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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2023

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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Notes	*31 December 2023* SR	*31 December 2022* SR
ASSETS			
NON-CURRENT ASSET			
Fixed assets	4	**25,782**	18,671
CURRENT ASSETS			
Cash and cash equivalents	5	**2,690,733**	9,249,044
Short-term deposits	6	**5,000,000**	-
Accrued interest income on deposits	6	**254,785**	-
Prepayment and other current assets	7	**363,274**	133,052
TOTAL CURRENT ASSETS		**8,308,792**	9,382,096
TOTAL ASSETS		**8,334,574**	9,400,767
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	8	**10,000,000**	10,000,000
Accumulated losses		**(1,988,830)**	(818,782)
TOTAL SHAREHOLDERS' EQUITY		**8,011,170**	9,181,218
NON-CURRENT LIABILITY			
Employees' benefit defined obligations	9	**28,309**	4,986
CURRENT LIABILITIES			
Accrued expenses and other payables	10	**82,146**	3,356
Provision for zakat	11	**212,949**	211,207
TOTAL CURRENT LIABILITIES		**295,095**	214,563
TOTAL LIABILITIES		**323,404**	219,549
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		**8,334,574**	9,400,767

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The attached notes 1 to 17 form an integral part of these financial statements.

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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	*For the year ended 31 December 2023* SR	*For the period from 14 February 2022 to 31 December 2022* SR
INCOME			
Interest income on deposits	6	**336,190**	-
EXPENSES			
General and administrative expenses	12	**(1,293,289)**	(607,575)
LOSS BEFORE ZAKAT		**(957,099)**	(607,575)
Zakat	11	**(212,949)**	(211,207)
NET LOSS FOR THE YEAR/PERIOD		**(1,170,048)**	(818,782)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		**(1,170,048)**	(818,782)

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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2023

	Share capital SR	*Accumulated losses* SR	*Total* SR
Capital issuance	10,000,000	-	10,000,000
Net loss for the period	-	(818,782)	(818,782)
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	-	(818,782)	(818,782)
Balance as at 31 December 2022	10,000,000	(818,782)	9,181,218
Net loss for the year	-	**(1,170,048)**	**(1,170,048)**
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	**(1,170,048)**	**(1,170,048)**
Balance as at 31 December 2023	**10,000,000**	**(1,988,830)**	**8,011,170**

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Rawasy Advanced Investment Company
(A Saudi Closed Joint Stock Company)
STATEMENT OF CASHFLOWS
For the year ended 31 December 2023

	Notes	*For the year ended 31 December 2023* SR	*For the period from 14 February 2022 to 31 December 2022* SR
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss before zakat		**(957,099)**	(607,575)
Adjustments:			
Interest income on deposits	6	**(336,190)**	-
Depreciation of fixed assets	4	**5,578**	2,279
Employee benefit obligations provision		**23,323**	4,986
		(1,264,388)	(600,310)
Changes in operating assets and liabilities:			
Increase in accrued expense and other payables	10	**78,790**	3,356
Increase in prepayments and other current assets	7	**(230,222)**	(133,052)
		(1,415,820)	(730,006)
Interest income on deposits received		**81,438**	-
Zakat paid	11	**(211,240)**	-
Net cash flows used in operating activities		**(1,545,622)**	(730,006)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets	4	**(12,689)**	(20,950)
Additions to short-term deposits		**(5,000,000)**	
Net cash flows used in investing activities		**(5,012,689)**	(20,950)
CASH FLOWS FROM FINANCING ACTIVITIY			
Paid up capital		**-**	10,000,000
Net cash flows from investing activity		**-**	10,000,000
Net (decrease) increase in cash and cash equivalents		**(6,558,311)**	9,249,044
Cash and cash equivalents at the beginning of the year		**9,249,044**	-
Cash and cash equivalents at end of the year/period	5	**2,690,733**	9,249,044

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1 CORPORATE INFORMATION

Rawasy Advanced Investment Company ("Company") is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010779937 dated 12 Rajab 1443H (corresponding to 14 February 2022).

The principal activities of the Company are to provide financial advisory and insurance services.

The registered address of the Company is, Riyad 12344, Kingdom of Saudi Arabia.

These financial statements were authorised for issue by the Board of Directors on 11 Ramadan 1445H (corresponding to 21 March 2024).

2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The financial statements have been prepared on a historical cost basis of accounting, except for employee defined benefit obligations which are recognised at the present value of the future obligations using the projected unit credit method. The financial statements are presented in Saudi Riyals ("SR") and all values are rounded to the nearest currency unit, except when otherwise indicated.

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The following are the summary of material accounting policies applied by the Company in preparing its financial statements:

2.2.1 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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

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 least twelve months after the reporting period

The Company classifies all other assets and liabilities as non-current.

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2 ACCOUNTING POLICIES (continued)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

2.2.2 Fair value measurement

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 the financial statements are categorised within the fair value hierarchy. This is 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 recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.2.3 Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents consists of bank balances and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.2.4 Financial instruments

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

i. Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories:

a) Fair value (either through other comprehensive income, or through profit or loss); and
b) Amortised cost

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2 ACCOUNTING POLICIES (continued)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

2.2.4 Financial instruments (continued)

i. Recognition, classification and presentation (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities at amortised cost.

ii. Measurement

Initial measurement

Financial assets and financial liabilities are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or disposal of financial assets and liabilities or, where appropriate, deducted from them (Except for financial assets and liabilities at fair value where transaction costs directly attributable to the acquisition of financial assets or liabilities are recognized directly in the statement of profit or loss and other comprehensive income ("OCI").

Subsequent measurement of financial assets

The subsequent measurement of the financial assets depends on their classification as follows:

a) Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method. Interest income from these financial assets is included in finance income.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the EIR method.

The Company's financial assets at amortised cost include cash and cash equivalents and other receivables.

b) Financial assets carried at fair value through profit or loss

The financial assets measured at fair value through profit or loss ("FVTPL") are carried at fair value at each financial reporting date.

c) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income ("FVOCI") are carried at fair value at each financial reporting date.

When the debt financial instrument is derecognized classified as FVOCI, the accumulated fair value adjustments that are recognised in OCI is reclassified to profit or loss. However, there is no subsequent reclassification of fair value gains and losses to profit or loss in the case of equity instruments.

The Company has no financial assets measured at FVTPL and FVOCI.

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2 ACCOUNTING POLICIES (continued)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

2.2.4 Financial instruments (continued)

The recognition and presentation of gains and losses for each measurement category are as follows:

Measurement category	Recognition and presentation of gains and losses
Amortised cost	The following items are recognized in profit or loss: • interest revenue using the effective interest method; • expected credit losses and reversals; and • foreign exchange gains and losses. When the financial asset is derecognized, the gain or loss is recognized in profit or loss.
FVOCI – debt instrument	Gains and losses are recognized in OCI, except for the following items, which are recognized in statement of profit or loss in the same manner as for financial assets measured at amortised cost: • interest revenue using the effective interest method; • expected credit losses and loss reversals; and • foreign exchange gains and losses.
FVOCI - equity investments	Gains and losses are recognized in OCI. Dividends are recognized in profit or loss unless they clearly represent a repayment of part of the cost of the investment. The amounts recognized in OCI are not reclassified to profit or loss under any circumstances.
FVTPL	Gains and losses, both on subsequent measurement and derecognition, are recognized in profit or loss.

Subsequent measurement of financial liabilities

a) Financial liabilities at amortised cost
Subsequent to initial recognition, financial liabilities are measured at amortised cost using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

The Company's financial liabilities at amortized cost include amounts due to a shareholder.

b) Financial liabilities at FVTPL
Financial liabilities falling under this category include:
1. Liabilities held for trading; and
2. Those designated at FVTPL.

After initial recognition, the Company measures financial liabilities at fair value with changes recognized in profit or loss.

Gains or losses on a financial liability designated at FVTPL are generally split and presented as follows:
1. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that financial liabilities is presented in OCI; and
2. The remaining amount of change in the fair value of the financial liabilities is presented in profit or loss.

iii. Impairment of financial assets
The Company assesses the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For credit risk, please see note 15.

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2 ACCOUNTING POLICIES (continued)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

2.2.4 Financial instruments (continued)

Derecognition of financial assets
The financial assets are derecognized from the statement of financial position when the rights to receive cash flows from the financial assets have expired or have been transferred or transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognized in profit or loss.

Derecognition of financial liabilities
The financial liabilities are derecognized when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released.

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

2.2.5 Employee benefit obligations

The level of benefit provided is based on the length of service and earnings of the person entitled and computed in accordance with the rules stated under the Saudi Arabian Labor Law. The liability for employee terminal benefit obligations, being a defined benefit plan, is determined using the projected unit credit method with actuarial valuations being conducted at the end of annual reporting periods. The related liability recognised in the statement of financial position is the present value of employee benefit obligations at the end of the reporting period.

The discount rate applied in arriving at the present value of employee benefit obligations represents the yield on government bonds, by applying a single discount rate that approximately reflects the estimated timing and amount of benefit payments.

Employee benefit obligations costs are categorised as follows:

a. current service cost (increase in the present value of employee benefit obligations resulting from employee service in the current period)
b. interest expense (calculated by applying the discount rate at the beginning of the period to employee benefit obligations); and
c. remeasurement

Current service cost and the interest expense arising on employee benefit obligations are included in the same line items in profit or loss as employee-related costs.

Remeasurement, comprising actuarial gains and losses, is recognised in full in the period in which they occur, in OCI without recycling to the profit or loss in subsequent periods. Amounts recognised in OCI are recognised immediately in retained earnings.

Past service costs are recognised in profit or loss on the earlier of:

i) The date of the plan amendment or curtailment, and
ii) The date that the Company recognises related restructuring costs.

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2 ACCOUNTING POLICIES (continued)

2.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

2.2.6 Fixed assets

These are stated at cost less accumulated depreciation and impairment losses, if any. When assets are expected to be used during more than one period, they are accounted for as equipment.

Historical cost includes expenditure that is directly attributable to the acquisition of an item. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with any changes accounted for on a prospective basis.

The Company applies the following annual rates of depreciation to its property and equipment:

Computers and office equipment	20%-30%

2.2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financial charge.

2.2.8 Expenses

Expenses are recognised when incurred. General and administrative expenses include costs not specifically part of direct costs.

2.2.9 Zakat

Zakat is provided for in accordance with Zakat, Tax and Customs Authority ("ZATCA") regulations in the Kingdom of Saudi Arabia. The zakat expense is charged to the statement of profit or loss. Differences, if any, resulting from the final assessments are adjusted in the year of their finalization.

The Company also withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia under Saudi Arabian Income Tax Law.

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2 ACCOUNTING POLICIES (continued)

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated).

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the Company's financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

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

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2 ACCOUNTING POLICIES (continued)

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE COMPANY (continued)

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

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

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must apply retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms
- of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company's financial statements.

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2 ACCOUNTING POLICIES (continued)

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and assumptions

Employees defined benefits

The provision for employees' end of service benefits is calculated according to the projected unit cost method in accordance with IAS 19. The Company is required to make assumptions regarding variables such as discount rates, rate of salary increase, longevity and employee turnover, if applicable. Changes in key assumptions can have a significant impact on the projected benefit obligations and employee defined benefit costs. The assumptions are reviewed at each reporting date.

Defined benefit obligations are discounted at a rate set by reference to relevant market yields at the end of the reporting period on high quality corporate or government bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the size of the bonds, quality of the corporate bonds and the identification of outliers which are excluded, if any.

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4 FIXED ASSETS

	Computers and office equipment SR	*Total SR*
Cost:		
Balance at 14 February 2022	-	-
Additions during the period	20,950	20,950
At 31 December 2022	20,950	20,950
Additions during the year	**12,689**	**12,689**
At 31 December 2023	**33,639**	**33,639**
Accumulated depreciation:		
Balance at 14 February 2022	-	-
Charge for the period	2,279	2,279
At 31 December 2022	2,279	2,279
Charge for the year	**5,578**	**5,578**
At 31 December 2023	**7,857**	**7,857**
Net book value:		
As 31 December 2023	**25,782**	**25,782**
As 31 December 2022	18,671	18,671

5 CASH AND CASH EQUIVALENTS

	31 December 2023 SR	*31 December 2022 SR*
Cash in hand	**2,961**	-
Bank balance	**187,772**	9,249,044
Short-term deposits (i)	**2,500,000**	-
	2,690,733	9,249,044

(i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the rate of 5.1% per annum (2022: Nil).

(ii) As at 31 December 2023 and 31 December 2022, management considers the probability of default to be very low as the bank has a strong credit rating. The management has performed an assessment, and the impact of expected credit losses is insignificant.

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6 SHORT-TERM DEPOSITS

Short-term deposits represent investment in deposits with original maturity period of more than three months but less than a year.

	31 December 2023 SR	*31 December 2022 SR*
Short-term deposit (i)	**5,000,000**	-

(i) As at 31 December 2023, the Company's short-term deposit carried a profit rate of 4.77% (2022: Nil).

6.1 Interest income on deposits for the year ended 31 December 2023 amounted to SR 336,190 (2022: Nil).

6.2 The accrued interest income on deposits as at 31 December 2023 amounted to SR 254,785 (2022: Nil).

7 PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2023 SR	*31 December 2022 SR*
Input value added tax (VAT)	**161,888**	51,302
Prepaid funds set-up fees (i)	**80,425**	-
Professional fee	**25,529**	22,658
IT Service	**22,416**	9,513
Government fee	**22,325**	6,247
Others	**50,691**	43,333
	363,274	133,052

(i) During the year ended 31 December 2023, the Company paid pre-commencement expenses on behalf funds under incorporation.

8 SHARE CAPITAL

The authorized, issued and paid-up capital of the Company as at 31 December 2023 consisted of 1,000,000 shares (31 December 2022: 1,000,000 shares) of SR 10 par value.

9 EMPLOYEE BENEFIT DEFINED OBLIGATIONS

End of service benefits are mandatory for all employees who are based in the Kingdom of Saudi Arabia under the Saudi Arabian labour law and the Company's employment policies. End of service is based on employees' compensation and accumulated period of service and is payable upon termination, resignation or retirement. The end of service benefits are classified as defined benefit obligations as an unfunded plan and it is calculated by estimating the future benefits payments that employees have earned in return for their service using the projected unit credit method.

The movement in employee benefit obligations account is as follows:

	2023 SR	2022 SR
Balance at beginning of the year/period	**4,986**	-
Charge for the year	**23,323**	4,986
Actuarial gain on remeasurement recognised in OCI	**-**	-
Balance at end of the year/period	**28,309**	4,986

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10 ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2023 SR	*31 December 2022 SR*
Payable to suppliers	**80,943**	-
GOSI payable	**1,203**	2,056
Others	**-**	1,300
	82,146	3,356

11 ZAKAT PAYABLE

11.1 *Zakat charge*

	For the year ended 31 December 2023 SR	*For the period from 14 February 2022 to 31 December 2022 SR*
Equity	**10,000,000**	10,000,000
Opening provisions and other adjustments	**(813,796)**	-
Book value of long-term assets	**(25,782)**	(18,671)
Adjusted zakat base for the Gregorian year	**8,233,302**	9,378,740
Adjusted net loss (note 11.2)	**(927,120)**	(602,589)
Estimated zakat charge for the year		
of zakat base at 2.578%	**236,127**	226,272
of adjusted profit at 2.5%	**(23,178)**	(15,065)
Zakat expense for the year	**212,949**	211,207

Zakat is payable at 2.5% of higher of the approximate zakat base and adjusted net loss.

11.2 *Adjusted net loss*

	For the year ended 31 December 2023 SR	*For the period from 14 February 2022 to 31 December 2022 SR*
Net loss before zakat	**(957,099)**	(607,575)
Provisions charged to the current year accounts	**29,275**	4,986
Adjusted net loss for the year/period	**(927,120)**	(602,589)

11.3 *Zakat provision*

	31 December 2023 SR	*31 December 2022 SR*
At the beginning of the year/period	**211,207**	-
Provisions		
Provided for current year	**213,654**	211,207
Adjustments related to prior period	**-**	-
	213,654	211,207
Payments	**(211,912)**	-
At the end of the year/period	**212,949**	211,207

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11 ZAKAT PAYABLE (continued)

11.4 Status of assessments

The Company has filed the zakat return for the years till 31 December 2022, however, no zakat assessment has been raised by the ZATCA.

12 GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2023 SR	*For the period from 14 February 2022 to 31 December 2022 SR*
Salaries and administrative fees	**606,465**	128,320
Outsourcing expenses	**217,862**	-
Professional fees	**195,492**	340,086
Insurance	**94,901**	10,156
Regulatory authority fee	**37,136**	51,703
Office expenses	**26,160**	15,963
Subscription fee	**25,481**	17,481
Others	**89,792**	43,866
	1,293,289	607,575

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets consist mainly of short-term deposits, and cash and cash equivalents, while financial liabilities consist of other liabilities. The fair values of financial assets and financial liabilities approximate their carrying values at the reporting date mainly due to the short-term maturities of these instruments.

As at 31 December 2023 and 2022, there were no financial instruments measured at fair value.

14 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise other liabilities. The Company's principal financial assets include cash and cash equivalents, and other financial assets at amortised cost that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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14 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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. Market risk applicable to the Company comprises two types of risk: Interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company is exposed to cash flow and fair value interest rate risk on its interest-bearing assets.

The following table demonstrates the sensitivity to a reasonably possible change in interest income on financial instruments affected with all other variables held constant. In practice, the actual trading results may differ from the below sensitivity analysis and the difference could be significant.

	Impact on profit or loss	
	2023	*2022*
	SR	*SR*
Change in profit rate:		
0.5% increase	**37,500**	-
0.5% decrease	**(37,500)**	-

Foreign currency risk

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

The Company did not undertake any transactions in currencies other than Saudi Riyals during the reporting year, hence is not exposed to foreign currency risk.

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 operating activities and from its investing activities, including deposits with banks.

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

	2023	*2022*
	SR	*SR*
Cash and cash equivalents	**2,690,733**	9,249,044
Short-term deposits	**5,000,000**	-
	7,690,733	9,249,044

The Company applies simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for its financial assets measured at amortised cost. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

As at 31 December 2023 and 2022, management considers the probability of default to be very low as the counterparties have a strong credit rating. As a result, no loss allowance has been recognised as any such impairment would be insignificant to the Company.

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14 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 realise financial assets quickly at an amount close to its fair value. The Company manages its liquidity risk by monitoring working capital and cash flow requirements on regular basis. The Company limits its liquidity risk by ensuring that sufficient funds are available from its shareholders.

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

31 December 2023	*Less than 3 months SR*	*More than 3 and less than 12 months SR*	*More than 12 months SR*	*Total SR*
Other liabilities	**80,943**	**-**	**-**	**80,943**
31 December 2022				
Other liabilities	-	-	-	-

15 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued and paid-up capital. The primary objective of the Company's capital management is to maximise the shareholders value. It is the Company's policy to maintain a strong capital base to sustain future development of the business.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and its financial needs. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders.

16 CONTINGENCIES AND COMMITMENTS

There have been no contingencies and commitments as of 31 December 2023 and 2022.

17 SUBSEQUENT EVENTS

In the opinion of the Company's management, there have been no significant events after the reporting period end that would have a material impact on the financial statements of the Company.