

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

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

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

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

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

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

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

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

3.2 Revenue from contracts with customers

The Group recognises revenue from managing mutual funds, providing consultation and safekeeping services for securities business and dividend income received from equity investments.

- Revenue from managing assets services (including mutual funds) is recognised based on the applicable management agreements and recognised as they are earned over time. Management fees is earned on daily basis for an annual percentage of the Net Assets Value (NAV) of the funds managed by the Group. Management fees is variable based on the change in NAV. The Group estimates the amount of consideration to which it will be entitled in exchange for its services. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

- Revenue from subscription fee is recognised upon subscription to the fund, revenue is recognised at a point of time (subscription time).

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Revenue from contracts with customers (continued)

- Revenue from Management fees is recognised based on the applicable management agreements and recognised as they are earned over time. Management fees is earned on daily basis for an annual percentage of the Net Assets Value (NAV) of the funds managed by the Group. In accordance with Capital Market Authority regulations effective in 2018; Fund manager should be segregated from Custodian.
- Dividends income from investments are recognised when the right to receive dividends is established.

3.3 Expenses

All the Group’s expenses, except for finance costs, fund expenses and custody fees are general and administrative

3.4 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.5 Cash dividend distribution to equity holders

The Group recognises a liability to pay a dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per provisions of Companies' Law, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in consolidated statement of changes in equity.

3.6 Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

3.7 Zakat and indirect tax

Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations and are charged to the consolidated statement of profit or loss and other comprehensive income.

Value added tax (VAT)

Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the Zakat , Tax and Customs Authority ("ZATCA"), in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Zakat and indirect tax (continued)

Value added tax (VAT) (continued)

The net amount of VAT recoverable from, or payable to, the ZATCA is included as part of other receivables or other payables.

3.8 Current versus non-current classification

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

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or a 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. 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 settlement of liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

3.9 Leasehold improvements and furniture/depreciation

Leasehold improvements and furniture are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the Leasehold improvements and furniture and borrowing costs for long-term projects if the recognition criteria are met. When significant parts of Leasehold improvements and furniture are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Leasehold improvements and furniture as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss and other comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

-	Leasehold improvements	4 years
-	Furniture, fixtures and office equipment	4 years

An item of Leasehold improvements and furniture and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of Leasehold improvements and furniture are reviewed at each financial year end and adjusted prospectively, if appropriate.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 Investment properties

The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less accumulated depreciation and any accumulated impairment losses. Freehold land and capital work in progress are not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in consolidated statement of profit or loss and other comprehensive income in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

3.11 Financial instruments – initial recognition, subsequent measurement and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1 Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(i) Financial assets at amortised cost (debt instruments)
(ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - not applicable to the Group
(iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - not applicable to the Group
(iv) Financial assets at fair value through profit or loss

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

3.11.1 Financial assets (continued)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b. 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Not with standing the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

3.11.1 Financial assets (continued)

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

-	Disclosures for significant assumptions	Note 4
-	Due from related parties	Note 23

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For due from related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.11.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include lease liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

(ii) Loans and borrowings

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

3.11.2 Financial liabilities (continued)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to lease liability

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Financial instruments – initial recognition, subsequent measurement and derecognition (continued)

3.11.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.12 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

Disclosures for significant assumptions	Note 4
Leasehold improvements and furniture	Note 13

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 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 groups 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive

3.13 Bank balances and cash

Bank balances and cash in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.14 Statutory reserve

In accordance with Companies' By-law, the Group must transfer 10% of its income in each year until it has built up a reserve equal to 30% of the capital. The reserve is not available for distribution.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.

Lease liability

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 average 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 accretion of interest and 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.

Short-term and low value assets’ leases

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are items that do not meet the Group’s capitalization threshold and are considered to be insignificant for the statement of financial position for the Group as a whole. Payments for short-term leases and leases of low-value assets are recognised on a straight-line basis in the consolidated statement of profit or loss and other comprehensive income.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax (zakat) rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.17 Employees' benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position under accrued expenses and other liabilities.

Employees' defined benefit obligations

The Group operates a non-funded employee end-of-service benefit plan, which is classified as defined benefit obligation under IAS 19 'Employee Benefits'. A defined benefit plan is a plan which is not a defined contribution plan. The liability recognised in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets at that date. The defined benefit obligation is re-measured by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using market yields at the end of the reporting period of high quality corporate bonds that have terms to maturity approximating to the estimated term of the post employment benefit obligations. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Net interest cost is calculated by applying the discount rate to the net balance of the DBO and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognised in equity through other comprehensive income in the period in which they arise. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs. In KSA, for the liability for employees’ end of service benefits, the actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor and Workmen Law as well as the Group policy.

3.18 Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, they are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

3.19 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.19 Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 7
- Financial instruments risk management objectives and policies Note 17

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

4.1 Judgements

In the process of applying the Group' accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

4.1.1 Revenue from contracts with customers

The Group's revenue for management and custody fees are variable as the contracts are based on variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for rendering its services. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved, which is by end of the reporting period; as the fees are based as annual percentage of the NAV's of funds managed by the Group.

4.2 Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.2.1 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities to which the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.2.2 Valuation of defined benefit obligations

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension 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 and other assumptions. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.2.3 Provision for expected credit losses of amounts due from related parties

The Group uses a provision matrix to calculate ECLs for due from related parties. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (continued)

4.2 Estimates and assumption (continued)

4.2.3 Provision for expected credit losses of amounts due from related parties (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. For detailed information, please refer note 17.

4.2.4 Useful lives of leasehold improvements and furniture

Management determines the estimated useful lives of its leasehold improvements and furniture for calculating depreciation. This estimate is determined after considering the expected usage of the asset, duration of contract with the customer and physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

4.2.5 Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows.

4.2.6 Fair value of investment properties

Investment properties are stated at cost; however fair value is estimated for disclosure purposes. Fair value is estimated based on appraisals performed by independent professionally-qualified property valuers.

4.2.7 Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

5 BUSINESS COMBINATIONS

During 2023, the parent company entered into an agreement to establish real estate fund (Shubaily Real Estate Fund) for the purposes of future business prospective of a plot of land under development located in Khobar, Kingdom Saudi Arabia. The Parent Company had contributed SR 1 million in cash and in kind by transfer of a parcel of land with a fair value of SR 34 million. During the year, the parent Company established that it has control over the fund holding 87.51% units of the fund. Accordingly, the investment in real estate fund was converted to investment in a subsidiary.

5 BUSINESS COMBINATIONS (continued)

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of establishment of control:

	SR
Value Of Assets Acquired At 1 January 2024	
Investment properties	**34,022,433**
Bank balances and cash	**6,000,000**
Total identifiable net assets acquired at 1 January 2024	**40,022,433**
Non-controlling interest measuring at fair value	**5,000,000**

Analysis of cash flows:

	SR
Bank balances acquired with the subsidiary	**6,000,000**
Net cash flow on acquisition	**6,000,000**

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

6.1 Disaggregated revenue information

	2024 ***SR***	*2023* *SR*
Type of services		
Management fee	**1,007,378**	1,016,977
Arrangement fee	**-**	1,000,000
Subscription fee	**-**	124,424
Total revenue from contracts with customers	**1,007,378**	2,141,401
Geographical markets		
Kingdom of Saudi Arabia	**1,007,378**	2,141,401
Total revenue from contracts with customers	**1,007,378**	2,141,401

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

6.1 Disaggregated revenue information (continued)

	2024	*2023*
	SR	*SR*
Timing of revenue recognition		
Recognised at a point in-time	**-**	1,124,424
Services transferred over time	**1,007,378**	1,016,977
Total revenue from contracts with customers	**1,007,378**	2,141,401
Customer wise revenue recognition		
Related parties customers (note 23)	**1,007,378**	2,141,401
Total revenue from contracts with customers	**1,007,378**	2,141,401

6.2 Contract balances

	2024	*2023*
	SR	*SR*
Due from related parties (note 23)	**1,314,849**	2,727,393

Due from related parties are non-interest bearing and are generally on terms of 30 to 45 days.

7 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 authorised 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.

8 CAPITAL ADEQUACY

Capital Market Authority has issued Prudential Regulations (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H) pursuant to Royal Decree No. M/30 dated 2/6/1424H. According to the Rules, CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under Pillar I.

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

	2024	*2023*
	SR 000	*SR 000*
Capital base		
Tier I	**45,359**	51,426
Total	**45,359**	51,426
Minimum capital		
Market risk	**584**	1,307
Credit risk	**4,070**	25,719
Operational risk	**1,391**	935
Concentration risk	**21,525**	-
Total	**27,570**	27,961

8 CAPITAL ADEQUACY (continued)

	2024	*2023*
Capital adequacy ratio	**1.65**	1.84
Surplus	**17,789**	23,465

a) Capital Base of the Group comprise of:

- Tier-1 capital consists of paid-up share capital, accumulated losses, share premium (if any), reserves excluding revaluation reserves.

b) The minimum capital requirements for market, credit & operational risk are calculated as per the requirements specified in the part 3 of the Prudential Rules issued by the CMA.

c) The Group’s business objectives when managing capital adequacy is to comply with the capital requirements set forth by the CMA to safeguard the Group’s ability to continue as a going concern, and to maintain a strong capital base.

9 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities as at 31 December 2024 and 31 December 2023:

2024		**Fair value measurement using**		
	Total	***Quoted prices in active markets (Level 1)***	***Significant observable inputs (Level 2)***	***Significant unobservable inputs (Level 3)***
Assets measured at fair value:				
Listed equity investments	**3,647,229**	**3,647,229**	**-**	**-**

2023		Fair value measurement using		
	Total	*Quoted prices in active markets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*
Assets measured at fair value:				
Listed equity investments	8,168,933	8,168,933	-	-

There were no transfers between Level 1 and Level 2 during 2024 and 2023.

10 GENERAL AND ADMINISTRATION EXPENSES

	2024	*2023*
	SR	*SR*
Employees' costs	**3,384,441**	2,693,333
Legal and professional fees	**806,751**	1,317,552
Directors attending allowance	**719,553**	3,911
Depreciation of right of-use-assets (note 16)	**283,115**	283,115
Subscriptions and license fees	**247,473**	276,355
Utilities	**157,470**	269,060
Repair and maintenance	**128,613**	86,706
Depreciation of leasehold improvements and furniture (note 13)	**42,086**	36,559
Travel	**29,835**	128,031
Insurance	**22,929**	14,685
Others	**248,129**	423,010
	6,070,395	5,532,317

11 FINANCE COSTS

	2024	*2023*
	SR	*SR*
Accretion of interest on lease liability (note 15)	**14,015**	27,396
Accretion of finance cost on employees defined benefit liabilities (note 20)	**7,727**	5,677
	21,742	33,073

12 ZAKAT

12.1 Charge for the year

The Group is subject to zakat at the rate of 2.5% of zakat base calculated in accordance with zakat regulations enforced in the Kingdom of Saudi Arabia.

The zakat charge consists of:

	2024	*2023*
	SR	*SR*
Charge for the year	**175,770**	308,631
Prior year adjustments	**58,107**	-
	233,877	308,631

12 ZAKAT

12.1 Charge for the year (continued)

The difference between the financial and the zakatable results are mainly due to provisions which are not allowed in the calculation of zakatable results.

12.2 Movement in zakat provision

The movement in the zakat provision was as follows:

	2024	*2023*
	SR	*SR*
At the beginning of the year	**1,069,419**	1,176,440
Provided during the year	**233,877**	308,631
Payments during the year	**(1,127,526)**	(415,652)
At the end of the year	**175,770**	1,069,419

12.3 Status of assessments

Parent Company

The parent Company has filed the zakat returns for the period ended 31 December 2013 and for the years ended 31 December 2014 to 31 December 2023 with the Zakat, Tax and Customs Authority ("ZATCA").

In 2022, the ZATCA had issued the final assessments for the years 2018, 2019, and 2020 with additional zakat liability of SR 698,618, SR 20,568, and SR 42,686 respectively. During the year, the parent Company has accepted the assessments and paid the additional zakat liability.

During the year, the ZATCA has issued the assessment for the year 2021 with additional zakat liability of SR 58,107, and the parent Company has accepted the assessment and paid the additional zakat liability.

The assessments for the period ended 31 December 2013, for the years ended 31 December 2014 to 2017, 2022 and 2023 have not yet been raised by the ZATCA.

Zakat base has been computed based on the Group's understanding of the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Kingdom of Saudi Arabia are subject to different interpretations. The assessments to be raised by the ZATCA could be different from the declarations filed by the Group.

13 LEASEHOLD IMPROVEMENTS AND FURNITURE

	Leasehold improvements SR	*Furniture, fixtures and office equipment SR*	*Total SR*
Cost:			
At 1 January 2023	198,733	1,305,119	1,503,852
Additions	-	65,048	65,048
At 31 December 2023	198,733	1,370,167	1,568,900
Additions	-	34,500	34,500
At 31 December 2024	**198,733**	**1,404,667**	**1,603,400**
Accumulated Depreciation:			
At 1 January 2023	198,733	1,189,988	1,388,721
Charge for the year	-	36,558	36,558
At 31 December 2023	198,733	1,226,546	1,425,279
Charge for the year	-	42,086	42,086
At 31 December 2024	**198,733**	**1,268,632**	**1,467,365**
Net book amounts:			
At 31 December 2024	**-**	**136,035**	**136,035**
At 31 December 2023	-	143,621	143,621

13.1 The depreciation charge has been allocated to general and administrative expenses (2023: same).

14 INVESTMENT PROPERTIES

	Land SR	*Total SR*
At 1 January 2023	34,212,214	34,212,214
Transfer to investment in real estate fund (note 15)	(28,572,214)	(28,572,214)
At 31 December 2023	5,640,000	5,640,000
Relating to acquisition of a subsidiary (note 5)	34,022,433	34,022,433
At 31 December 2024	**39,662,433**	**39,662,433**

14 INVESTMENT PROPERTIES (continued)

Investment properties represent long-term Investments in plots of land.

As at 31 December 2024, the fair value of plots of land are based on valuations performed by Ali Abdelrahman Dahame (valuer), an independent valuer accredited by The Saudi Authority for Accredited Valuers (TAQEEM). The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plots size, location, encumbrances and current use. The fair value at 2024 was SR 40.2 million (2023: SR 5.9 million).

The fair value measurement hierarchy of the investment properties is considered level 2; the significant unobservable input is the adjustment for factors specific to the land in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

15 INVESTMENT IN REAL ESTATE FUND

The balance was represents long term investment in shares in real estate fund (Shubaily Real Estate Fund) for purposes of future business prospective of a plot of land under development located in Khobar, Kingdom Saudi Arabia. In 2023, the Parent Company was made contributions to the fund, including the transfer of a piece of land with a fair value of SR 34 million, as well as a cash contribution of SR 1 million. The difference of SR 5.5 million between the fair value of the land and its carrying value had been recorded in the consolidated statement of profit or loss and other comprehensive income. Effective from 1 January 2024, the investment in real estate fund is ceased to exist and converted into investment in a subsidiary (refer note 5).

16 LEASES

Below are the carrying amounts of right-of-use assets recognised and the movements during the year

	2024	*2023*
	SR	*SR*
At 1 January	**283,115**	566,230
Additions during the year	**2,572,951**	-
Depreciation expense	**(283,115)**	(283,115)
At 31 December	**2,572,951**	283,115

Set out below are the carrying amounts of lease liabilities and the movements during the year

	2024	*2023*
	SR	*SR*
As at 1 January	**296,295**	579,210
Accretion of interest	**14,015**	27,395
Additions	**2,572,951**	-
Payments	**(583,310)**	(310,310)
As at 31 December	**2,299,951**	296,295
Current	**546,000**	296,295
Non Current	**1,911,000**	-
Maturity analysis - contractual undiscounted cash flows		
Less than 1 year	**546,000**	310,310
Later than one year to five years	**1,911,000**	-
	2,457,000	310,310

17 FINANCIAL INSTRUMENTS

17.1 Financial assets

	2024	*2023*
	SR	*SR*
Financial assets at fair value through profit or loss		
Listed equity investments in the Kingdom of Saudi Arabia (current)	**3,647,229**	8,168,933
	3,647,229	8,168,933

17.2 Fair values

As of reporting date, financial assets at amortised costs consist of bank balances, short term deposits and amounts due from related parties. The fair values of financial assets approximate their carrying amounts due to their short-term nature.

17.3 Financial instruments risk management objectives and policies

The Group's principal financial assets include listed equity investments, amounts due from related parties, bank balances, and short term deposits.

The Group’s activities expose it to both direct and indirect financial risk, including: market risk and credit risk. Material direct exposure to financial risk occurs through the impact on profit of movements in funds under management (“FUM”) and through its direct investments in quoted equity shares.

17.3.1 Market risk

The key direct risks associated with the Company are those driven by investment and market volatility and the resulting impact on Funds Under Management ("FUM") or a reduction in the growth of FUM. Reduced FUM will directly impact on management fee income and profit because management fee income is calculated as a percentage of the NAV of FUM. FUM can be directly impacted by a range of factors including:

a) Poor investment performance;
b) Market volatility;
c) A loss of key personnel; and
d) Investor allocation decisions: investors constantly re-assess and re-allocate their investments on the basis of their own preferences. Investor allocation decisions could operate independently from investment performance, such that funds outflows occur despite positive investment performance.

The Group closely monitors the above factors and ensure proper and timely actions.

17 FINANCIAL INSTRUMENTS (continued)

17.3 Financial instruments risk management objectives and policies (continued)

17.3.1 Market risk (continued)

(i) Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuation in the prevailing interest rates on the Group's financial position and cash flows. The Company is not subject to any interest rate risk as it does not hold any interest bearing financial instruments.

17.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Group did not undertake significant transactions in currencies other than Saudi Riyals; therefore the Group is not exposed to foreign currency risk.

17.3.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily due from related parties.

Cash are substantially placed with commercial banks with sound credit ratings. The maximum exposure to direct credit risk at reporting date is the carrying amount of amounts due from related parties. No assets are past due or impaired. No ECL provision is recognised as the ECL amount is immaterial to the financial statements.

17.3.4 Equity price risk

The Group’s listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company’s senior management on a regular basis. The Company’s Board of Directors reviews and approves all equity investment decisions.

17 FINANCIAL INSTRUMENTS (continued)

17.4 Financial instruments risk management objectives and policies (continued)

17.3.5 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains different lines of credit. The Company's terms of contracts require amounts to be paid within 30-90 days of the date of billings. Accounts payables are normally settled within 30-60 days of billing date or receipt of a correctly rendered invoice.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

2024	***Less than a year SR***	***1 to 5 years SR***	***> 5 years SR***	***Total SR***
Lease liability	**546,000**	**1,911,000**	**-**	**2,457,000**
	546,000	**1,911,000**	**-**	**2,457,000**

2023	*Less than a year SR*	*1 to 5 years SR*	*> 5 years SR*	*Total SR*
Lease liability	310,310	-	-	310,310
	310,310	-	-	310,310

Changes in liabilities arising from financing activities

	1 January 2023 SR	***Cash outflow SR***	***Others/Cash inflow SR***	***31 December 2024 SR***
Lease liability	**268,900**	**(268,900)**	**-**	**-**
Total liabilities from financing activities	**268,900**	**(268,900)**	**-**	**-**

	1 January 2022 SR	*Cash outflow SR*	*Others/Cash inflow SR*	*31 December 2023 SR*
Lease liability	579,210	(310,310)	-	268,900
Total liabilities from financing activities	579,210	(310,310)	-	268,900

18 PREPAYMENTS AND OTHER RECEIVABLES

	2024	*2023*
	SR	*SR*
Advances to supplier	**627,771**	-
Prepaid expenses	**223,013**	338,048
VAT receivable, net	**163,686**	-
Other receivables	**65,475**	-
	1,079,945	338,048

19 BANK BALANCES AND CASH

	2024	*2023*
	SR	*SR*
Cash at banks	**5,067,015**	1,450,300
Cash on hand	**5,714**	4,966
	5,072,729	1,455,266

20 SHARE CAPITAL

Capital is divided into 8,000,000 shares (2023: 8,000,000 shares) of SR 10 each (2023: SR 10 each) as following:

Shareholders	*Nationality*	*Shareholding percentage %*	
		2024	*2023*
Al-Dammam Development Company	Kingdom of Saudi Arabia	**80.44**	80.44
Integrated Capital	United Arab Emirates	**16.25**	16.25
Mr. Khaled Ben Ahmed Ben Rashed Al Dossery	Kingdom of Saudi Arabia	**1.25**	1.25
Mr. Khaliefa Ben Ahmed Ben Rashed Al Dossery	Kingdom of Saudi Arabia	**1.25**	1.25
Mr. Mohammed Ben Ahmed Ben Rashed Al Dossery	Kingdom of Saudi Arabia	**0.81**	0.81
		100	100

During 2018; Integrated Capital has agreed to sell its entire ownership of the Company to Al-Dammam Development Company, the legal formalities in that respect had not been completed as of reporting date.

21 EMPLOYEES' DEFINED BENEFIT LIABILITIES

The Company has one defined benefit plan (unfunded), which is a final salary plan in line with Labor Law requirement in the Kingdom of Saudi Arabia and require to recognise the provision for employees' end-of-service benefits for the amounts payable at the statement of financial position date in accordance with the employees' contracts of employment applicable to employees' accumulated periods of service. In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations in respect of employees' end-of-service benefits payable under relevant local regulations and contractual arrangements. The main actuarial assumptions used to calculate the defined unfunded benefit obligation are as follows:

	2024	*2023*
Discount rate	**5.60%**	4.90%
Salary increase rate	**4.01%**	4.01%

21 EMPLOYEES' DEFINED BENEFIT LIABILITIES (continued)

Break up of net benefit costs charged to statement of profit or loss and other comprehensive income is as follows:

	2024	*2023*
	SR	*SR*
Current service cost	**124,153**	54,216
Finance cost on defined benefit obligation	**7,727**	5,677
Net benefit expense	**131,880**	59,893

Changes in the present value of defined unfunded benefit liabilities is as follows:

	2024	*2023*
	SR	*SR*
Defined benefit liabilities at the beginning of the year	**169,995**	196,832
Net benefit expense	**131,880**	59,893
Benefits paid	**(166,276)**	(110,500)
Re-measurement (gains) / loss on employees' defined benefit liabilities	**(65,270)**	23,770
Defined benefit liabilities at the end of the year	**70,329**	169,995

A quantitative sensitivity analysis for significant assumption on the defined benefit liabilities as at 31 December 2024 and 31 December 2023 and the impact on the defined benefit liabilities is shown as below:

	2024	*2023*
	SR	*SR*
Discount rate:		
1% increase	**(62,874)**	(153,792)
1% decrease	**79,307**	189,322
Long-term future salary increase:		
1% increase	**79,743**	190,160
1% decrease	**(62,401)**	(152,837)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following payments are expected against the defined benefit liability in future years:

	2024	*2023*
	SR	*SR*
Within the next 12 months (next annual reporting period)	**4,486**	24,613
Between 2 and 5 years	**13,413**	37,548
Beyond 5 years	**136,963**	249,161
Total expected payments	**154,862**	311,322

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.68 year (31 December 2023: 10.5 years).

22 ACCRUALS AND OTHER PAYABLES

	2024	*2023*
	SR	*SR*
Accrued professional fee	**413,486**	193,350
Accrued employee related costs	**216,735**	87,100
GOSI payable	**64,161**	152,113
Accrued custody fees	**55,000**	-
Value added tax payable	**-**	140,332
Other accrued expenses	**116,330**	244,323
	865,712	817,218

23 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. The Company enters into transactions with funds under the Group’s management.

The Group in the normal course of business carries out transactions with various related parties. Transactions with related parties' included in the consolidated statement of profit or loss and other comprehensive income are as follows:

Nature of transactions	*Relationship of related parties*	*Amount of Transactions*	
		2024	*2023*
		SR	*SR*
Management fee	Fund management	**1,007,378**	1,016,977
Subscription fee	Fund management	**-**	124,424
Transfer of investment properties to real estate fund	Fund management	**-**	34,022,433
Arrangement fees	Fund establishment	**-**	1,000,000
Consultancy fees	Director	**630,443**	630,443

The compensation for the key management personal during the year amounting to SR 630,443 (31 December 2023: SR 630,443).

The break down of amounts due from related parties is as follows:

Amounts due from related parties shown in statement of financial position under current assets:

	2024	*2023*
	SR	*SR*
Dammam Development company	**1,171,774**	1,273,705
Shubaily Real Estate Fund	**-**	1,150,000
BMK Saudi Equity Fund	**67,500**	128,136
Elite House GCC Equity Fund	**47,773**	111,571
BMK Saudi Freestyle Equity and Sharia Compliant	**18,323**	40,339
BMK IPO Fund	**9,479**	23,642
	1,314,849	2,727,393

Terms and conditions of transactions with related parties

The above transactions are approved by the Company's management. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

24 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the (loss) / profit for the year by the weighted average number of ordinary shares outstanding during the year. The following reflects the (loss) / income and share data used in the basic and diluted earnings per share computations:

	2024	*2023*
	SR	*SR*
(Loss) / profit for the year	**(6,416,743)**	2,371,418
Weighted average number of ordinary shares	**8,000,000**	8,000,000
Basic and diluted earnings per share attribute to share equity holders of the parent company	**(0.80)**	0.30

25 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

25.1 Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its consolidated financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

25.2 IFRS 18 Presentation and Disclosure in consolidated financial statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of consolidated financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary consolidated financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

24 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

25.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application

As the Group's equity instruments will be publicly traded, it is not eligible to elect to apply IFRS 19.

26 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

26.1 *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback*

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

26.2 *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current*

The amendments to IAS 1 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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

26.3 *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of consolidated financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

27 EVENTS AFTER THE REPORTING DATE

In the opinion of management, there have been no further significant subsequent events since the year ended 31 December 2024 that would have a material impact on the financial position of the Group as reflected in these consolidated financial statements.