JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2023
together with the
Independent auditor's report

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2023

Content	**Pages**

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P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the shareholders of JOA Capital Company

Opinion

We have audited the financial statements of **JOA Capital Company** (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in shareholders' 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 the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing ("ISA") that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with 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 the 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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the 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 shareholders of JOA Capital 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 the ISA 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 the ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment 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, 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 **JOA Capital Company** (the "Company").

KPMG Professional Services

Saleh Mohammed S Mostafa
License Number: 524

Riyadh: 31 March 2024
Corresponding to: 21 Ramadan 1445H

JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023
(Amounts in SAR)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property and equipment		**6,826**	6,658
Total non-current assets		**6,826**	6,658
Current assets			
Investment held at fair value through profit or loss (“FVTPL”)	4	**1,271,813**	1,773,219
Trade receivables	5	**3,433,630**	1,712,082
Prepayments and other assets	6	**182,676**	589,971
Cash and cash equivalents	7	**92,336**	649,583
Total current assets		**4,980,455**	4,724,855
Total assets		**4,987,281**	4,731,513
LIABILITIES AND SHAREHOLDERS’ EQUITY			
Non-current liabilities			
Employees’ end of service benefits		**84,525**	-
Total non-current liabilities		**84,525**	-
Current liabilities			
Due to related parties	5	**404,141**	1,355,884
Accrued expenses and other liabilities	8	**200,037**	227,532
Zakat payable	13	**112,503**	25,296
Total current liabilities		**716,681**	1,608,712
Total liabilities		**801,206**	1,608,712
Shareholders’ equity			
Share capital	9	**4,000,000**	4,000,000
Retained earnings / (accumulated losses)		**79,748**	(877,199)
Statutory reserve		**106,327**	-
Total shareholders’ equity		**4,186,075**	3,122,801
Total liabilities and shareholders’ equity		**4,987,281**	4,731,513

The accompanying notes from 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

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JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023
(Amounts in SAR)

	Notes	**31 December 2023**	31 December 2022
Operating income			
Revenue	*10*	**5,582,192**	1,618,767
Fair value loss on financial asset at FVTPL	*4*	**(123,629)**	-
		5,458,563	1,618,767
Operating expenses			
Salaries and employee related benefits	*11*	**(2,536,622)**	-
Legal & professional fees		**(1,406,222)**	(524,315)
Shared service cost		**(11,476)**	(1,381,345)
Other expenses	*12*	**(328,466)**	(155,570)
Total operating expenses		**(4,282,786)**	(2,061,230)
Net income / (loss) for the year before zakat		**1,175,777**	(442,463)
Zakat expense	*13*	**(112,503)**	(25,296)
Net income / (loss) for the year after zakat		**1,063,274**	(467,759)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**1,063,274**	(467,759)

The accompanying notes from 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

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JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2023
(Amounts in SAR)

	Share capital	**Retained earnings/ (Accumulated losses)**	**Statutory reserve**	**Total**
Balance as at 1 January 2023	**4,000,000**	**(877,199)**	**-**	**3,122,801**
Total comprehensive income for the year	-	**1,063,274**	-	**1,063,274**
Transfer to statutory reserve	-	**(106,327)**	**106,327**	-
Balance as at 31 December 2023	**4,000,000**	**79,748**	**106,327**	**4,186,075**

	Share capital	Accumulated losses	Statutory reserve	Total
Balance as at 1 January 2022	1,000,000	(409,440)	-	590,560
Additional share capital issuance	3,000,000	-	-	3,000,000
Total comprehensive loss for the year	-	(467,759)	-	(467,759)
Balance as at 31 December 2022	4,000,000	(877,199)	-	3,122,801

The accompanying notes from 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

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JOA CAPITAL COMPANY
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2023
(Amounts in SAR)

	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
Net income / (loss) for the period		**1,175,777**	(442,463)
Adjustments for:			
Depreciation		**1,659**	1,602
Fair value loss on financial assets at FVTPL		**123,629**	-
Provision for employees' end of service benefits		**84,525**	-
Changes in operating assets and liabilities:			
Advances, prepayments, and other assets		**407,294**	2,013,224
Trade receivables		**(1,721,548)**	(1,712,082)
Due to related parties		**(951,743)**	237,271
Accrued expenses and other liabilities		**(27,495)**	165,349
Cash (used in) / generated from operating activities		**(907,903)**	262,901
Zakat paid		**(25,296)**	(24,479)
Net cash (used in) / generated from operating activities		**(933,199)**	238,422
Cash flows from investing activities			
Acquisition of investment held at FVTPL		**(266,621)**	(1,773,219)
Proceeds from sale of investment held at FVTPL		**644,398**	-
Acquisition of property and equipment		**(1,825)**	(8,260)
Net cash generated from / (used in) investing activities		**375,952**	(1,781,479)
Cash flows from financing activities			
Proceeds from increase in share capital		-	3,000,000
Repayments of borrowing		-	(7,500,000)
Net cash used in financing activities		-	(4,500,000)
Decrease in cash and cash equivalents		**(557,247)**	(6,043,057)
Cash and cash equivalents at the beginning of the year		**649,583**	6,692,640
Cash and cash equivalents at the end of the year	*4*	**92,336**	649,583

The accompanying notes from 1 to 18 form an integral part of these financial statements.

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Chief Executive Officer

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1 GENERAL INFORMATION

JOA Capital Company ("the Company") is a Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010668660 dated 02/04/1442H (corresponding to 17/11/2020G). The registered address of the Company's head office is as follows:

6643 Al Ihsa Street
Eastern Ring Road
Riyadh 12815
Kingdom of Saudi Arabia

The Company was formed in accordance with Capital Market Authority ("CMA") letter No. 2-21219 dated 09/08/1442H (corresponding to 22 March 2021). The principal activities of the Company are dealing as a principal and agent, managing, arranging, and advising on financial securities.

2 BASIS OF PREPARATION

a) Statement of compliance

The accompanying financial statements for the year ended 31 December 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA").

b) Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention. These financial statements are presented in Saudi Arabian Riyals ("SAR"), which is both the presentation and functional currency of the Company.

c) Use of accounting estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Key areas where management has used estimates, assumptions or exercised judgements is as follows:

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2 BASIS OF PREPARATION (CONTINUED)

c) Use of accounting estimates and judgements (continued)

Fair value measurement (continued)

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

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

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

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

Level 1 Quoted (unadjusted) market price in an active market for identical assets or liabilities;

Level 2 Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categories at the end of each reporting period.

d) Changes in accounting policies

New standards, amendments and interpretations adopted in preparation of these financial statements

Following are the amendments to standards which are effective for annual periods beginning on or after 1 January 2023. The adoption of these new standards did not have a significant impact on the financial statements of the Company.

- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17, 'Insurance contracts', as amended in December 2021

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments also provide guidance on the application of materiality to disclosure of accounting policies. Management reviewed the accounting policies and made updates to the information disclosed in Summary of Material Accounting Policies (2022: Significant Accounting Policies) in certain circumstances in line with amendments.

2 BASIS OF PREPARATION (CONTINUED)

d) Changes in accounting policies (continued)

New standards and amendments issued but not yet effective and not early adopted

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2024 and earlier application is permitted however, the Company has not early adopted them in preparing these financial statements. The following standards are not expected to have a significant impact on the financial statements of the Company upon adoption:

- Amendments to IAS 1, Presentation of financial statements', on classification of liabilities
- Amendments to IFRS 10 and IAS 28 related to sale or contribution of assets between an Investor and its Associate or Joint Ventures
- Amendment to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Non-current Liabilities with Covenants

The management of the Company anticipates that the application of the above new standards and amendments in the future will not have a significant impact on the amounts reported.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below. The material accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2022. Based on the adoption of new standard and in consideration of current economic environment, the following accounting policies are applicable effective January 1, 2023 replacing, amending, or adding to the corresponding accounting policies set out in 2022 annual financial statements

3.1 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets at initial recognition, are measured at their fair values. Subsequent measurement of a financial asset is dependent on its classification and is either at amortized cost or fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

Financial assets (continued)

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Financial assets at amortised cost (debt instruments)

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

The Company's financial assets at amortised cost includes accounts receivables.

Financial assets at fair value through profit or loss

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the 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 a '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, but 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 recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Financial instruments (continued)

ECL of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payables, accrued expenses and other current liabilities.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

1 Financial liabilities at fair value through profit or loss; and
2 Financial liabilities at amortised cost.

Out of the above, only the second category is applicable to the Company which is described hereunder:

Financial liabilities at amortised cost

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVIS where transactions cost, if any, are not deducted from the fair value measurement at initial recognition and are included in the statement of income.

Subsequently, all special commission bearing financial liabilities other than those held at FVIS are measured at amortized cost.

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 comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue recognition

IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers. The Company recognizes revenue when the amount can be reliably measured, and it is probable that future economic benefits will flow to the Company. The Company applies the following five-step approach of revenue recognition:

Step 1 Identify the contract with the customer
Step 2 Identify the separate performance obligations under the contract
Step 3 Determine the transaction price
Step 4 Allocate the transaction price to separate performance obligations
Step 5 Recognise revenue when (or as) each performance obligation is satisfied.

Based on the above five steps the revenue recognition policy for asset management fees is based on a fixed percentage of net assets under management (“asset-based”), subject to applicable terms and conditions and service contracts with a venture capital fund. The Company attributes the revenue from management fees to the services provided during the period, because the fee relates specifically to the Company’s efforts to transfer the services for that period. Advisory services provided by the Company is recorded as per IFSR 15 when the performance obligation are satisfied.

Advisory fee income is recognised based on services rendered as being complete in accordance with the underlying contractual agreement using the five-step approach to revenue recognition as outlined above.

3.3 Taxes

Zakat

The Company is subject to zakat in accordance with the Regulations for Zakat, Tax and Customs Authority (“ZATCA”) as applicable in the Kingdom of Saudi Arabia. The Zakat charge is computed on the Zakat base and is charged to the statement of comprehensive income.

Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

Zakat is computed on the Saudi shareholders’ share of equity or net income using the basis defined under the zakat regulations.

Value added tax (“VAT”)
Assets and expenses are recognised net of amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the ZATCA, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to ZATCA is included as part of other assets or other liabilities.

3.4 Statutory Reserve

In accordance with the By-laws of the Company, the Company is required to transfer 10% of net income to a statutory reserve until such reserve equals 30% of the paid-up capital as a minimum. This reserve is not available for distribution. As at 31 December 2023, the Company has transferred SR 106,327 to the statutory reserve (31 December 2022: Nil).

4 INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year ended 31 December 2023, the Company acquired units worth SR 266,621 and disposed units worth SR 644,398 in S3 Ventures Fund ("the Fund"). The Fund is a closed-ended private fund which has been formed with the objective to invest in private equity start-ups and earn capital appreciation for its unitholders. At of 31 December 2023, the investment is classified under level 3 of the fair value hierarchy. The Company has recorded fair value loss of SR 123,629 on these investment in the profit or loss during the year.

5 RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of business, the Company transacts with its related parties. The principal related parties of the Company are its Shareholders, the Board of Directors and the entities owned by the members of the Board of Directors. The details of transactions during the year ended 31 December 2023 and balances as at 31 December 2023 resulting from such transactions are as follows:

Related party	Nature of balance	**31 December 2023**	31 December 2022
Trade receivables:			
S3 Ventures Fund (a Mutual Fund managed by the Company)	Management fees receivable	**598,630**	1,712,082
Jeal AlMustaqbal Investment Company (common shareholder)	Advisory fees receivable	**2,835,000**	-
		3,433,630	1,712,082
Due to a related party:			
Jeal AlMustaqbal Investment Company (common shareholder)	Due to related party - Capital call	**-**	963,219
	Due to related party - Payment on behalf of Company	**404,141**	392,665
		404,141	1,355,884
Compensation to key management personnel:			
Employees' end of service benefits		**47,025**	-

Key management personnel of the entity is the Chief Executive Officer.

5 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Significant transactions made during the year ended 31 December 2023 are as follows:

Related party	**Nature of transaction**	**31 December 2023**	31 December 2022
Jeal AlMustaqbal Investment Company (common shareholder)	Recharge of shared service expenses	**11,476**	1,305,124
	Advisory services income *(refer note 10)*	**2,835,000**	-
S3 Ventures Fund (a Venture Capital Fund managed by the Company)	Management fees *(refer note 10)*	**2,747,192**	1,488,767
	Acquisition of units by Company	**266,621**	1,773,219
	Establishing expenses	**-**	1,082,610
Yousef AlYousefi (Shareholder)	Due to related party – Disposal of investment	**348,861**	-
	Compensation to key management personnel	**1,128,600**	-

6 ADVANCES, PREPAYMENTS AND OTHER ASSETS

	31 December 2023	31 December 2022
Prepayments	**114,693**	397,826
Others	**67,983**	192,144
	182,676	589,971

7 CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash at Bank – current accounts	**92,336**	649,583

Cash at Bank is held in current accounts with Banque Saudi Fransi which has a A2 long term credit rating as per Moody’s.

8 ACCRUED EXPENSES AND OTHER LIABILITIES

	31 December 2023	31 December 2022
Accrued expenses and other liabilities	**200,037**	227,532
	200,037	227,532

These accrued expenses consist of amount payable to certain consultants, and other VAT and related tax payables.

9 SHARE CAPITAL

On 31 December 2023, the Company's share capital comprised of 400,000 shares of SAR 10 each (31 December 2022: 100,000 shares of SAR 10 each). All issued shares are fully paid.

31 December 2023	**Percentage**	**Number of shares**	**Shareholding (SR)**
Yousef Hamad Al Yousefi	**85%**	**340,000**	**3,400,000**
Ahmad Saad Damyati	**15%**	**60,000**	**600,000**
	100%	**400,000**	**4,000,000**

31 December 2022	Percentage	Number of shares	Shareholding (SR)
Yousef Hamad Al Yousefi	85%	340,000	3,400,000
Ahmad Saad Damyati	15%	60,000	600,000
	100%	400,000	4,000,000

10 REVENUE

	31 December 2023	31 December 2022
Management fee	**2,747,192**	1,488,767
Advisory services	**2,835,000**	-
Subscription fee	**-**	130,000
	5,582,192	1,618,767

11 SALARIES AND EMPLOYEE RELATED BENEFITS

	For the year ended 31 December 2023	For the year ended 31 December 2022
Salaries and wages	**2,452,097**	-
Employees' end of service benefits	**84,525**	-
	2,536,622	-

12 OTHER EXPENSES

	For the year ended 31 December 2023	For the year ended 31 December 2022
Insurance	**110,728**	71,110
Government fees	**73,374**	43,131
Office expenses	**48,829**	-
Marketing expense	**46,523**	-
Training	**38,706**	22,623
Miscellaneous	**10,306**	18,706
	328,466	155,570

13 ZAKAT

a. Zakat status

The Company has filed its zakat return form date of inception up to the financial year ended 31 December 2022 with the Zakat, Tax and Custom Authority ("ZATCA"). Zakat return for the year ended 31 December 2023 will be submitted subsequent to the financial statements issuance date. No assessment or queries have been received.

b. Zakat Base

The provision for zakat is calculated at the rate of 2.5% applied zakat base. Significant components of the Zakat base as at 31 December 2023 are as follows:

	For the year ended 31 December 2023	For the year ended 31 December 2022
Net profit / (loss) for the year	**1,175,777**	(442,463)
Adjustments to net profit / (loss)	**111,530**	6,453
Adjusted net profit / (loss) for the year (a)	**1,287,307**	(436,010)
Shareholders' equity	**4,000,000**	1,000,000
Additional shareholders' equity	**-**	821,918
Accumulated losses	**(877,199)**	(409,440)
Property and equipment	**(6,826)**	(8,260)
Sub-total	**3,115,975**	1,404,218
Sub-total adjusted to number of days outstanding in the period (b)	**3,212,801**	1,447,852
Zakat base (b+a)	**4,500,108**	1,011,842
Zakat expense at 2.5%	**112,503**	25,296
Provision for zakat	**112,503**	25,296

c. Provision of Zakat

Movement of Zakat payable during the year is as follows:

	31 December 2023	31 December 2022
Opening balance	**25,296**	24,479
Charge for the year	**112,503**	25,296
Payments during the year	**(25,296)**	(24,479)
Closing balance	**112,503**	25,296

14 FINANCIAL INSTRUMENTS - FAIR VALUES

The following table presents the Company's financial assets and financial liabilities measured and recognized at fair value including their levels in the fair value hierarchy at 31 December 2023 on

14 FINANCIAL INSTRUMENTS - FAIR VALUES (CONTINUED)

a recurring basis. 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.

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments at FVTPL	-	-	**1,271,813**	**1,271,813**
	-	-	**1,271,813**	**1,271,813**

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments at FVTPL	-	-	1,773,219	1,773,219
	-	-	1,773,219	1,773,219

Investments at FVTPL includes investment in a private equity fund, the fair value of which is determined based on the Fund's latest reported net assets value as at the reporting date.

As at 31 December 2023, the Company's management assessed that the fair values of cash and cash equivalents and trade receivables approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the reporting periods.

15 FINANCIAL RISK MANAGEMENT

The Company's objective in managing risk is the creation and protection of shareholder 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's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to credit risk, market risk and liquidity risk arising from its financial instruments.

15.1 Credit risk

Credit risk is the risk that one party to a financial instrument may fail to discharge its contractual obligation and cause the other party to incur a financial loss.

The maximum limit for exposure to credit risk for the components of financial statements at the reporting date is shown below:

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

	2023	2022
Cash and cash equivalents	**92,336**	649,583
Investment held at fair value through profit or loss ("FVTPL")	**1,271,813**	1,773,219
Trade receivables	**3,433,630**	1,712,082
Other assets	**67,983**	192,144
Total exposure to credit risk	**4,865,762**	4,327,028

As at 31 December 2023, Trade receivables are neither passed due nor impaired (31 December 2022: neither passed due nor impaired).

15.2 Market risk

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not 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 and US Dollars during the year. As Saudi Arabian Riyal is pegged to US Dollar, therefore the Company is not exposed to currency risk.

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices (other than as a result of foreign currency and commission rate movements), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Company is exposed to price risk with respect to its investments in private equity fund units classified as FVTPL.

At 31 December 2023, a 10% change in the net asset value of the private equity fund units, with all other variables held constant, the income and equity for the year would be higher / lower by SAR 0.139 million.

15.3 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. To guard against this risk, management performs regular reviews of available funds and present and future commitments. All financial assets and liabilities of the Company at the statement of financial position are having contractual maturity of within 1 year.

15 FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2023 (SR)	**Total**	**0 - 1 year**	**1 - 5 years**	**No fixed maturity**
Financial liabilities				
Accrued expenses and other liabilities	**145,000**	**145,000**	**-**	**-**
31 December 2022 (SR)				
Financial liabilities				
Accrued expenses and other liabilities	227,532	227,532	-	-

16 COMMITMENTS AND CONTINGENCIES

As at the reporting date, commitments in respect of the Fund's capital calls are SR Nil (31 December 2022: SR 4,226,781).

17 SUBSEQUENT EVENTS

There are no events subsequent to the reporting period which require adjustment or disclosure to the financial statements.

18 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 29th March 2024 by the Board of Directors of the Company.