The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Financial Statements
For the year ended 31 December 2023
together with the
Independent Auditor's Report

The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Financial Statements
For the year ended 31 December 2023

CONTENTS	**PAGES**

Independent Auditor's Report

To the Shareholder of *The Family Office International Investment Company*

Opinion

We have audited the financial statements of **The Family Office International Investment Company** (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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").

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, 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.

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

Independent Auditor's Report

To the Shareholder of *The Family Office International Investment Company* (Continued)

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 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 of The Family Office International Investment Company (the "Company").

KPMG Professional Services

Saleh Mohammed S Mostafa
License No: 524

Al Riyadh: 15 Ramadan 1445H
Corresponding to: 25 March 2024

The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Statement of Financial Position
As at 31 December 2023
(Saudi Arabian Riyals)

	Notes	31 December 2023	31 December 2022
ASSETS			
Property and equipment, net	6	**810,634**	833,200
Right-of-use asset	7	**659,792**	1,076,501
Non-current assets		**1,470,426**	1,909,701
Cash and cash equivalents	8	**2,409,070**	6,816,324
Term deposit	9	**7,501,470**	7,473,656
Trade receivables	11	**16,308,678**	9,150,846
Prepayments and other current assets	10	**2,733,729**	2,181,745
Current assets		**28,952,947**	25,622,571
Total assets		**30,423,373**	27,532,272
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's equity			
Share capital	13	**20,000,000**	20,000,000
Statutory reserve		**622,035**	363,744
Retained earnings		**5,262,956**	3,113,048
Total shareholder's equity		**25,884,991**	23,476,792
Non-current liabilities			
Employees' end of service benefits	16	**483,215**	235,490
Lease liability	7	**234,458**	680,371
		717,673	915,861
Current liabilities			
Accounts payable and accruals	13	**2,708,250**	2,121,461
Lease liability	7	**445,907**	416,880
Zakat payable	17	**666,552**	601,278
		3,820,709	3,139,619
Total liabilities		**4,538,382**	4,055,480
Total shareholder's equity and liabilities		**30,423,373**	27,532,272

John Webley
Chairman

Abdullah Bukhari
Chief Executive Officer

The notes from (1) to (21) form an integral part of these financial statements

The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023
(Saudi Arabian Riyals)

	Notes	31 December 2023	31 December 2022
Revenue			
Service fee	12	**24,283,274**	21,582,192
Management Fee	15	**816,086**	-
		25,099,360	21,582,192
Expenses			
General and administrative expenses	18	**(22,146,021)**	(19,707,303)
Operating profit		**2,953,339**	1,874,889
Finance income		**357,936**	79,367
Finance cost		**(54,686)**	(37,037)
Profit for the year before zakat		**3,256,589**	1,917,219
Zakat charge during the year	17	**(673,679)**	(601,279)
Profit for the year		**2,582,910**	1,315,940
Other comprehensive loss:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement loss on end of service benefits	16	(174,711)	-
Total comprehensive income for the year		**2,408,199**	1,315,940

John Webley
Chairman

Abdulla Bukhari
Chief Executive Officer

The notes from (1) to (21) form an integral part of these financial statements.

The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Statement of changes in shareholder's equity
For the year ended 31 December 2023
(Saudi Arabian Riyals)

	Note	Share Capital	Statutory Reserve	Retained earnings	Total
Balance at 1 January 2022		20,000,000	232,150	1,928,702	22,160,852
Profit for the year		--	--	1,315,940	1,315,940
Other comprehensive income for the year		--	--	--	--
Total comprehensive income for the year		--	--	1,315,940	1,315,940
Transfer to statutory reserve		--	131,594	(131,594)	--
Balance at 31 December 2022		20,000,000	363,744	3,113,048	23,476,792
Balance at 1 January 2023		**20,000,000**	**363,744**	**3,113,048**	**23,476,792**
Profit for the year		**--**	**--**	2,582,910	2,582,910
Other comprehensive loss for the year		**--**	**--**	(174,711)	(174,711)
Total comprehensive income for the year		**--**	**--**	**2,408,199**	**2,408,199**
Transfer to statutory reserve	5	**--**	**258,291**	**(258,291)**	**--**
Balance at 31 December 2023		**20,000,000**	**622,035**	**5,262,956**	**25,884,991**

The notes from (1) to (21) form an integral part of these financial statements.

The Family Office International Investment Company
(A Single Shareholder Closed Joint Stock Company)
Statement of cash flows
For the year ended 31 December 2023
(Saudi Arabian Riyals)

	Notes	**31 December 2023**	31 December 2022
Cash flows from operating activities			
Profit for the year before zakat		**3,256,589**	1,917,219
Adjustments for:			
Depreciation of property and equipment	6	**466,349**	274,820
Depreciation of right-of-use assets	7	**416,709**	405,194
End of service benefits charge	16	**151,619**	4,282
Finance cost		**54,686**	37,037
Cash flows from operating activities before changes in working capital		**4,345,952**	2,638,552
Changes in working capital:			
Prepayments and other current assets		**(551,984)**	(824,927)
Accounts payable and accruals		**586,789**	928,545
Trade receivables		**(7,157,832)**	(1,839,618)
Net Cash (used in) / generated from operations		**(2,777,075)**	902,553
End of service benefits paid	16	**(78,605)**	(51,737)
Zakat paid	17	**(608,405)**	(119,160)
Net cash (used in) / generated from operating activities		**(3,464,085)**	731,656
Cash flow from investing activity			
Placement of term deposits		**(7,757,936)**	(7,473,656)
Proceeds from maturity of term deposits		**7,730,122**	--
Purchase of property and equipment	6	**(443,783)**	(554,484)
Net cash used in investing activities		**(471,597)**	(8,028,141)
Cash flow from financing activity			
Lease liability	7	**(471,572)**	(235,783)
Net cash used in financing activity		**(471,572)**	(235,783)
Net decrease in cash and cash equivalents		**(4,407,254)**	(7,532,268)
Cash and cash equivalents at beginning of the year		**6,816,324**	14,348,592
Cash and cash equivalents at the end of year		**2,409,070**	6,816,324

The notes from (1) to (21) form an integral part of these financial statements.

1 ORGANIZATION AND ITS ACTIVITIES

The Family Office International Investment Company (the "Company") is a single shareholder closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010608698 dated 27 Sha'aban 1438H (corresponding to 23 May 2017). The Company has obtained a license number from the Capital Market Authority ("CMA") to operate arranging and advising securities services bearing number 17-182-30 dated 21 Ramadan 1439H (corresponding to 5 June 2018). The company's license was upgraded on 25 October 2021(corresponding to 19 Rabi' Al Awwal 1443 H) to include managing investments and operating fund.

The Company is a subsidiary of The Family Office BSC (the "Shareholder"), a closed joint stock company incorporated under the laws of the Kingdom of Bahrain, which owns 100% of the Company's shares as at 31 December 2023 and 31 December 2022.

The principal activities of the Company are to carry out arranging and advising in the securities business and managing investments and operating funds.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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").

2.2 Basis of measurement

The financial statements have been prepared on a historical cost. Further, the financial statements are prepared using the accrual basis of accounting and going concern concept.

2.3 New company law

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association/By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended Articles of Association/By-Laws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification.

3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Saudi Arabian Riyal ("SAR"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest Saudi Arabian Riyal, unless otherwise indicated.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

A. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity specific estimates (such as the stand-alone credit rating).

Going concern

The Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, these financial statements continue to be prepared on the going concern basis.

B. Judgements

The following critical judgements have the most material effect on the amounts recognized in the financial statements:

Estimated useful lives of property and equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation on a straight-line basis over their estimated useful lives. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives and residual value of the assets at each annual reporting period and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

5 MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the accounting policies set out below to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed herein.

New IFRS standards, IFRIC interpretations and amendments thereof, adopted by the Company

The following amendments are effective from the current year and are adopted by the Company, however, these do not have any significant impact on the financial statements for the year:

Standard, interpretation, amendments	**Description**	**Effective date**
Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.	Annual periods beginning on or after 1 January 2023

New IFRS standards, IFRIC interpretations and amendments thereof issued but not yet effective

The following new standards, amendments and revisions to existing standards, which were issued by IASB but not yet effective up to the date of issuance of the Company's financial statements. The Company intends to adopt these standards when they become effective.

Standard, interpretation, amendments	**Description**	**Effective date**
Amendments to IAS 1, Presentation of financial statements', on classification of liabilities	These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. Note that the IASB has issued a new exposure draft proposing change to this amendment.	Deferred until accounting periods starting not earlier than 1 January 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Ventures	Available for optional adoption / effective date deferred indefinitely
Amendment to IFRS 16, Lease Liability in a Sale and Leaseback	Lease Liability in a Sale and Leaseback amends IFRS 16 by adding subsequent measurement requirements for sale and leaseback transactions.	1 January 2024

Amendments to IAS 1, Non-current Liabilities with Covenants	Non-current Liabilities with Covenants amends IAS 1 Presentation of Financial Statements. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.	1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement by SOCPA

The above amended standards and interpretations are not expected to have a significant impact on the Company's Financial Statements.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

The following useful lives are used for the calculation of depreciation:

Office furniture and fixtures	5 years
Leasehold improvements	5 years or lease term, whichever is lower
Computer hardware	3 years
Office equipment	3 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in profit or loss as the expense incurred.

5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Leases

The determination of whether a contract contains a lease is based on the substance of the arrangement at the inception date. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Financial assets and financial liabilities

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.

Initial recognition and measurement

All financial assets are recognized initially at fair value net of directly attributable transaction costs.

All the Company's current assets except prepayments are financial assets classified at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement

The Company measures financial assets at amortized cost if both of the following are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

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

- The rights to receive cash flows from the asset have expired; or
- 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 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, by has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

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

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include accounts payable and accrued expenses.

Subsequent to initial recognition, all financial liabilities of the Company are carried at amortized cost.

5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Fair values of financial instruments

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

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

The principal market or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Offsetting of financial instruments

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

5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment and collectability of financial assets

The Company assesses if an allowance for Expected Credit Losses ("ECL") for all financial assets not held at fair value through profit or loss needs to be recorded in profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue recognition

Service fee income
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, and it can be reliably measured. regardless of when the payment is received. Revenue is recognized on an accrual basis in accordance with the terms of agreement with the Shareholder for the services provided.

Management fee
Management fee is recognized over time as services are provided.

Accrued expenses

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. They are recognized initially at fair value and subsequently carried at their amortized cost.

Expenses

All expenses are classified as general and administration expenses.

Zakat

Zakat is provided in accordance with the Regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia and on an accrual basis. Zakat is charged to the statement of profit or loss and other comprehensive income. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization. The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under ZATCA regulations.

5 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Statutory reserve

In accordance with the Company's existing Article of Association, 10% of the net income for the period should be transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of the capital. The reserve is not available for distribution.

Employees' End of Service benefits

The Company operates a defined benefit plan for its employees in accordance with labour regulations applicable in the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefits plan 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 the retained earnings and are not reclassified to profit or loss in subsequent periods.

The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on currency/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;
- It is held primarily for the purpose of trading;
- It is 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.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

6 PROPERTY AND EQUIPMENT, NET

Property and equipment comprise as follow:

2023	**Leasehold improvements**	**Computer hardware**	**Office furniture and fixtures**	**Office equipment***	**Total**
Cost					
At the beginning of the year	628,128	556,999	410,033	95,667	1,690,827
Additions during the year	358,100	53,783	31,900	--	443,783
At the end of the year	**986,228**	**610,782**	**441,933**	**95,667**	**2,134,610**
Accumulated depreciation					
At the beginning of the year	124,942	423,373	213,645	95,667	857,627
Charge for the year	259,015	132,228	75,106	--	466,349
At the end of the year	**383,957**	**555,601**	**288,751**	**95,667**	**1,323,976**
Net book value					
As at 31 December 2023	**602,271**	**55,181**	**153,182**	**--**	**810,634**
2022					
Cost					
At the beginning of the year	274,928	537,898	227,849	95,667	1,136,342
Additions during the year	353,200	19,100	182,184	--	554,484
At the end of the year	628,128	556,998	410,033	95,667	1,690,826
Accumulated depreciation					
At the beginning of the year	34,868	294,290	157,981	95,667	582,806
Charge for the year	90,073	129,083	55,664	--	274,820
At the end of the year	124,941	423,373	213,645	95,667	857,626
Net book value					
As at 31 December 2022	503,187	133,625	196,388	--	833,200

*Assets costing SAR 221,981, within the category of computer hardware and office equipment, are fully depreciated and still in use of the Company.

7 Right-of-use asset and Lease liability

Right-of-use asset

	31 December 2023	31 December 2022
Balance at 1 January	**1,076,501**	526,935
Re-assessment during the year	**--**	954,760
Depreciation charge during the year	**(416,709)**	(405,194)
Balance at end of year	**659,792**	1,076,501

Lease liability

	31 December 2023	31 December 2022
Balance at 1 January	**1,097,251**	341,237
Re-assessment during the year	**--**	954,760
Finance cost during the year	**54,686**	37,037
Payments	**(471,572)**	(235,783)
Balance at end of year	**680,365**	1,097,251
Non-current portion of lease liability	**234,458**	680,371
Current portion of lease liability	**445,907**	416,880
Total lease liability	**680,365**	1,097,251

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	31 December 2023	31 December 2022
Less than one year	**471,567**	426,254
One to two years	**365,003**	471,567
Two to three years	**-**	365,003
Total	**836,570**	1,262,824

* During the year 2022, the Company had re-assessed the lease term as per the contract till July 2025, as compared to July 2024 in the prior year.

8 CASH AND CASH EQUIVALENTS

This comprises of balances held with a local bank, in a current account, having a credit rating of A-.

9 TERM DEPOSIT

This comprises of a term deposit placed with a local bank as at the year end which has a good credit rating of A-, Standards & Poor's and Fitch ratings methodology having original maturity of more than three months from the date of acquisition. During the year, the annual average profit rate earned on term deposits is 4.78%. The amount includes the profit accrued amounting to SAR 101,470 (31 December 2022: SAR 73,656).

10 PREPAYMENT AND OTHER CURRENT ASSETS

	31 December 2023	31 December 2022
VAT receivable	**2,191,611**	1,716,276
Prepaid insurance	**406,187**	315,210
Employee advances	**29,424**	33,980
Others	**106,507**	116,279
	2,733,729	2,181,745

11 TRADE RECEIVABLES

	31 December 2023	31 December 2022
Amounts due from the Shareholder	**15,315,015**	9,150,846
Due from the client	**993,663**	-
	16,308,678	9,150,846

12 RELATED PARTY TRANSACTIONS AND BALANCES

(a) Parent and ultimate controlling party

The Company's ultimate parent company and ultimate controlling party is The Family Office BSC.

No publicly available financial statements are produced by the Company's ultimate parent company or any other intermediate parent company.

(b) Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the related party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence.

The following are the details of related party transactions and balances with the Shareholder during the year, other than those disclosed elsewhere:

12 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Name	**Relationship**	**31 December 2023**	31 December 2022
The Family Office BSC	Parent Company		
Service fees (i)		**24,283,274**	21,582,192
Operational support services payable to the Shareholder (note 18)		**(656,504)**	(656,934)
Other expenses paid on behalf of the Company		**(500,723)**	(1,581,631)
Other expenses by the Company on behalf of the Shareholder		**860,537**	2,373,024

i. The Company has entered into a service agreement with the Shareholder from 1 May 2018. The service fee is charged to the Shareholder at cost plus 10% of all expenses (excluding zakat and withholding taxes) incurred by the Company.

	31 December 2023	31 December 2022
Amount due from the Shareholder (note 11)	**15,315,015**	9,150,846

ii. Outstanding balance as at the year end us unsecured, interest free and settlement occurs in cash. The Company did not record any impairment / expected credit losses relating to amount due from the Shareholder as it believes that such balance are fully collectible. The amount due to or from the Shareholder is in the normal course of the Company's business which pertains to the services provided to the Shareholder.

The following table shows the details of remuneration to Board of Directors:

	31 December 2023	31 December 2022
Board of Directors	**1,257,365**	948,333

The following table shows the details of the salaries and compensation paid to key management personnel:

	31 December 2023	31 December 2022
Salaries and compensation	**4,387,524**	3,640,453
Other benefits (iii)	**1,374,418**	1,137,312
Total	**5,761,942**	4,777,765

iii. Other benefits represent allowances paid to key management personnel including housing, telephone and parking.

13 SHARE CAPITAL

The share capital of the Company is divided into 2,000,000 shares of SAR 10 each solely owned by the Shareholder as at 31 December 2023 and 31 December 2022.

14 ACCOUNTS PAYABLE AND ACCRUALS

	31 December 2023	31 December 2022
Accrued board remuneration	**1,250,000**	1,000,000
Accounts payable	**136,399**	96,875
Accrued professional fees	**301,125**	214,000
Accrued payroll related	**535,261**	277,826
Others	**485,465**	532,760
	2,708,250	2,121,461

15 MANAGEMENT FEE

The Company onboarded a client during the year to which it provides advisory, arrangement and management services. The client pays annual fees equal to 1% of the average amount of assets managed. At the reporting date, the Company had assets under management relating to the client of SAR 79,622 million (2022: SAR Nil).

16 EMPLOYEES' END OF SERVICE BENEFITS

The Company engaged a qualified actuary to estimate the amount of employees' end of service benefits (EOSB) as at and for the year ended 31 December 2023 however, since the amount of EOSB was not material as at the prior year end, the Company had not engaged an actuary for the purpose. Therefore, disclosures for the prior year have not been presented.

	31 December 2023	31 December 2022
At the beginning of the year	**235,490**	282,945
Provision during the year	**151,619**	4,282
Actuarial loss during the year	**174,711**	--
Payment during the year	**(78,605)**	(51,737)
At the end of the year	**483,215**	**235,490**

The defined benefit obligation for the year ended 31 December 2023 is based on the member data provided by the Company. The summary statistics for the data as follows.

16.1 Membership Status

Summary of membership status

	31 December 2023	31 December 2022
Number of employees	**26**	Nil
Total monthly salary (SAR)	**747,543**	Nil
Average past service (years)	**1.8**	Nil
Average age (years)	**31.73**	Nil
Average remaining working life (years)	**25.96**	Nil
Number of competed years valued	**47**	Nil
Decrement adjusted remaining working life (years)	**1.34**	Nil

Age analysis

	31 December 2023	31 December 2022
Less than 18	**0**	Nil
18 to 29	**9**	Nil
30 to 39	**15**	Nil
40 to 49	**2**	Nil
50 to 55	**0**	Nil
56 to 58	**0**	Nil
59 and above	**0**	Nil

16.2 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis given below.

	31 December 2023	31 December 2022
Defined Benefit Obligation (Base)	**483,215**	Nil

Particulars	**Decrease**	**Increase**
Discount rate (-/+1%)	(10,323)	9,910
(% change compared to base due to sensitivity)	2.10%	-2.10%
Salary Growth Rate (-/+1%)	9,957	(10,174)
(% change compared to base due to sensitivity)	-2.10%	2.10%
Attrition rate (-/+20% of attrition rates)	(51,348)	34,426
(% change compared to base due to sensitivity)	10.60%	-7.10%
Mortality rate (-/+20% of mortality rates)	1,302	(1,298)
(% change compared to base due to sensitivity)	-0.30%	0.30%

17 ZAKAT PAYABLE

Status of assessments

The Company has filed the Zakat returns with Zakat, Tax and Customs Authority (the “ZATCA”) for the years up to 31 December 2022. The zakat return is still under review by the ZATCA, and no assessment has been raised by ZATCA.

Charge for the year

Zakat charged for the year ended 31 December 2023 amounted to SAR 673,679 (31 December 2022 SAR 601,278).

The principal elements of the zakat for the year are as follows:

	31 December 2023	31 December 2022
Shareholder's equity, beginning	**23,476,792**	22,160,852
Adjusted net profit before zakat	**3,606,445**	1,874,845
Opening provisions and other adjustments	**331,596**	226,794
Non-current liabilities	**717,673**	915,861
Non-current assets	**(1.470,426)**	(1,909,701)
Zakat base	**26,662,080**	23,268,651
Zakat due	**666,552**	601,278

Movements in zakat payable during the year

	31 December 2023	31 December 2022
At the beginning of the year	**601,278**	119,160
Charge during the year	**673,679**	601,278
Payment during the year	**(608,405)**	(119,160)
At the end of the year	**666,552**	601,278

18 GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2023	31 December 2022
Salaries and employee related expenses	**14,842,438**	13,335,103
Travel and business development	**2,034,989**	1,936,949
Professional fees	**1,246,404**	1,177,450
Operational support services	**656,504**	656,934
Board remuneration (note 12)	**1,257,365**	948,333
Technology and communication	**382,710**	223,421
Depreciation of right-of-use asset (note 7)	**416,709**	405,194
Depreciation of property and equipment (note 6)	**466,349**	274,820
Office expenses	**243,772**	236,718
Subscription fees	**405,571**	338,021
Withholding tax	**125,002**	124,166
Other expenses	**68,208**	50,194
Total	**22,146,021**	19,707,303

19 FINANCIAL RISK MANAGEMENT

19.1 Financial assets

Instruments measured at cost

	31 December 2023	31 December 2022
Cash and cash equivalent	**2,409,070**	6,816,324
Term deposit	**7,501,470**	7,473,656
Trade receivables	**16,308,678**	9,150,846
Total	**26,219,218**	23,440,826

Management has conducted an assessment of expected credit losses (ECL) in accordance with IFRS 9. However, the amount of ECL assessed is immaterial hence, based on such assessment, the management has not recorded any ECL.

19.2 Fair values

The Company's financial instruments, i.e. cash and cash equivalent, term deposit, trade receivables, lease liability, accounts payable and accruals, are short-term financial assets and financial liabilities whose carrying amounts are a close approximation of their fair values, because of the short-term nature and high credit quality of counterparties. Cash and cash equivalent is classified under level 1, while the remaining financial assets and liabilities are classified under level 3.

There were no transfers between into/out of Level 2 and Level 3 of the fair value hierarchy during the year.

a. Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise lease liability, accounts payable and accruals. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise cash and cash equivalent, term deposit, trade receivables. The Company is exposed to market risk and credit risk. The Company's management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of risk: interest rate risk, and currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to movements in interest rates on its liabilities at the current reporting date. Consequently, no interest rate sensitivity analysis has been presented.

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company did not undertake significant transactions in currencies other than Saudi Arabian Riyals, Bahraini Dinar and United States Dollar during the year. As the Saudi Arabian Riyal is currently on a fixed parity with US Dollar and Bahraini Dinar, the management believes that the Company does not have any significant currency risk exposure in US Dollar and Bahraini Dinar transactions.

For the other currencies, the Company manages its currency risk by regularly monitoring exchange rates of currencies that it usually deals in.

Consequently, no foreign currency sensitivity analysis has been presented.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its bank balance, term deposit, prepayment and other current assets and amount due from Shareholder.

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

	31 December 2023	31 December 2022
Cash and cash equivalent	**2,409,070**	6,816,324
Term deposit	**7,501,470**	7,473,656
Trade receivables	**16,308,678**	9,150,846
Total	**26,219,218**	23,440,826

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. All the liabilities of the Company fall into three months bucket. Therefore, no maturity profile is presented.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

At 31 December 2023		**Contractual cash flows (SAR)**		
	Carrying amount	**0 -1 Year**	**1- 5 Years**	**Over 5 years**
Accounts payable and accruals	**2,708,250**	**2,708,250**	**--**	**--**
Lease liability	**680,365**	**445,907**	**234,458**	**--**
	3,388,614	**3,154,157**	**234,458**	**--**

At 31 December 2022		Contractual cash flows (SAR)		
	Carrying amount	0 -1 Year	1- 5 Years	Over 5 years
Accounts payable and accruals	2,121,461	2,121,461	--	--
Lease liability	1,097,251	416,880	680,371	--
	3,218,712	2,538,341	680,371	--

b. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder's value. The Company manages its capital structure and adjusts it in light of changes in business conditions. Capital comprises of share capital, statutory reserve and retained earnings which amounts to SAR 25,884,991 as at 31 December 2023 (2022: SAR 23,476,792). No changes were made in the objectives, policies or processes during the current year and prior year.

20 SUBSEQUENT EVENTS

There were no subsequent events after the statement of financial position date.

21 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the board of directors on 23 Sha'ban 1445H (corresponding to 04 March 2024).