AUDI CAPITAL COMPANY
(A MIXED CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
AND INDEPENDENT AUDITOR'S REPORT

Contents	**Pages**

Independent auditor's report to the shareholders' of Audi Capital Company (A Mixed Closed Joint Stock Company)

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Audi Capital Company (the "Company") as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in shareholders' equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements.

Other information

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent auditor's report to the shareholders' of Audi Capital Company (A Mixed Closed Joint Stock Company) (continued)

Responsibilities of management and those charged with governance for the financial statements

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

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the shareholders' of Audi Capital Company (A Mixed Closed Joint Stock Company) (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers

Khalid A. Mahdhar
License Number 368

26 March 2025

AUDI CAPITAL COMPANY
(A MIXED CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at December 31, 2024	As at December 31, 2023
Assets			
Non-current assets			
Property and equipment, net	5	**173,331**	384,753
Intangible assets, net	6	**16,072**	102,499
Investments at fair value through other comprehensive income (FVOCI)	7	**21,401,971**	14,492,977
Deferred tax assets	17.5	**2,378,029**	2,480,497
Total non-current assets		**23,969,403**	17,460,726
Current assets			
Accounts receivables, prepayments and other assets, net	8	**8,127,862**	10,404,209
Investments at fair value through other comprehensive income (FVOCI)	7	**3,343,005**	31,721,657
Investments at fair value through profit or loss (FVPL)	9	**12,401,689**	6,394,030
Cash and cash equivalents, net	10	**1,650,478**	548,869
Short-term deposit	11	**21,963,628**	-
Total current assets		**47,486,662**	49,068,765
Total assets		**71,456,065**	66,529,491
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital	13	**60,000,000**	100,000,000
Statutory reserve	14	**10,398,896**	10,398,896
Accumulated losses		**(10,044,120)**	(52,181,256)
Other reserves		**2,092,118**	1,527,916
Net shareholders' equity		**62,446,894**	59,745,556
Non-current liabilities			
Employees' end of service benefits (EOSB)	15	**2,977,297**	2,983,200
Deferred tax liability	17.5	**510,602**	481,102
Total non-current liabilities		**3,487,899**	3,464,302
Current liabilities			
Accrued expenses and other payables	16	**5,479,154**	3,277,322
Zakat and income tax provision	17.3	**42,118**	42,311
Total current liabilities		**5,521,272**	3,319,633
Total liabilities		**9,009,171**	6,783,935
Total liabilities and shareholders' equity		**71,456,065**	66,529,491

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

AUDI CAPITAL COMPANY
(A MIXED CLOSED JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the year ended December 31, 2024	2023
Operating income			
Income from dealing and brokerage services	18	**11,380,232**	4,193,422
Income from assets management services		**4,834,190**	4,017,890
Income from custody services		**4,698,560**	4,145,687
Income from advising services		**299,912**	-
Total operating income		**21,212,894**	12,356,999
Fees expense		**(247,160)**	(302,054)
Total operating income		**20,965,734**	12,054,945
Operating expenses			
General and administrative expenses	19	**(18,684,728)**	(15,511,445)
Net operating income / (loss)		**2,281,006**	(3,456,500)
Other revenue / (expenses), net	20	**58,422**	(77,963)
Charge for expected credit losses (ECL) on financial assets, net		**(211,372)**	-
Income / (loss) before zakat and tax		**2,128,056**	(3,534,463)
Deferred tax asset written-off		**-**	(12,964,477)
Deferred tax reversal /(charge)	17.5.1	**9,080**	(80,027)
Net income / (loss) for the year		**2,137,136**	(16,578,967)
<u>Other comprehensive income</u>			
Items that will be reclassified subsequently to statement of comprehensive income:			
Net changes in fair value debt instruments at FVOCI during the year		**557,747**	864,010
Deferred tax impact of net changes in fair value debt instruments at FVOCI	17.5.1	**(111,548)**	(172,802)
Items that will not to be reclassified subsequently to statement of comprehensive income:			
Re-measurement gain on employees' EOSB	15	**147,503**	120,970
Deferred tax impact of remeasurement gain on employees' EOSB	17.5.1	**(29,500)**	(24,194)
Other comprehensive income for the year		**564,202**	787,984
Total comprehensive income / (loss) for the year		**2,701,338**	(15,790,983)

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

AUDI CAPITAL COMPANY
(A MIXED CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	**Statutory reserve**	**Accumulated losses**	**Other reserves**	**Total**
Balance as at January 1, 2023	100,000,000	10,398,896	(35,602,289)	739,932	75,536,539
Net loss for the year	-	-	(16,578,967)	-	(16,578,967)
Debt instruments at FVOCI change in fair value during the year	-	-	-	864,010	864,010
Deferred tax impact of net changes in fair value debt instruments at FVOCI	-	-	-	(172,802)	(172,802)
Re-measurement gain on employees' EOSB	-	-	-	120,970	120,970
Deferred tax impact of remeasurement gain of employees' EOSB	-	-	-	(24,194)	(24,194)
Total comprehensive loss for the year	-	-	(16,578,967)	787,984	(15,790,982)
Balance at December 31, 2023	100,000,000	10,398,896	(52,181,256)	1,527,916	59,745,556
Balance as at January 1, 2024 Reduction in share capital	**100,000,000**	**10,398,896**	**(52,181,256)**	**1,527,916**	**59,745,556**
Share capital decrease	**(40,000,000)**	**-**	**40,000,000**	**-**	**-**
Net income for the year	**-**	**-**	**2,137,136**	**-**	**2,137,136**
Debt instruments at FVOCI change in fair value during the year	**-**	**-**	**-**	**557,747**	**557,747**
Deferred tax impact of net changes in fair value debt instruments at FVOCI	**-**	**-**	**-**	**(111,548)**	**(111,548)**
Re-measurement gain on employees' EOSB	**-**	**-**	**-**	**147,503**	**147,503**
Deferred tax impact of remeasurement gain on employees' EOSB	**-**	**-**	**-**	**(29,500)**	**(29,500)**
Total comprehensive income for the year	**(40,000,000)**	**-**	**42,137,136**	**564,202**	**2,701,338**
Balance at December 31, 2024	**60,000,000**	**10,398,896**	**(10,044,120)**	**2,092,118**	**62,446,894**

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

AUDI CAPITAL COMPANY
(A MIXED CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the year ended December 31, 2024	2023
Cash flows from operating activities			
Income / (loss) before zakat and income tax		**2,128,056**	(3,534,463)
Adjustments for non-cash and other items:			
Depreciation and amortization	5,6	**317,637**	226,306
Provisions for employees' EOSB	15	**573,200**	523,900
Foreign exchange (loss)/income, net	20	**(45,227)**	102,243
Amortization of premium and discount of investments, net		**(520,011)**	(308,897)
Charge for expected credit losses (ECL) on financial assets, net		**211,372**	-
Loss on disposal of investments at FVTOCI		**311,049**	-
Gain / (loss) on disposal of investments at FVPL		**(2,745,273)**	216,858
Unrealized gain of investments at FVPL		**(2,708,356)**	(140,172)
		(2,477,553)	(2,914,225)
Operating cash flows before working capital changes:			
Accounts receivable, prepayments and other assets		**2,276,348**	164,207
Margin lending		**-**	1,248,765
Accrued expenses and other payables		**2,201,832**	(373,978)
Net cash flow generated from / (used in) operations		**2,000,627**	(1,875,231)
Zakat and income tax paid	17.3	**(193)**	(922)
Employees' EOSB paid	15	**(431,600)**	(412,709)
Net cash (used in) operating activities		**1,568,834**	(2,288,862)
Cash flows from investing activities			
Purchase of investments at FVOCI		**(24,394,713)**	-
Purchase of investments at FVPL		**(8,976,561)**	(4,349,700)
Proceeds from disposal of investments at FVPL		**8,426,325**	1,283,181
Proceeds from disposal of investments at FVOCI		**46,472,512**	-
Short-term deposit	11	**(21,975,000)**	-
Purchase of property and equipment	5	**(19,788)**	(5,720)
Net cash used in investing activities		**(467,225)**	(3,072,239)
Net change in cash and cash equivalents		**1,101,609**	(5,361,101)
Cash and cash equivalents at the beginning of the year	10	**553,776**	5,914,877
Cash and cash equivalents at the end of the year	10	**1,655,385**	553,776

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

1 General information

Audi Capital Company (the "Company") is a Mixed Closed Joint Stock Company and a 97.99% owned subsidiary of BABB holding limited, incorporated and domiciled in Riyadh, Kingdom of Saudi Arabia. The Company has obtained a license number 692 dated Jumada Al Awal 2, 1427H (corresponding to May 30, 2006) from the Saudi Arabian General Investment Authority ("SAGIA"). The Company is registered under commercial registration number 1010226747 dated Dhul Hajjah 18, 1427H (corresponding to January 8, 2007). The Company has also obtained a license number 06017-37 dated Rabi Al Thani 22, 1427H (corresponding to May 20, 2006) from the Capital Market Authority (the "CMA"). The registered office is located at Centria Building, Prince Mohammad bin Abdulaziz Road (Tahlia), Riyadh, Kingdom of Saudi Arabia.

The Company is licensed to act as principal and agent, to underwrite and manage mutual funds and portfolios and to provide arranging, advising, custodial and international brokerage services.

2 Material accounting policies

Material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

i. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia ("KSA") and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

ii. Basis of measurement

These financial statements have been prepared:

- under the historical cost convention except for:

- fair valuation of investments at fair value through profit or loss (FVPL).
- fair valuation of investments at fair value through other comprehensive income (FVOCI).
- employees' end of service benefits carried at their present value of defined benefit obligations.

- using the accrual basis of accounting.

iii. Functional and presentation currency

The financial statements are presented in Saudi Riyals ("SR") which is the Company's functional currency. All values have been rounded to the nearest Saudi Riyal, except where otherwise indicated.

2.1 Current versus non-current classification

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

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

All other assets are classified as non-current.

2 Material accounting policies (continued)

2.2 Financial instruments

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.

(i) Financial assets

Classification of financial assets depends on the Company's business model for managing its financial assets and the contractual terms of the cash flows. The Company classifies its financial assets as:

- financial assets measured at amortised cost, or
- financial assets measured at fair value

Gains or losses of assets measured at fair value will be recognised either through profit or loss or through other comprehensive income ("OCI").

Initial measurement

Financial assets are initially measured at its fair value, plus transaction costs in the case of a financial asset not at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Debt instruments

The Company uses two classifications to subsequently measure and recognize its debt instruments:

- *Amortised cost*

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements as solely payment of principal and interest.

Time deposits, due from related parties and other receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and are measured at amortised cost.

- *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit on financial instruments and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of income.

- *Fair value through profit or loss ("FVPL")*

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. Financial assets that do not meet the criteria for subsequent recognition at amortised cost or FVOCI, are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and which is not part of a hedging relationship is recognised and presented net in the profit or loss in the period in which it arises.

2 Material accounting policies (continued)

2.2 Financial instruments (continued)

(i) Financial assets (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss even following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive dividend is established.

Changes in the fair value of equity instruments at fair value through profit or loss are recognised in the statement of income.

De-recognition

A financial asset or a part of a financial asset is de-recognised when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company 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:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

The Company assesses on a forward-looking basis the Expected Credit Losses ("ECL") associated with its financial assets carried at amortised cost, which is either based on a 12-month ECL or life time ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities not subsequently measured at fair value, net of directly attributable transaction costs.

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

Subsequent measurement

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

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.

Gains or losses on liabilities held for trading are recognised in profit or loss. 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 Company has not designated any financial liability as at fair value through profit or loss.

All other financial liabilities that are not carried at fair values are subsequently measured at amortized cost.

2 Material accounting policies (continued)

2.2 Financial instruments (continued)

(ii) Financial liabilities (continued)

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 statement of income.

(iii) Offsetting of financial instruments

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

2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included, if any, in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of income during the period in which they are incurred.

The major categories of property and equipment are depreciated on a straight-line basis as follows:

Asset categories	***Useful lives***
Furniture, fixtures and improvements	10 years
Office equipment and computers	4 years
Motor vehicles	4 years

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted prospectively if appropriate. Impairment losses and gains on disposal of property and equipment are included in the statement of income.

2.4 Intangible assets

Intangible assets of the Company comprise computer software.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment, if any.

Expenditure on internally developed software is recognized as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalized cost of internally developed software includes all cost directly attributable to developing the software and is amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and accumulated impairment, if any.

Amortization is recognized in the statement of income on a straight-line basis over the estimated useful life of the software from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is four years.

Amortization method, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Subsequent expenditure on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed in the statement of income.

2 Material accounting policies (continued)

2.5 Employees' end of service benefits

The Company operates a defined benefit scheme for its employees in accordance with labor regulations applicable in the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefits scheme is determined using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to statement of income in subsequent periods. Re-measurements are not reclassified to the statement of income in subsequent periods.

Interest expense is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation under 'general and administration expenses' in the statement of comprehensive income.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

2.6 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.7 Zakat and income tax

Zakat

Zakat is provided for in accordance with the Saudi Arabian regulations and is charged to the statement of income on an accrual basis. This is adjusted, if applicable, upon receiving the final zakat assessment.

Income tax

Income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the Kingdom of Saudi Arabia where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2 Material accounting policies (continued)

2.7 Zakat and income tax (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of income is recognised outside the statement of income. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.8 Provisions

Provisions for legal claims are recognized in other liabilities when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted where the effect is material.

2.9 Contingent liabilities

A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of obligations cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less. These deposits are made with reputable banks and financial institutions within the Kingdom of Saudi Arabia.

2 Material accounting policies (continued)

2.11 Revenue

The Company recognises revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price	The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocate the transaction price	For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Recognise revenue	The Company recognises revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Based on the above five steps, the revenue recognition policies for the various revenue stream are as follow:

Income from dealing and brokerage services

Dealing and brokerage activities include trading in a security, whether as principal or agent, and to sale, purchase and to manage the subscription for/of underwriting securities. Income from dealing and brokerage services is recognized when the performance obligations have been satisfied.

Income from assets management services

Managing activities include managing securities and funds belonging to another person in circumstances involving the exercise of discretion. Management fees are recognised on an accrual basis over the period as the Company renders services. The performance fee income is based on a portfolio's performance. In many cases, these performance fees are highly susceptible to market volatility until they are crystallised or are no longer subject to claw back, which may be after the end of the reporting period.

In the case of the Company, the effect of the claw back does not apply since the Company does not recognize any revenue against the performance fee until the end of the relevant period. If the benchmark has been achieved, this is when the performance fee is crystallized and recorded as revenue.

Income from advising services

Advising activities include advising a person on the merits of dealing in a security or exercising any right to deal conferred by a security. This relates to income generated by providing financial advisory services to counterparties, individuals and institutional investors. The Company charges financial advisory service fees and recognises this as revenue upon delivery of services or once the performance obligation is fulfilled based on the agreement between the Company and the counterparty.

Income from custody services

Custody activities include safeguarding assets belonging to another person including securities, or arranging for another person to do so, and custody includes taking the necessary administrative measures. Revenue from custody activities are recognized once the performance obligation is fulfilled based on the agreement between the Company and the counterparty which is over time.

2 Material accounting policies (continued)

2.12 Net gain or loss on financial assets at fair value through profit or loss

Net gains or losses on financial assets at FVPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses on the disposal of financial instruments which were realised in the reporting period. Realised gains and losses represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

2.13 Dividend income

Dividend income is recognised on the date when the Company's right to receive the dividend is established.

2.14 Interest revenue and expense

Interest revenue and expense are recognised in profit or loss for all interest-bearing financial instruments using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the assets and liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset. 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 in dealing income /interest expense in the statement of income, if it does not qualify for capitalisation. Fee and commission income that are integral to EIR calculation are included in the measurement of the relevant assets. Fee and commission income that are not an integral part of the EIR calculation on a financial asset or liability are recognised when the related service is provided.

2.15 Fees and expenses

Fees related to managing, custody, arranging, advising, dealing, and other similar services are recognized when the related services are received.

General and administration expenses are mainly staff costs, professional fees and rent. All other expenses are classified based on their nature in the statement of income.

2.16 Dividends

Final dividend is recognised as a liability in the Company's financial statements in the period in which it is approved by the Company shareholders. Interim dividend is recorded as a liability when approved by the Board of Directors.

2.17 Leases

Right of use (RoU) assets / lease liabilities

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

Right of use assets

The Company applies the cost model, and measures right of use assets at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and

b) adjusted for any re-measurement of the lease liability for lease modifications.

If there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to the transaction, etc., these need to be added to the RoU asset value.

2 Material accounting policies (continued)

2.17 Leases (continued)

Lease liability

On initial recognition, the lease liability is the present value of all remaining payments to the lessor. After the commencement date, the Company measures the lease liability by:

a) Increasing the carrying amount to reflect incremental financing rate on the lease liability;

b) Reducing the carrying amount to reflect the lease payments made; and

c) Re-measuring the carrying amount to reflect any re-assessment or lease modification.

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

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

Low-value assets comprise small items relating to office equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

The Company currently does not have any finance lease arrangements.

3 Material accounting estimates and assumptions

The preparation of the Company's financial statements in accordance with IFRS as endorsed in KSA requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying 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 the asset or liability affected in future periods. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The key assumptions concerning the future and other key estimates made regarding 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.

3.1 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

3.2 Re-measurement of employees' EOSB liabilities

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates.

3.3 Deferred income tax asset recognition

The recognised deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded in the statement of financial position. Deferred income tax assets are recorded to the extent that realisation of the related tax benefit is probable. The future taxable profits and the amount of tax benefits that are probable in the future are based on a medium-term business plan prepared by management and extrapolated results thereafter. The business plan is based on management expectations that are believed to be reasonable under the circumstances. Key assumption in the business plan is the extent that realisation of the related tax benefit is probable.

4 New standards, amendment to standards and interpretations

4.1 New standards, interpretations and amendments adopted by the company

The following new and revised International Financial Reporting Standards have been adopted, which became effective for annual periods beginning on or after 1 January 2024. The adoption of these new revised International Financial Reporting Standards has not had any material effect on the reported amounts for current and prior years.

Standard, interpretation, amendments	**Description**	**Effective from annual periods beginning on or after**
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024

(All amounts in Saudi Riyals unless otherwise stated)

4 New standards, amendment to standards and interpretations (continued)

4.1 New standards, interpretations and amendments adopted by the company (continued)

Standards Issued but not yet effective:

The listing of standards and interpretations issued which the Company reasonably expects to be applicable at a future date are as follows. The Company intends to adopt these standards when they become effective. These amendments and standards are not expected to have any impact on the financial statements of the Company.

Standard / Interpretation	Description	Effective from periods beginning on or after the following date
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendment to IFRS 9 and IFRS 7 -Classification and Measurement of Financial Instruments	These amendments: clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)	1 January 2026

(All amounts in Saudi Riyals unless otherwise stated)

4 New standards, amendment to standards and interpretations (continued)

4.1 New standards, interpretations and amendments adopted by the company (continued)

Standards Issued but not yet effective: (continued)

Standard / Interpretation	Description	Effective from periods beginning on or after the following date
IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	This new standard works alongside other IFRS. An eligible subsidiary applies the requirements in other IFRS except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: • it does not have public accountability; and it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027
IFRS 18, 'Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: • the structure of the statement of profit or loss; • required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1 January 2027

5 Property and equipment, net

	2024			
	Furniture, fixtures and improvements	**Office equipment and computers**	**Motor vehicles**	**Total**
Cost				
As at the beginning of the year	**6,080,433**	**10,044,808**	**75,000**	**16,200,241**
Additions during the year	**-**	**19,788**	**-**	**19,788**
As at the end of the year	**6,080,433**	**10,064,596**	**75,000**	**16,220,029**
Accumulated depreciation				
As at the beginning of the year	**6,076,742**	**9,663,746**	**75,000**	**15,815,488**
Charge for the year	**2,482**	**228,728**	**-**	**231,210**
As at the end of the year	**6,079,224**	**9,892,474**	**75,000**	**16,046,698**
Net book value				
As at December 31, 2024	**1,209**	**172,122**	**-**	**173,331**

(All amounts in Saudi Riyals unless otherwise stated)

5 Property and equipment, net (continued)

	2023			
	Furniture, fixtures and improvements	**Office equipment and computers**	**Motor vehicles**	**Total**
Cost				
As at the beginning of the year	6,080,433	10,039,088	75,000	16,194,521
Additions during the year	-	5,720	-	5,720
As at the end of the year	6,080,433	10,044,808	75,000	16,200,241
Accumulated depreciation				
As at the beginning of the year	6,071,240	9,403,565	75,000	15,549,805
Charge for the year	5,502	260,181	-	265,683
As at the end of the year	6,076,742	9,663,746	75,000	15,815,488
Net book value				
As at December 31, 2023	3,691	381,062	-	384,753

6 Intangible assets, net

Intangible assets comprise software that is depreciated on a straight-line basis.

	As at December 31,	
	2024	**2023**
Cost		
At the beginning of the year	**12,585,830**	12,585,830
Additions during the year	**-**	-
At the end of the year	**12,585,830**	12,585,830
Accumulated amortization		
At the beginning of the year	**12,483,331**	12,522,708
Charge for the year	**86,427**	92,246
Prior years adjustment	**-**	(131,623)
At the end of the year	**12,569,758**	12,483,331
Net book value	**16,072**	102,499

7 Investment at fair value through other comprehensive income (FVOCI)

Investments at FVOCI consists of the following debt instruments:

		As at December 31,	
	Maturity date	**2024**	**2023**
Foreign government notes-fixed rate	31-Jan-24	**-**	14,945,183
Foreign government notes-fixed rate	23-May-24	**-**	14,492,977
Corporate bond-fixed rate	16-Apr-24	**-**	7,436,378
Corporate bond-fixed rate	27-Jan-24	**-**	5,612,157
Corporate bond-fixed rate	28-Mar-24	**-**	3,727,939
Corporate bond-fixed rate	13-Oct-27	**9,421,684**	-
Corporate bond-fixed rate	20-Nov-25	**3,343,005**	-
Corporate bond-fixed rate	31-May-26	**3,273,691**	-
Corporate bond-fixed rate	01-Mar-26	**2,960,564**	-
Corporate bond-fixed rate	09-Feb-27	**2,944,132**	-
Foreign government notes-fixed rate	30-Apr-26	**2,801,900**	-
Total		**24,744,976**	46,214,634

(All amounts in Saudi Riyals unless otherwise stated)

7 Investment at fair value through other comprehensive income (FVOCI) (continued)

As at December 31, 2024, investments held at FVOCI comprise of investment in international bonds and the movements as follows:

	As at December 31, 2024
Balance at the beginning of the year	**46,214,634**
Disposals	**(46,472,512)**
Additions	**24,394,713**
Unrealized gain on remeasurement	**253,045**
Bonds' Premium	**355,096**
Balance at the end of the year	**24,744,976**

8 Accounts receivables, prepayments and other assets

	As at December 31,	
	2024	**2023**
Management and advisory fees receivable	**4,861,384**	2,865,841
Advance income tax receivable	**1,277,121**	5,943,342
Prepaid charges	**908,692**	920,265
Accrued special commission income	**754,846**	313,309
Advances to staff	**391,045**	85,494
Other	**122,552**	126,046
Advance to supplier	**3,241**	141,477
Accrued brokerage income	**8,981**	8,435
	8,327,862	10,404,209
Less: Allowance for ECL	**(200,000)**	-
	8,127,862	10,404,209

9 Investments at fair value through profit or loss (FVPL)

	As at December 31,	
	2024	**2023**
Cost	**10,087,272**	6,787,082
Unrealized income/(loss)	**2,314,417**	(393,052)
Market value	**12,401,689**	6,394,030

The company has various investments at fair value through profit or loss (FVPL) as follows:

- The company owns 65,000 units, which represents 19.54% of the fund's ownership.
- Listed equities which are recorded at fair value through profit or loss (FVPL).

As at December 31, 2024, investments held at FVPL movements as follows:

	As at December 31, 2024
Balance at the beginning of the year	**6,394,030**
Disposals	**(5,681,051)**
Additions	**8,976,561**
Unrealized gain on remeasurement	**2,712,149**
Balance at the end of the year	**12,401,689**

(All amounts in Saudi Riyals unless otherwise stated)

10 Cash and cash equivalents, net

	As at December 31, 2024	2023
Cash in hand	**39,764**	26,217
Cach at banks – current accounts	**1,615,621**	527,559
Cash and cash equivalent in statement of cash flow	**1,655,385**	553,776
Less: Allowance for ECL	**(4,907)**	(4,907)
	1,650,478	548,869

The Company held its cash in local and international banks.

11 Short term deposits

	As at December 31, 2024	2023
Short term deposit	**21,975,000**	-
Less: Allowance for ECL	**(11,372)**	-
	21,963,628	-

During the year, the Company placed a short-term deposit of SR 21.9 million with Arab National Bank having average profit rate of 5.6% multiple maturities 6 months, 11 months and 12 months.

12 Related party transactions and balances

The related parties of the Company comprise the shareholders' affiliated companies, key management personnel, and directors and businesses which are controlled directly or indirectly or influenced by the directors or key management personnel. The Company enters into transactions with related parties in the normal course of its business.

12.1 The following are details of related parties' transactions during the year:

Name	*Relationship*	*Nature*	For the year ended December 31, 2024	2023
Bank Audi SAL	Ultimate shareholder	Fee expense	**(65,277)**	(52,584)
Bank Audi Suisse	Shareholder	Dealing income	**2,669,308**	1,287,661
		Custody income	**423,931**	486,043
		Fee expense	**(112,937)**	(193,888)
Saudi opportunities fund	Fund managed by the Company	Dealing income	**52,091**	59,351
		Managing income	**1,541,754**	1,417,602
Audi income fund	Fund managed by the Company and an investee	Dealing income	**98,991**	(65,220)
		Managing income	**51,176**	94,192

The remuneration to the Board of Directors, Audit committee and key management personnel is as follows:

	As of December 31, 2024	2023
Board of Directors meeting attendance fees	**100,000**	200,000
Audit Committee meeting attendance fees	**100,000**	200,000
Key management personnel	**2,608,400**	2,445,000

(All amounts in Saudi Riyals unless otherwise stated)

12 Related party transactions and balances (continued)

12.2 The following are details of related parties' balances as at December 31, 2024 and 2023:

Name	*Relationship*	*Nature*	As of December 31, 2024	2023
Bank Audi SAL	Ultimate shareholder	Cash and cash equivalents	**8,243**	4,319
		Accrued expenses and other payables	**154,550**	34,892
Bank Audi Suisse	Shareholder	Cash and cash equivalents	**169,717**	13,885
		Accounts receivables, prepayments and other assets	**1,695,014**	818,040
		Accrued expenses and other payables	**118,586**	60,898
Odea Bank A.S.	Entity with common control	Cash and cash equivalents	**13,022**	15,330
Saudi opportunities fund	Fund managed by the Company	Accounts receivables, prepayments and other assets	**151,232**	138,714
Audi income fund	Fund managed by the Company and an investee	Accounts receivables, prepayments and other assets	**10,837**	14,846

13 Share Capital

	As at December 31, 2024	2023
Ordinary shares	**60,000,000**	100,000,000

In the year ended December 31, 2023, the Company's financial position showed accumulated losses that exceeded 50% of its share capital. On March 3, 2024, the Board of Directors passed a resolution recommending that shareholders approve a decrease of the paid-in share capital from SR 100 million to SR 60 million. This adjustment offseted the accumulated losses, as stated in the Declaration to comply with Article 134 of the Companies Regulations as of December 31, 2023.

The Company's authorized share capital of SR 60 million (December 31, 2023: SR 100 million) is divided into 6 million shares (December 31, 2023: 10 million shares) of SR 10 each, which is fully paid.

14 Statutory reserve

Annual or interim dividends may be allocated to shareholders from the distributable profits, following the guidelines set forth in the Executive Regulations of the Companies Law. When calculating the allocation of net profits, the Ordinary General Assembly has the authority to establish reserves as deemed beneficial for the company or to facilitate the consistent distribution of dividends to shareholders. Additionally, the General Assembly may allocate portions of the net profits for social purposes that benefit the company's employees. Finally, the General Assembly will decide the percentage of net profits, after reserves have been deducted, that will be distributed to shareholders.

15 Employees' end of service benefits (EOSB)

The movement in provision for end-of-service benefits for the year ended as follows:

	As at December 31, 2024	2023
Balance at the beginning of the year	**2,983,200**	2,992,979
Charge for the year	**573,200**	523,900
Remeasurement gain due to actuarial valuation	**(147,503)**	(120,970)
Payments during the year	**(431,600)**	(412,709)
Balance at the end of the year	**2,977,297**	2,983,200

(All amounts in Saudi Riyals unless otherwise stated)

15 Employees' end of service benefits (EOSB) (continued)

The charge for the year in statement of income comprises:

	As at December 31,	
	2024	**2023**
Current service cost	**423,100**	372,400
Interest cost	**150,100**	151,500
	573,200	523,900

Management carried out and exercises to assess the present value of its obligations, using the projected unit credit method.

Significant actuarial assumptions

The following were the principal actuarial assumptions used in the actuarial valuation:

	As at December 31,	
	2024	**2023**
Financial assumptions		
Discount rate	**5.25%**	4.5%
Salary growth rate	**3.75%**	3.75%
Demographic assumptions		
Retirement age	60 years	60 years

A quantitative sensitivity analysis for significant assumptions on the employees' end of service benefits are shown below:

	As at December 31,	
Discount rate	**2024**	**2023**
0.5 % increase	**(44,900)**	(45,300)
0.5% decrease	**46,200**	46,500
Future salary increases		
0.25% increase	**46,700**	46,800
0.25% decrease	**(45,700)**	(45,800)

The sensitivity analysis above has 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.

16 Accrued expenses and other payables

	As at December 31,	
	2024	**2023**
Accrued expenses	**3,082,188**	2,517,702
Accounts payables and others	**2,396,966**	759,619
	5,479,154	3,277,322

(All amounts in Saudi Riyals unless otherwise stated)

17 Zakat, income tax and deferred tax

17.1 Zakat working

The zakat charge amounting to SR 143 (2023: SR 193) represents a provision for the current year. The Company didn't charge any additional zakat provision during year 2024 and 2023 due to the insignificant computed zakat charge as stated below:

	As at December 31,	
	2024	**2023**
Share capital	**60,000,000**	100,000,000
Accumulated losses	**(10,044,120)**	(35,602,289)
Statutory reserve	**10,398,896**	10,398,896
Provisions	**258,408**	2,585,178
Other reserves	**2,092,117**	739,932
Other	**3,487,899**	42,311
	66,193,201	78,164,028
Book value of non-current assets	**(2,567,432)**	(487,252)
Deductible Liabilities to the cap of non-current assets deducted	**(3,114,300)**	-
	60,511,469	77,676,775
Adjusted loss for the year	**(503)**	(2,964,007)
Zakat base	**60,510,966**	74,712,769
Saudi shareholders' share of the zakat base at 0.01% (2023: 0.01%)	**5,549**	7,713
Zakat charge at 2.5%	**143**	193

17.2 Income tax working

Charge for the year

During the current year, the Company provided for income tax of Nil (2023: Nil), relating to the non-Saudi shareholders' holding of 99.99% (2023: 99.99%) of the share capital.

17.3 Movement of income tax and Zakat

Movements in provision during the year

The movement of the zakat provision for the year was as follows:

	2024	**2023**
At the beginning of the year	**-**	503
Charge for the year	**-**	-
Prior years adjustment	**193**	419
Paid during the year	**(193)**	(922)
At the end of the year	**-**	-

Movements in provision during the year

The movement of the income tax provision for the year was as follows:

	2024	**2023**
At the beginning of the year	**42,311**	42,311
Charge for the year	**-**	-
Paid during the year	**(193)**	-
At the end of the year	**42,118**	42,311

(All amounts in Saudi Riyals unless otherwise stated)

17 Zakat, income tax and deferred tax (continued)

17.4 Status of assessment

i. For the years from 2007, 2008, and from 2016 to 2018

The Zakat, Tax and Customs Authority ("ZATCA") issued the refund of SAR 4,738,402.95 related to 2007 and 2008 and finalized the Company's Zakat and tax status for the years 2007, 2008, and from 2016 to 2018.

ii. For the years from 2009 to 2015

During 2018, the Company received assessments from the ZATCA for the years 2009 to 2012 resulting in additional zakat, income tax and withholding tax liabilities amounting to a total of SR 4,235,607, in addition to delay penalties. The Company has filed an appeal providing its detailed arguments against such assessments. The ZATCA issued revised zakat and income tax assessments for the said years with additional zakat and tax liabilities amounting to a total of SR 288,953 (i.e. a total reduction from the first assessments in amount of SR 3,946,654), in addition to delay penalties. The Company did not agree with the ZATCA's revised assessments and escalated its case with the Committee for Resolution of Tax Violations and Disputes ("CRTVD") through the General Secretariat of Tax Committees ("GSTC") portal. The CRTVD issued its decision which was mostly in favor of the Company. ZATCA has appealed the decision with the Appellate Committee for Tax Violations and Disputes Resolution ("ACTVDR"). The ACTVDR issued its decision, where it accepted a few items from the ZATCA's appeal resulting in income tax and zakat liability of SAR 210,099.62, which was paid by the Company. Noting that ZATCA did not apply the decision and reflected it on its system until to date.

During 2019, the Company received assessments from the ZATCA for the years 2013 to 2015 resulting in additional zakat, income tax and withholding tax liabilities amounting to a total of SR 4,649,585, in addition to delay penalties. The Company filed an appeal providing its detailed arguments against such assessments. The ZATCA issued the revised assessments for the said years with additional zakat and income tax liabilities amounting to a total of SR 1,090,716 (i.e. a total reduction from the first assessments in amount of SR 3,558,869), in addition to delay penalties. The Company did not agree with the ZATCA's revised assessment and escalated its case with the CRTVD through the GSTC portal. The CRTVD issued its decision which was in favor of the Company. ZATCA has appealed the decision with the ACTVDR. The ACTVDR issued its decision, where it accepted a few items from the ZATCA's appeal resulting in income tax and zakat liability of SAR 6,774.68, which was paid by the Company. However, the ZATCA did not apply the decision and reflected it on its system until to date.

It should be noted that, the Company has settled the principle amounts under dispute related to FY2009-FY2015 appeal in order to avail the amnesty initiative launched by ZATCA and waive-off all penalties imposed related to this litigation. In this respect, the company is entitled to refund the principal amounts of SAR 266,582.97 related to the WHT from FY2009-2015.

iii. For the years from 2019 to 2022

The company filed its Zakat and tax returns with ZATCA and received the Zakat and tax certificate. The ZATCA did not issue its Zakat and tax assessments for the said years until to date.

17.5 Deferred tax

	As of December 31,	
	2024	**2023**
Deferred tax asset- profit or loss		
Employee defined benefit liabilities	**1,106,062**	1,077,742
Carried forward taxable losses	**-**	-
Property and equipment	**1,284,394**	1,303,633
Deferred tax asset- other comprehensive income		
Investments at FVOCI	**(12,427)**	99,122
	2,378,029	2,480,497
Deferred tax liability- other comprehensive income		
Employees' end of service benefits	**510,602**	481,102

(All amounts in Saudi Riyals unless otherwise stated)

17 Zakat, income tax and deferred tax (continued)

17.5.1 Deferred tax movement

The movement of the deferred tax assets for the year was as follows:

	As at December 31, 2024
Balance at the beginning of the year	**2,480,497**
deferred tax asset reversed through profit or loss	9,080
deferred tax asset reversed other comprehensive income	(111,548)
Payment during the year	-
Balance at the end of the year	**2,378,029**

The movement of the deferred tax liabilities for the year was as follows:

	As at December 31, 2024
Balance at the beginning of the year	**481,102**
deferred tax asset reversed through profit or loss	-
deferred tax asset reversed other comprehensive income	29,500
Payment during the year	-
Balance at the end of the year	**510,602**

18 Income from dealing and brokerage services

18.1 Income from dealing

	For the year ended December 31,	
	2024	**2023**
Special commission income	**2,362,508**	1,628,207
Dividend income	**98,991**	151,638
Realized gain / (Loss) of investment at FVPL	**2,745,273**	(216,858)
Unrealized gain of investment at FVPL	**2,708,355**	140,172
Realized loss of investment at FVTOCI	**(311,049)**	-
	7,604,078	1,703,159

18.2 Income from brokerage services

Income from brokerage services	**3,776,154**	2,490,263
Total Income from dealing and brokerage services	**11,380,232**	4,193,422

19 General and administration expenses

	For the year ended December 31,	
	2024	**2023**
Employee costs	**13,598,317**	10,001,825
IT related expenses	**1,514,803**	1,368,934
Rent and utility expenses	**1,001,691**	965,288
Communication expenses	**872,886**	993,714
Legal consultant fees	**401,816**	251,857
Depreciation and amortization expense (notes 5 and 6)	**317,638**	357,929
Regulatory fees	**249,749**	241,164
Audit fees	**210,000**	210,000
Board of Directors' and Audit Committee remuneration	**200,000**	400,000
Travel and related expenses	**200,792**	236,455
Other	**117,036**	484,279
	18,684,728	15,511,445

(All amounts in Saudi Riyals unless otherwise stated)

20 Other revenue / (expenses), net

	For the year ended December 31,	
	2024	**2023**
Foreign exchange gain (loss), net	**45,227**	(102,243)
Other income	**13,195**	24,280
	58,422	(77,963)

21 Financial assets and financial liabilities

Set out below is an overview of financial assets held by the Company as at December 31, 2024, and December 31, 2023.

	As at December 31,	
	2024	**2023**
Financial assets at amortized cost		
Cash and cash equivalents	**1,655,385**	548,869
Short-Term deposit	**21,975,000**	-
Accounts receivables and other assets	**4,861,384**	3,232,444
	28,491,769	3,781,313
Financial assets at fair value		
Investments at FVPL	**12,401,689**	6,394,030
Investments at FVOCI	**24,744,976**	46,214,634
	37,146,665	52,608,664
Total current	**44,236,463**	41,897,000
Total non-current	**21,401,971**	14,492,977

Set out below is an overview of financial liabilities held by the Company as at December 31, 2024 and December 31, 2023.

	As at December 31,	
	2024	**2023**
Financial liabilities at amortized cost		
Accrued expenses and other payables	**5,479,154**	3,277,322
Zakat and income tax provision	**42,118**	-
Total current	**5,521,272**	3,277,322
Total non-current	**-**	-

22 Assets under management

These represent funds invested by the Company on behalf of its customers under a fiduciary arrangement. The investments are made in different financial instruments such as time placements, equity instruments, mutual funds and bonds. These amounts are summarized below.

December 31, 2024	**Cash**	**Funds**	**Bonds**	**Equities**	**Total**
Advisory clients	**170,473,913**	**99,567,149**	**243,215,848**	**1,741,236,701**	**2,254,493,611**
Managed mutual funds	**7,584,330**	**-**	**4,230,920**	**81,535,055**	**93,350,305**
Discretionary clients	**5,854,393**	**-**	**-**	**342,595,741**	**348,450,134**
	183,912,636	**99,567,149**	**247,446,768**	**2,165,367,497**	**2,696,294,050**

December 31, 2023	**Cash**	**Funds**	**Bonds**	**Equities**	**Total**
Advisory clients	212,878,067	97,204,322	223,327,588	1,781,161,270	2,314,571,247
Managed mutual funds	5,557,365	53,209	10,388,491	77,913,268	93,912,333
Discretionary clients	2,578,306	-	-	240,014,292	242,592,598
	221,013,738	97,257,531	233,716,079	2,099,088,830	2,651,076,178

Pledge to third parties

As at December 31, 2024, certain customers have pledged their investments, amounting to SR 314,322,917 (2023: SR 213,192,004), against their borrowings from the Company and from a third parties.

(All amounts in Saudi Riyals unless otherwise stated)

23 Fair value

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry Company, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices / Net Asset Value or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

As at December 31, 2024 the Company has SR 37,146,665 (2023: SR 52,608,664) financial assets measured at fair values, and no financial liabilities that are measured at fair values, which can be classified within either level 1 or level 2 of the fair value hierarchy. Other than the above, the fair values of all other financial assets and liabilities carried are not significantly different from their carrying amounts.

		Fair value			
December 31, 2024	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	**1,655,385**	-	-	**1,655,385**	**1,655,385**
Short-term deposit	**21,975,000**	-	-	**21,975,000**	**21,975,000**
Accounts receivables and other assets	**4,861,384**	-	-	**4,861,384**	**4,861,384**
Financial assets measured at fair value					
Investments at FVPL	**12,401,689**	**12,401,689**	-	-	**12,401,689**
Investments at FVOCI	**24,744,976**	**24,744,976**	-	-	**24,744,976**
Total	**65,638,434**	**37,146,665**	-	**28,491,769**	**65,638,434**
Financial liabilities measured at amortized cost					
Accrued and other current liabilities	**5,479,154**	-	-	**5,479,154**	**5,479,154**
Total	**5,479,154**	-	-	**5,479,154**	**5,479,154**

(All amounts in Saudi Riyals unless otherwise stated)

23 Fair value (continued)

		Fair value			
December 31, 2023	**Carrying value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at amortized cost					
Cash and cash equivalents	548,869	-	-	548,869	548,869
Margin lending	-	-	-	-	-
Accounts receivables and other assets	3,232,444	-	-	3,232,444	3,232,444
Financial assets measured at fair value					
Investments at FVPL	6,394,030	6,394,030	-	-	6,394,030
Investments at FVOCI	46,214,634	46,214,634	-	-	46,214,634
Total	56,389,977	52,608,664	-	3,781,313	56,389,977
Financial liabilities measured at amortised cost					
Accrued and other current liabilities	3,319,633	-	-	3,319,633	3,319,633
Total	3,319,633	-	-	3,319,633	3,319,633

24 Financial risk and management objectives and policies

Introduction

The Company's objective in managing risk is the creation and protection of shareholders value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes interest rate risk, currency risk and equity price risk), liquidity risk, operational risk and credit risk arising from the financial instruments it holds.

Risk management structure

The Company's Board of Directors is ultimately responsible for the overall risk management of the Company.

Risk measurement and reporting system

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on scenario analysis. The models make use of various stress testing and scenario analysis in order to report assumptions and results.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy, including the risk that the Company is willing to accept and the market environment of the Company. In addition, the Board monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Company has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

(All amounts in Saudi Riyals unless otherwise stated)

24 Financial risk and management objectives and policies (continued)

Credit risk

Credit risk refers to the risk that a party to a financial instrument will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of performing a risk assessment before entering in any relationship with the counterparty. The assessments are reviewed at least yearly. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. The Company maintains bank accounts with high credit rated financial institutions.

The table below shows the Company's maximum exposure to credit risk for components of the statement of financial position.

	As at December 31,	
	2024	**2023**
Cash and cash equivalents	**1,655,385**	548,869
Short-Term deposit	**21,975,000**	-
Accounts receivables and other assets	**4,861,384**	3,232,444
Investments at FVPL	**12,401,689**	6,394,030
Investments at FVOCI	**24,744,976**	46,214,634
	65,638,434	56,389,977

Cash equivalents

Credit risk on cash equivalents is limited as these balances are held with banks with sound credit ratings.

Credit concentration

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

No significant concentrations of credit risk were identified by the management as at the reporting date other than bank balances held with Bank Audi Suisse, which is an independent affiliate bank registered in Switzerland.

Expected credit losses ("ECL") on financial assets

The measurement of ECL under IFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and expert credit assessment including forward-looking information. The Company groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired. The Company records an allowance for the Lifetime ECL.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modeling, the remaining lifetime PD is determined to have increased significantly.

(All amounts in Saudi Riyals unless otherwise stated)

24 Financial risk and management objectives and policies (continued)

Credit risk (continued)

Expected credit losses ("ECL") on financial assets (continued)

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

a Probability of default (PD)
b Loss given default (LGD)
c Exposure at default (EAD)

These parameters are generally derived from internally developed statistical models, regulatory inputs (e.g. in case of LGD) and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on analytical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These analytical models are based on internally and externally compiled data comprising both quantitative and qualitative factors.

Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between ratings classes, then this will lead to a change in the estimate of the associated PD. PD's are estimated considering the contractual maturities of exposures.

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Company measures ECL considering the risk of default over the maximum contractual period over which it is exposed to credit risk, even if, for risk management purposes, the Company considers a longer period.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by ensuring that sufficient funds are available from shareholders and related parties at all times to meet any future commitments, and financing facilities are available. Financial liabilities comprise of other payables and these are due within one year. The undiscounted values of financial assets and financial liabilities of the Company at the reporting date are not materially different than their carrying values.

December 31, 2024	**Less than 1 year**	**More than 1 year**	**Total**
Financial assets			
Cash and cash equivalents	**1,655,385**	**-**	**1,655,385**
Short-Term deposit	**21,975,000**	**-**	**21,975,000**
Accounts receivables and other assets	**4,861,384**	**-**	**4,861,384**
Investments at FVPL	**12,401,689**	**-**	**12,401,689**
Investments at FVOCI	**3,343,005**	**21,401,971**	**24,744,976**
	44,236,463	**21,401,971**	**65,638,434**
Financial liabilities			
Accrued and other current liabilities	**2,396,972**	**-**	**2,396,972**
	2,396,972	**-**	**2,396,972**

24 Financial risk and management objectives and policies (continued)

Liquidity risk (continued)

December 31, 2023	**Less than 1 year**	**More than 1 year**	**Total**
Financial assets			
Cash and cash equivalents	548,869	-	548,869
Margin lending	-	-	-
Accounts receivables and other assets	3,232,444	-	3,232,444
Investments at FVPL	6,394,030	-	6,394,030
Investments at FVOCI	31,721,657	14,492,977	46,214,634
	41,897,000	14,492,977	56,389,977
Financial liabilities			
Accrued and other current liabilities	3,277,322	-	3,277,322
	3,277,322	-	3,277,322

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board of Directors has established limits on the interest gaps for stipulated periods. The Company's margin lending and investments in debt instruments carry fixed and accordingly management believes that the Company is not exposed to any significant interest rate risk.

Equity price risk

The value of equity investments is 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. As at December 31, 2024 and December 31, 2023, The Company is exposed to market risk with respect to its investments in mutual funds. The Company limits market risks by diversification of its investments.

Management's best estimate of the effect on statements of income and comprehensive income for a year due to a reasonably possible change in NAV and prices of listed equity securities, with all other variables held constant is indicated in the table below. An equivalent decrease shown below would have resulted in an equivalent, but opposite, impact.

		Effect on the statement of Income for the years ended	
Variable	**Change in NAV%**	**December 31, 2024**	**December 31, 2023**
	+/-5	**620,084**	319,701
Net Asset Value (NAV)	+/-10	**1,240,169**	639,403

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not have any significant exposure to currency risk, as all its significant monetary assets and monetary liabilities are denominated in Saudi Riyals and US Dollars. The Company did not undertake significant transactions in currencies other than Saudi Riyals and US Dollars during the year and Saudi Riyals is pegged to the US Dollars thus the Company is not exposed to any currency risk.

24 Financial risk and management objectives and policies (continued)

Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to the shareholders by pricing products and services commensurate with the level of risk. It is the policy of the Company to maintain adequate capital base so as to maintain investor, creditor, and market confidence and to support future development of the business. The Company's capital base sufficiently covers all material risks meeting the minimum capital requirement and the Company intends to maintain a healthy capital ratio to cater future business growth.

The Company's objectives when managing capital are, to comply with the capital requirements set by the CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base. As at December 31, 2024, the Company was in compliance with the externally imposed capital restrictions.

25 CONTINGENCIES AND COMMITMENTS

As of December 31, 2024, the Company has no contingencies or commitments that require disclosure.

26 SUBSEQUENT EVENTS

There were no subsequent events after the statement of financial position date which require adjustments to/or disclosure in the financial statements.

27 Approval of the financial statements

The financial statements have been approved by the Board of Directors on 18 March 2025 (corresponding to 18 Ramadan 1446 AH).