SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Financial statements for the year ended December 31, 2021

Independent auditor's report to the shareholders of SHUAA Capital Saudi Arabia

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SHUAA Capital Saudi Arabia (the "Company") as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the code of professional conduct and ethics, 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 these requirements.

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

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

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

Independent auditor's report to the shareholders of SHUAA Capital Saudi Arabia (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 International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, 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.

PricewaterhouseCoopers

Ali H. Al Basri
License Number 409

30 March 2022

برايس وترهاوس كوبرز
محاسبون قانونيون
ترخيص رقم ٢٥
PRICEWATERHOUSECOOPERS
CERTIFIED PUBLIC ACCOUNTS
LICENSE NO.25
C.R.1010371622

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Statement of financial position
(All amounts in Saudi Riyals unless otherwise stated)

	Note	As at December 31, 2021	2020
Assets			
Current assets			
Cash and bank balances	3	**37,688,273**	3,825,016
Prepayments and other receivables – net	4	**9,326,601**	43,910,073
Total current assets		**47,014,874**	47,735,089
Non-current assets			
Investment held at fair value through statement of income (“FVSI”)	5	**17,445,580**	17,447,550
Property and equipment – net	6	**1,699,981**	1,132,849
Total non-current assets		**19,145,561**	18,580,399
Total assets		**66,160,435**	66,315,488
Liabilities and shareholders’ equity			
Liabilities			
Current liabilities			
Accrued expenses and other liabilities	7	**3,320,908**	3,999,094
Provision for zakat and income tax	8	**1,568,381**	2,883,233
Total current liabilities		**4,889,289**	6,882,327
Non-current liability			
Employees’ end of service benefits (EOSB)	9	**3,360,956**	2,938,092
Total liabilities		**8,250,245**	9,820,419
Equity			
Share capital	10	**50,000,000**	50,000,000
Statutory reserve	11	**6,376,585**	6,156,655
Re-measurement reserve on employees’ EOSB		**(487,275)**	(303,097)
Retained earnings		**2,020,880**	641,511
Total equity		**57,910,190**	56,495,069
Total liabilities and equity		**66,160,435**	66,315,488
Contingencies and commitments	12		

The accompanying notes from 1 to *22* form an integral part of these financial statements.

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Statement of income
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the year ended December 31, 2021	2020
Operating income			
Asset management fee	14.2	**11,597,400**	11,629,174
Funds' administrative fee	14.2	**2,262,861**	7,782,017
Debt arrangement fee	14.2	**-**	1,296,645
Custody fees		**180,000**	180,000
Unrealised fair value (loss) / gain on remeasurement of investment held at FVSI, net	5	**(1,970)**	55,334
Gain from fixed assets disposal		**17,391**	-
Total operating income		**14,055,682**	20,943,170
Operating expenses			
Salaries and employee related expenses		**(7,422,676)**	(9,135,670)
Other general and administrative expenses	13	**(2,833,158)**	(4,006,342)
Finance costs	6	**(36,919)**	(30,119)
Total operating expenses		**(10,292,753)**	(13,172,131)
Income before zakat and income tax		**3,762,929**	7,771,039
Zakat for the current year	8.1	**(1,542,839)**	(1,530,736)
Income tax for the current year	8.2	**(20,791)**	(44,645)
Zakat and income tax for prior years	8.3	**-**	(72,600)
Net income for the year		**2,199,299**	6,123,058

The accompanying notes from 1 to 22 form an integral part of these financial statements.

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Statement of comprehensive income
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the year ended December 31, 2021	2020
Net income for the year		**2,199,299**	6,123,058
Other comprehensive loss:			
Items that will not be reclassified subsequently to the statement of income			
- Re-measurement loss on employees' EOSB	9.2	**(184,178)**	(231,942)
Other comprehensive loss for the year		**(184,178)**	(231,942)
Total comprehensive income for the year		**2,015,121**	5,891,116

The accompanying notes from 1 to 22 form an integral part of these financial statements.

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Statement of changes in shareholders' equity
(All amounts in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Re-measurement reserve on employees' EOSB	Retained earnings	Total
Balance at January 1, 2021		**50,000,000**	**6,156,655**	**(303,097)**	**641,511**	**56,495,069**
Net profit for the year		**-**	**-**	**-**	**2,199,299**	**2,199,299**
Other comprehensive (loss) for the year		**-**	**-**	**(184,178)**	**-**	**(184,178)**
Total comprehensive income for the year		**-**	**-**	**(184,178)**	**2,199,299**	**2,015,121**
Dividends	22				**(600,000)**	**(600,000)**
Transfer to statutory reserve		**-**	**219,930**	**-**	**(219,930)**	**-**
Balance at December 31, 2021		**50,000,000**	**6,376,585**	**(487,275)**	**2,020,880**	**57,910,190**
Balance at January 1, 2020		50,000,000	5,544,349	(71,155)	(4,869,241)	50,603,953
Net profit for the year		-	-	-	6,123,058	6,123,058
Other comprehensive loss for the year		-	-	(231,942)	-	(231,942)
Total comprehensive (loss) / income for the year		-	-	(231,942)	6,123,058	5,891,116
Transfer to statutory reserve		-	612,306	-	(612,306)	-
Balance at December 31, 2020		50,000,000	6,156,655	(303,097)	641,511	56,495,069

The accompanying notes from 1 to 22 form an integral part of these financial statements.

SHUAA CAPITAL SAUDI ARABIA
(A Saudi Closed Joint Stock Company)
Statement of cash flows
(All amounts in Saudi Riyals unless otherwise stated)

	Note	For the year ended December 31, 2021	2020
Cash flows from operating activities			
Income before zakat and income tax		**3,762,929**	7,771,039
Adjustments for non-cash charges and other items			
Depreciation	6,13	**821,561**	813,461
Unrealised fair value loss/(gain) on remeasurement of investment held at FVSI, net	5	**1,970**	(55,334)
Provision for employees' EOSB	9.2	**407,963**	413,754
Gain on disposal of property and equipment		**(17,391)**	-
Adjustments in property and equipment, net	6	**-**	(879)
Finance costs		**36,919**	30,119
Changes in working capital:			
Prepayments and other receivables - net		**34,583,471**	(3,167,436)
Accrued expenses and other liabilities		**(678,185)**	2,937,864
Zakat and income tax paid	8.3	**(2,878,482)**	(7,209,615)
Rentals paid		**-**	(488,000)
Employees' EOSB paid	9.2	**(169,277)**	(76,937)
Net cash generated from operating activities		**35,871,478**	968,036
Cash flows from investing activities			
Purchase of property and equipment	6	**(1,388,693)**	(12,981)
Proceeds from disposal of property and equipment		**17,391**	-
Net cash used in investing activities		**(1,371,302)**	(12,981)
Cash flows from financing activities			
Finance cost paid		**(36,919)**	(30,119)
Dividends paid	22	**(600,000)**	-
Net cash used in financing activities		**(636,919)**	(30,119)
Net increase in cash and cash equivalents		**33,863,257**	924,936
Cash and cash equivalents at the beginning of the year		**3,825,016**	2,900,080
Cash and cash equivalents at the end of the year	3	**37,688,273**	3,825,016
Supplemental schedule for non-cash information			
- Re-measurement loss on employees' EOSB	9.2	**(184,178)**	(231,942)

The accompanying notes from 1 to 22 form an integral part of these financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

1. General

SHUAA Capital Saudi Arabia (the "Company") is a Saudi closed joint stock company registered in the Kingdom of Saudi Arabia under commercial registration number 1010243538 dated Muharram 21, 1429H (corresponding to January 30, 2008). The Company is licensed by the Capital Market Authority ("CMA") to conduct financial investment business services including underwriting of securities and other corporate finance activities, investment advisory services, asset and portfolio management and brokerage as per license number 07056-37, dated Safar 27, 1429H (corresponding to March 5, 2008).

The Company's registered office is located at 27th floor, Hamad Tower, King Fahad Road, P.O. Box 8181, Riyadh 11482, Kingdom of Saudi Arabia.

The Company's ownership structure is set out below:

Shareholders	Country of origin	Number of shares	December 31, 2021	December 31, 2020
SHUAA Capital PSC (Company / Ultimate controlling party)	UAE	49,800,000	49,800,000	49,800,000
SHUAA 1 Commercial Broker LLC	UAE	5,000	50,000	50,000
SHUAA 2 Commercial Broker LLC	UAE	5,000	50,000	50,000
SHUAA 3 Commercial Broker LLC	UAE	5,000	50,000	50,000
SHUAA 4 Commercial Broker LLC	UAE	5,000	50,000	50,000
			50,000,000	50,000,000

These financial statements were authorized for issue by the Board of Directors of the Company on February 2, 2022.

2. Significant accounting policies

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

2.1 Basis of preparation

(i) Compliance with IFRS

The financial statements of the Company 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").

(ii) Historic cost convention

These financial statements have been prepared:

- under the historical cost convention except for:
  - fair valuation of investments held at fair value through statement of income (FVSI); and
  - employees' end of service benefits (EOSB) carried at present value using projected unit credit method.
- using the accrual basis of accounting.

(iii) Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SAR), which is also the functional currency of the Company.

(iv) Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs as endorsed in Kingdom of Saudi Arabia, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2. Significant accounting policies (continued)
2.1 Basic of preparation (continued)
(iv) Critical accounting estimates and judgments (continued)

Such estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. There are no significant estimates in the Company's financial statements that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next twelve-month period.

2.2 New standards, amendments and interpretations effective in the current year

The International Accounting Standard Board (IASB) has issued the following amendments to accounting standards, which were effective from January 1, 2021 but do not have any significant impact on the financial statements of the Company.

- Covid-19-Related Rent Concessions – amendments to IFRS 16, and
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

2.3 New standards, amendments and interpretations not yet effective

The International Accounting Standard Board (IASB) has issued the following new accounting standards and amendments which are effective for annual periods beginning on or after January 1, 2022. The Company has opted not to early adopt these pronouncements and they are not expected to have a significant impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- Reference to the Conceptual Framework (Amendments to IFRS 3).
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018–2020.
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16).
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts

2.4 Cash and bank balances

Cash and bank balances are carried at amortised cost in the statement of financial position.

For the purpose of statement of cash flows, cash and cash equivalents include cash in hand and balances with banks and other short-term highly liquid investments, if any, with original maturities of three months or less from the purchase date.

2.5 Financial instruments

2.5.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company records investments on a 'settlement date' basis.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through statement of income, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost, which results in an impairment charge being recognised in the statement of income when an asset is newly originated.

2.5.2 Classification and subsequent measurement of financial assets

On initial recognition, the Company classifies its debt financial assets in the following measurement categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through statement of income (FVSI)

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.2 Classification and subsequent measurement of financial assets (continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

- The Company's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVSI.

Factors considered by the Company in determining the business model for a group of assets include:

- past experience on how the cash flows for these assets were collected;
- how the asset's performance is internally evaluated and reported to key management personnel;
- how risks are assessed and managed; and
- and how managers are compensated.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Debt securities held for trading, if any, are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in 'other' business model and measured at FVSI.

SPPP: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and profit (the "SPPP" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVSI.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit (SPPP), and that are not designated at FVSI, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 2.5.3. Profit earned from these financial assets is recognised in the statement of income using the effective commission rate method.

Fair value through statement of income (FVSI): If debt instrument's cash flows do not represent solely SPPP or if it is not held within the held to collect or the held to collect and sell business model, or if it is designated at FVSI, then it is measured at FVSI. A gain or loss on a debt investment measured at FVSI where cashflows do not represent solely SPPP, is recognised in the statement of income, within "Net gain / (loss) in investments mandatorily measured at FVSI", in the period in which it arises. A gain or loss from debt instruments that were designated at fair value or which are held for trading are presented separately from debt investments that are mandatorily measured at fair value through statement of income, within "Net gain / (loss) in investments designated at FVSI debt or held for trading".

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVSI, are measured at fair value through other comprehensive income (FVOCI).

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.2 Classification and subsequent measurement of financial assets (continued)

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognized in statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.
Currently bank balances and other receivables are classified as held at amortised cost. There are no debt securities classified as FVSI or FVOCI.

<u>Equity instruments</u>

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at FVSI, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to the statement of income, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in the statement of income when the Company's right to receive payments is established.

The Company classifies all investment in mutual funds as held at FVSI. A gain or loss on a mutual funds measured at FVSI is recognised in the statement of income, within "unrealised gain or loss on investments held at FVSI", in the period in which it arises. Currently investment in a mutual fund is classified as FVSI.

2.5.3 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instrument carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

IFRS 9 outlines a 'three stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

(i) A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored.
(ii) If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired.
(iii) If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.
(iv) Financial instrument in Stage 1 have their ECL measured at an amount equal to the portion of expected credit losses that result from the default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
(v) A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
(vi) Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Stage 1: (Initial recognition) 12-month expected credit losses
Stage 2: (Significant increase in credit risk since initial recognition) Lifetime expected credit losses
Stage 3: (Credit impaired assets) Lifetime expected credit losses

The financial assets of the Company that are subjected to ECL include bank balances and other receivables.

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.3 Impairment of financial assets (continued)

The impact of ECL on the financial assets of the Company is not material. A significant exposure of the Company is receivable from related parties which are payable on demand and expected to be settled in full during the next twelve months. The ECL is limited to the effect of discounting of the financial asset which is zero as the effective interest rate is zero. Other exposure includes placement with banks which have a sound credit rating as at the reporting date and hence, the Company considers that bank balances have low credit risk.

2.5.3.1 Stages of impairment under IFRS 9

The impairment approach of IFRS 9 provides a framework for Expected Credit Losses (ECL) where in, the assets have to be segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial asset. The three stages differ in terms of recognition of expected credit losses and the presentation of profit.

Stage 1 - Performing financial assets

Stage 1 assets are assessed based on Company's existing credit risk management standards for acceptable credit quality. Overall, the financial assets falling under this category have the following characteristics at minimum:

- Adequate capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability to fulfil its obligations.

Stage 2 - Financial assets with significant increase in credit risk

These are financial assets whose credit quality has deteriorated significantly since origination but do not have objective evidence of impairment.

Stage 3 - Credit impaired financial assets

Financial assets classified under this category have exceeded either the objective thresholds set by the Company i.e. have defaulted or have been subjectively considered as obligors which lack a capacity to repay their contractual obligations, on a timely basis.

The Company considers "Default" event when the obligor is unlikely to pay for its credit obligations in full, without recourse by the Company to the actions such as realizing security (if held).

2.5.3.2 Transfer criterions

Other receivables (other than related party balances)

Stage 1 to Stage 2

- If the amount is more than 30 days past due.

Stage 2 to Stage 3

- If the amount is more than 90 days past due.

2.5.3.3 Expected credit loss measurement

Other receivables (other than related party balances)

Staging criteria:

Staging is done in accordance with criteria mention in note 2.5.3.1 and 2.5.3.2

Significant increase in credit risk:

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.3 Impairment of financial assets (continued)
2.5.3.3 Expected credit loss measurement (continued)

Quantitative criteria:

The increase in the days past due of the counterparty by 30 days or more at the reporting date.

Qualitative criteria:

If the counterparty meets one or more of the following criteria:

- Extension to the terms granted
- Previous arrears within the last twelve months
- Significant adverse changes in business, financial and/or economic conditions in which the counterparty operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the counterparty

Definition of default:

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full; or
- the borrower is past due more than 90 days on any material credit obligation to the Company.

In assessing whether a borrower is in default, the Company considers indicators that are:

- qualitative - e.g. breaches of covenant;
- quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Company; and
- based on data developed internally and obtained from external sources.

Definition of default (continued)

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Measurement of ECL:

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

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. PDs are estimated considering binomial distribution of total borrowers and total defaults. The choice of confidence level is subjective and a confidence level of below 90% is used for calculation of PD.

LGD is the magnitude of the likely loss if there is a default. As the Company has no loss history, an expert judgment-based model has been developed, based on the available information with the Company.

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

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.4 Financial liabilities

All financial liabilities are initially recognized at fair value less transaction costs except for financial liabilities measured at FVSI 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 financial liabilities other than those held at FVSI are measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on settlement.

2.5.5 Fair valuation 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 or the most advantageous market must be accessible to 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 best economic 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 utilize 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements at fair value on a recurring basis using level 1 or level 2 indicators, 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.
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.

The Company applies the fair value of a financial instrument on initial recognition as normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in statement of income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2. Significant accounting policies (continued)
2.5 Financial instruments (continued)
2.5.6 Derecognition of financial instruments

A financial asset is derecognized, when the contractual rights to the cash flows from the financial asset expire or the asset is transferred, and the transfer qualifies for de-recognition. In instances where the Company is assessed to have transferred a financial asset, the asset is derecognized if the Company has transferred substantially all the risks and rewards of ownership. Where the Company has neither transferred nor retained substantially all the risks and rewards of ownership, the financial asset is derecognized only if the Company has not retained control of the financial asset. The Company recognizes separately as assets or liabilities any rights and obligations created or retained in the process.

A financial liability is derecognized only when it is extinguished, that is when the obligation specified in the contract is either discharged, cancelled or expires.

2.5.7 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 an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.6 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the expenditure that is directly attributable to the acquisition of the items and borrowing cost (where applicable). All other repair and maintenance costs are recognized in the statement of income as incurred.

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 will follow to the Company and the cost of that item can be measured reliably.

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

	Years
Leasehold improvements	5
Office equipment and computer	3
Motor vehicles	4
Furniture and fixtures	5
Right of use assets	as per lease term

Leasehold improvements are amortised on a straight-line basis over the shorter of the useful life of the improvement or the term of the lease.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income when the asset is derecognized.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2. Significant accounting policies (continued)
2.7 Impairment of non-financial assets (continued)

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

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

2.8 Accrued and other liabilities

Liabilities are recognised for amounts to be paid for goods or services received, whether or not billed to the Company.

2.9 Provisions

Provisions are recognised when; the Company has a present legal or constructive obligation 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 the amount can be reliably estimated.

2.10 Employees' end of service benefits

Employees' EOSB provision is made based on an actuarial valuation of the Company's liability under the Saudi Arabian Labor Law. In accordance with the provisions of IAS 19 "Employee benefits", management carries out an exercise to assess the present value of its obligations, using the projected unit credit method. Under this method an assessment is made of the employees' expected service life with the Company and expected salary at the date of leaving the service.

The cost of providing benefits under the Company's defined benefit plans is determined using the projected unit credit method by professionally qualified actuaries and arrived at using actuarial assumptions based on market expectations at the date of statement of financial position. These valuations attribute entitlement benefits to the current period (to determine current service cost), and to the current and prior periods (to determine the present value of defined benefit obligations). Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through statement of other comprehensive income in the period in which these occur. Re-measurements recorded in other comprehensive income are not reclassified to statement of income in subsequent periods.

Past service costs are recognized in statement of income on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The defined benefit liability in the statement of financial position comprises the present value of the defined benefit obligation (using a discount rate).

2.11 Statutory reserve

As required by Regulations for Companies, 10% of the net income for the year is transferred to a statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 30% of its share capital. The reserve is not available for distribution to the Company's shareholders.

2. Significant accounting policies (continued)

2.12 Zakat and taxes

The Company is subject to Zakat and income tax in accordance with the regulation of the General Authority of Zakat and Tax ("ZATCA"). Zakat and income tax are charged to the statement of income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Deferred tax is provided in full, if material, using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred income taxes arising out of such temporary differences were not significant as of December 31, 2021 and December 31, 2020.

Deferred tax relating to items recognised outside statement of income is recognised either in statement of comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

2.13 Assets held in trust or in a fiduciary capacity

The Company offers assets management services to its customers, which include management of certain mutual funds and investments. Such assets are not treated as assets of the Company and accordingly are not included in these financial statements.

2.14 Revenue

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

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

2. Significant accounting policies (continued)
2.14 Revenue (continued)

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

Asset management fees
Asset management fees are recognised based on a fixed percentage of net assets under management (“asset-based”), subject to applicable terms and conditions and service contracts with funds. 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. As asset management fees are not subject to claw backs, the management does not expect any significant reversal of revenue previously recognised. This fee compensates and contributes to single performance obligation, the Company’s obligation will generally be satisfied upon the provision of such services and therefore recognized as revenue over time as the overall services are performed.

Fund's administrative fee
Fund's administrative fee is recognised based on services rendered under the applicable service contracts. This fee compensates and contributes to a single performance obligation, the Company’s obligation will generally be satisfied upon the provision of such services and therefore recognized as revenue over time as the administrative services are performed.

Debt arrangement fee
Debt arrangement fee is recognised on a fixed percentage of debt facility approved by financial institution to the funds under management of the Company. This fee compensates and contributes to a single performance obligation, the Company’s obligation will generally be satisfied upon the approval of debt facility to the mutual fund and therefore recognised as revenue at a point in time.

Custody fees
Custody fees are recognised based on a fixed percentage of net assets under management (“asset-based”), subject to applicable terms and conditions and service contracts with mutual funds. The Company provides a non-restrictive legal custodial structure in line with CMA requirements and conductive for efficient operations of the mutual funds under management, while tailored for specific requirements of fund managers on a case by case basis. As custody fees are not subject to claw backs, the management does not expect any significant reversal of revenue previously recognised.

This fee compensates and contributes to a single performance obligation, the Company’s obligation will generally be satisfied upon the provision of non-restrictive legal custodial structure and therefore recognised as revenue over time as the overall services are performed.

Placement fee
The Company recognises the revenue against professional fee on each closing date when aggregate capital commitment of mutual fund is raised by the Company.This fee compensates and contributes to single performance obligation, the Company’s obligation will generally be satisfied when the aggregate capital commitment of the mutual fund is raised and therefore recognised as revenue at a point in time.

Advisory fee
Advisory fee is recognised based on services rendered under the applicable service contracts. This fee compensates and contributes to a single performance obligation, the Company’s obligation will generally be satisfied upon the provision of such services and therefore recognized as revenue over time as the services are performed.

2.15 Special commission income

Special commission income is recognized on an effective commission rate basis.

The effective commission rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset (or, where appropriate, a shorter period) to the carrying amount of the financial asset. When calculating the effective commission rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

The carrying amount of the financial asset is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective commission rate and the change in carrying amount is recorded as impairment losses.

2. Significant accounting policies (continued)

2.16 Expenses

All expenses are classified as general and administrative expenses.

2.17 Finance cost

Expenses from short-term borrowings are recognized on a time apportioned basis over the period of the contract based on the principal amounts outstanding and the profit rate agreed with banks.

2.18 Dividend distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders of the Company.

2.19 Foreign currencies transactions and balances

Transactions in foreign currencies are translated into Saudi Arabian Riyals at the exchange rates prevailing at the dates of the transaction. Assets and liabilities denominated in foreign currencies at the period-end are translated into Saudi Arabian Riyals at the exchange rates prevailing at the reporting date. Realized and unrealized gains or losses on exchange are credited or charged to the statement of income.

2.20 Contingent assets and liabilities

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

2.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability, at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities are 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, if that rate can be determined, or the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liabilities are measured at amortised cost using the effective interest rate method. They are re-measured when there is a change in future lease payments arising from a change in rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are re-measured in this way, a corresponding statement of income adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of income if the carrying amount of right-of-use asset is reduced to zero.

Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

(All amounts in Saudi Riyals unless otherwise stated)

2. Significant accounting policies (continued)

2.21 Expenses (continued)

Right-of-use assets (continued)

Refundable security deposits are not included in the initial measurement of a right-of-use asset. However, the difference between the nominal amount of the refundable security deposits and its fair value at the commencement of the lease represent, an additional lease payment which is prepaid and accordingly added to the initial carrying amount of the right-of-use asset and released to the statement of income over the lease term as part of the depreciation of those assets.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of lease liabilities.

Lease term

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

Short-term and low value leases

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

2.22 Value added tax (VAT)

The Company is subject to VAT in accordance with the regulations in the Kingdom of Saudi Arabia. Output VAT related to revenue is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales/services and purchases is recognised in the statement of financial position on a gross basis and disclosed separately as an asset and a liability.

3. Cash and bank balances

	December 31, 2021	December 31, 2020
Cash at banks	**37,688,273**	3,825,016
	37,688,273	3,825,016

4. Prepayments and other receivables - net

	Note	December 31, 2021	December 31, 2020
Receivable from SHUAA Capital PSC (parent company)	14.1	**2,475,000**	4,760,629
Receivable from managed mutual funds	14.1	**6,403,481**	38,856,634
Account receivable		**412,500**	412,500
Prepaid expenses		**158,901**	150,072
Receivable from employees		**110,692**	107,500
VAT recoverable		**17,669**	35,238
Others		**160,858**	-
Prepayments and other receivables - gross		**9,739,101**	44,322,573
Expected credit loss (ECL)			
- Account receivable	4.1	**(412,500)**	(412,500)
Prepayments and other receivables - net		**9,326,601**	43,910,073

(All amounts in Saudi Riyals unless otherwise stated)

4. Prepayments and other receivables – net (continued)

4.1 Provision for doubtful receivables

	December 31, 2021	December 31, 2020
Balance at the beginning of the year	**(412,500)**	(412,500)
Charge for the year	**-**	-
Write-offs	**-**	-
Closing balance at the end of the year	**(412,500)**	(412,500)

5. Investment held at fair value through statement of income (FVSI)

During 2016, the Company invested SR 16.5 million in SHUAA Wadi Al Hada Fund with a 2.85%, a closed ended real estate fund managed by the Company. Details of investment are as follows:

	Note	December 31, 2021	December 31, 2020
Investment held at FVSI			
Investment in SHUAA Wadi Al-Hada Fund			
Opening "market value"		**17,447,550**	17,392,216
Unrealised fair value (loss) / gain on remeasurement		**(1,970)**	55,334
Closing "market value"	14	**17,445,580**	17,447,550

6. Property and equipment, net

	Leasehold improvements	Motor vehicles	Furniture and office equipment	Rights of use assets	Total 2021
Cost					
As at January 1, 2021	**1,025,494**	**442,319**	**5,134,068**	**1,165,133**	**7,767,014**
Additions	**-**	**-**	**10,849**	**1,377,844**	**1,388,693**
Disposal	**-**	**(144,049)**	**-**	**(1,165,133)**	**(1,309,182)**
As at December 31, 2021	**1,025,494**	**298,270**	**5,144,917**	**1,377,844**	**7,846,525**
Accumulated depreciation					
As at January 1, 2021	**461,472**	**370,046**	**4,885,090**	**917,557**	**6,634,165**
Disposal	**-**	**(144,049)**	**-**	**(1,165,133)**	**(1,309,182)**
Charge for the year	**205,099**	**57,818**	**107,038**	**451,606**	**821,561**
As at December 31, 2021	**666,571**	**283,815**	**4,992,128**	**204,030**	**6,146,544**
Net book value					
As at December 31, 2021	**358,923**	**14,455**	**152,789**	**1,173,814**	**1,699,981**

	Leasehold improvements	Motor vehicles	Furniture and office equipment	Rights of use assets	Total 2020
Cost					
As at January 1, 2020	1,407,630	442,319	4,747,533	1,165,133	7,762,615
Additions	-	-	12,981	-	12,981
Disposal	-	-	-	-	-
Adjustment	(382,136)	-	373,554	-	(8,582)
As at December 31, 2020	1,025,494	442,319	5,134,068	1,165,133	7,767,014
Accumulated depreciation					
As at January 1, 2020	353,080	312,228	4,692,354	472,503	5,830,165
Disposal	-	-	-	-	-
Adjustment	74,209	-	(83,670)	-	(9,461)
Charge for the year	34,183	57,818	276,406	445,054	813,461
As at December 31, 2020	461,472	370,046	4,885,090	917,557	6,634,165
Net book value					
As at December 31, 2020	564,022	72,273	248,978	247,576	1,132,849

(All amounts in Saudi Riyals unless otherwise stated)

6. Property and equipment, net (continued)

The statement of income includes the following amounts related to leases:

	Note	December 31, 2021	December 31, 2020
Depreciation charge of right of use assets		**451,606**	445,054
Interest expense on lease liabilities (included in finance cost)		**36,919**	30,119
Expense relating to short term leases	13	**-**	38,696

7. Accrued expenses and other liabilities

	Note	December 31, 2021	December 31, 2020
Accrued expenses	7.1	**2,875,560**	3,085,686
Payable to suppliers		**445,348**	913,408
		3,320,908	3,999,094

7.1 Accrued expenses

	Note	December 31, 2021	December 31, 2020
Lease liabilities	7.2	**905,573**	-
VAT liability		**523,798**	722,467
Independent directors' fees	14.2	**500,000**	350,000
Accrued employees' bonus		**462,771**	1,638,862
Professional fees		**422,200**	339,700
Other		**61,218**	34,657
		2,875,560	3,085,686

7.2 The breakup of lease liabilities is as follows:

	Note	December 31, 2021	December 31, 2020
Non-current		**462,579**	**-**
Current		**442,994**	**-**
		905,573	**-**

7.3 The total cash outflow for leases during the year was SAR 503,000 (2020: SAR 488,000).

8. Provision for zakat and income tax

	Note	December 31, 2021	December 31, 2020
Zakat charge for the current year	8	**1,542,839**	1,530,736
Income tax charge for the current year	8.2	**20,791**	44,645
Zakat and income tax for prior years - cumulative		**4,751**	1,307,852
		1,568,381	2,883,233

(All amounts in Saudi Riyals unless otherwise stated)

8. Provision for zakat and income tax (continued)

8.1 Zakat

The significant components of the Company's approximate zakat base for the year ended December 31, which are subject to adjustments under income tax and zakat regulations, principally comprised the following:

	December 31, 2021	December 31, 2020
Shareholders' equity at beginning of the year	**56,798,166**	50,675,108
Provisions at beginning of the year	**3,355,343**	3,940,148
Property and equipment, as adjusted	**(1,699,981)**	(1,132,849)
Estimated zakat base	**58,453,528**	53,482,407
GCC shareholders' share of estimated zakat base at 96.4543%	**56,380,941**	51,586,081
Adjusted net income for the year	**3,909,301**	8,394,185
GCC shareholders' share of adjusted net income at 96.4543%	**3,770,689**	8,096,552
Estimated zakat liability - attributable to GCC shareholders	**1,542,839**	1,530,736

Zakat is calculated at 2.578% of higher of the estimated zakat base or 2.5% of adjusted net income attributable to GCC shareholders.

8.2 Income tax

	December 31, 2021	December 31, 2020
Net income before zakat and income tax	**3,762,929**	7,771,039
Temporary differences:		
Depreciation, net	**(91,780)**	286,330
Employee termination benefits, net	**238,686**	336,816
Others, net	**(534)**	-
Adjusted net income	**3,909,301**	8,394,185
Share of non-GCC shareholders in adjusted net income at 3.5457%	**138,612**	297,633
Less: Non-GCC share of provisions utlitised during the year	**(34,653)**	(74,408)
Share of non-GCC shareholders in adjusted net income	**103,959**	223,225
Estimated income tax liability - attributable to non-GCC shareholders at 20%	**20,791**	44,645

Income tax is calculated at 20% of the adjusted net income attributable to the non-GCC shareholders.

8.3 Movement in provision for zakat and income tax

	December 31, 2021	December 31, 2020
January 1	**2,883,233**	8,444,867
Provision for the current year	**1,563,630**	1,575,381
Provision for prior years	**-**	72,600
Payments	**(2,878,482)**	(7,209,615)
December 31	**1,568,381**	2,883,233

8.4 Status of assessments

The Company has filed its zakat and income tax returns up to and for the year ended December 31, 2020 which are still under review by ZATCA. The Company is in the process of filing its return for the year ended December 31, 2021.

The final assessments of zakat and income tax liability for the years 2008 - 2013 was received during the year 2019 and the settlement as per terms of settlement is being paid as per agreed schedule. The balance amount payable as per settlement terms is kept aside as provision for zakat and income tax amounting to SAR 0.933 million as of December 31, 2020 which was paid in January 2021.

(All amounts in Saudi Riyals unless otherwise stated)

9. Employees' end of service benefits (EOSB)

The Company operates an employees' EOSB plan for its employees based on the prevailing Saudi Labor Law. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

9.1 The amounts recognized in the statement of financial position and movement in the obligation during the year based on its present value are as follows:

	Note	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	9.2	**3,360,956**	2,938,092
Fair value of plan assets		**-**	-
		3,360,956	2,938,092

9.2 Movement of defined benefit obligation

	December 31, 2021	December 31, 2020
Opening balance	**2,938,092**	2,369,333
Charge to statement of income - current service and interest cost	**407,963**	413,754
Charge to statement of comprehensive income - experience adjustments and changes in financial assumptions	**184,178**	231,942
Payment of benefits during the year	**(169,277)**	(76,937)
Closing balance	**3,360,956**	2,938,092

9.3 Reconciliation of present value of defined benefit obligation

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation as at January 1	**2,938,092**	2,369,333
Current service costs	**350,894**	317,023
Finance costs	**57,069**	96,731
Remeasurement (gain)/loss from experience adjustments	**184,178**	(2,795)
Remeasurement loss from changes in financial assumptions	**-**	234,737
Payment of benefits during the year	**(169,277)**	(76,937)
Present value of defined benefit obligation as at December 31	**3,360,956**	2,938,092

9.4 Principal actuarial assumptions

The following range of significant actuarial assumptions was used by the Company for the valuation of post-employment benefit liability:

	December 31, 2021	December 31, 2020
Valuation discount rate	**2.00%**	2.00%
Expected rate of increase in salary level across different age bands	**2.00%**	2.00%

(All amounts in Saudi Riyals unless otherwise stated)

9. Employees' end of service benefits (EOSB) (continued)

9.5 A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is shown below:

	December 31, 2021	December 31, 2020
Discount rate		
1% increase	**(119,067)**	(95,202)
1% decrease	**139,515**	111,682
Future salary increases		
1% increase	**124,356**	99,536
1% decrease	**(108,749)**	(86,930)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

10. Share capital

As at December 31, 2021, the issued and fully paid-up share capital of the Company was Saudi Riyals 50 million divided into 5 million shares (December 31, 2020: 5 million shares) with a nominal value of Saudi Riyals 10 each.

The shareholding of the Company's paid-up share capital is as follows:

Shareholders	Country of origin	Holding	No. of shares	Amount
SHUAA Capital PSC (Ultimate controlling party)	UAE	**99.6%**	**4,980,000**	**49,800,000**
SHUAA 1 Commercial Broker LLC.	UAE	**0.1%**	**5,000**	**50,000**
SHUAA 2 Commercial Broker LLC.	UAE	**0.1%**	**5,000**	**50,000**
SHUAA 3 Commercial Broker LLC.	UAE	**0.1%**	**5,000**	**50,000**
SHUAA 4 Commercial Broker LLC.	UAE	**0.1%**	**5,000**	**50,000**
		100%	**5,000,000**	**50,000,000**

No change in shareholding occurred during the year.

11. Statutory reserve

In accordance with the Regulations for Companies in the Kingdom of Saudi Arabia, the Company transfers 10% of the net income for the year to a statutory reserve until such reserve at least 30% of its share capital.

This reserve is currently not available for distribution to the shareholders of the Company.

12. Contingencies and commitments

As of December 31, 2021, the Company is subject to litigations in the normal course of its business. Based on legal advice, the Company is confident of a favourable outcome and accordingly, no provision has been made in these financial statements.

13. Other general and administrative expenses

	Note	For the year ended December 31, 2021	2020
Professional fees		**869,584**	2,020,987
Depreciation	6	**821,561**	813,461
Independent directors' fees	14.2	**500,000**	350,000
Maintenance and support		**151,109**	276,566
Regulatory fee		**263,821**	247,665
Travel		**50,926**	125,720
Communication		**95,599**	117,741
Office charges		**54,079**	-
Short term lease rental	6	**-**	38,696
Others		**26,479**	15,506
		2,833,158	4,006,342

(All amounts in Saudi Riyals unless otherwise stated)

14. Related party matters

In the ordinary course of business, the Company transacts with its related parties. The principal related parties of the Company are SHUAA Capital PSC (ultimate controlling party) and mutual funds managed by the Company. The details of transactions during the year ended December 31, 2021 and balances as at December 31, 2020 resulting from such transactions are as follows:

14.1 Balances with related parties

	Note	December 31, 2021	December 31, 2020
Investment in SHUAA Wadi Al Hada Fund	5	**17,445,580**	17,447,550
Receivable from related parties			
SHUAA Capital PSC (Parent Company)	(a)	**2,475,000**	4,760,629
SHUAA Saudi Hospitality Fund I (Affiliate)	(b)	**-**	3,553,020
Jeddah Centro Fund I (Affiliate)	(b)	**813,729**	1,090,571
Dammam Rayhaan Fund I (Affiliate)	(b)	**-**	28,221,773
SHUAA Wadi Al Hada Fund (Affiliate)	(b)	**5,589,752**	5,991,270
		6,403,481	38,856,634
		8,878,481	43,617,263

(a) The amount represents receivable from SHUAA Capital PSC in relation to the payment made on behalf of the Parent Company against additional land collateral for SHUAA Wadi Al Hada Fund.

(b) These represent receivable for management and admin fees and expenses incurred and paid on behalf of the mutual funds managed by the Company.

14.2 Transactions with related parties

Significant transactions with related parties in the ordinary course of business included in the financial statements are summarized below:

	Note	For the year ended December 31, 2021	2020
Transactions with managed funds			
Asset management fee		**11,597,400**	11,629,174
Funds' administrative fee		**2,262,861**	7,782,017
Debt arrangement fees		**-**	1,296,645
Transactions with key management personnel			
Independent directors' fee	13	**500,000**	350,000
Key management compensation		**3,762,058**	3,724,943
• Short term benefits		**739,800**	739,800
• Long term benefits		**2,798,172**	2,768,172
• Employees' EOSB		**224,086**	216,971

14.2.1 This fee is in relation to the services offered by the Fund Manager to the respective Funds during the course of the year. The fees were duly approved by the respective Fund Boards.

15. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value commission rate risk and price risk), credit risk, liquidity risk and operational risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

15. Financial risk management (coninued)

Financial instruments carried on the statement of financial position include cash and bank balances, other receivables, accrued expenses and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset and net amounts are reported in the financial statements, when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

15.1 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

a) Currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals and US Dollars. Management monitors the exposures and fluctuations in foreign exchange rates and believes that the foreign exchange risk is not significant as the Saudi Riyal is pegged to US Dollars.

b) Cash flow and fair value Commission rate risk

Cash flow and fair value commission rate risks is the exposure to various risks associated with the effect of fluctuations in the prevailing commission rates on the Company's financial positions and cash flows. The Company is not exposed to any long term or short-term credit facilities, borrowings or deposits and the management believes that the commission rate risk is not significant. The amounts receivable from the parent company and the mutual funds are interest free.

c) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Exposure
The Company is exposed to market risk with respect to its investment in a mutual fund.

Sensitivity
Management's best estimate of the effect on statement of income for a year due to a reasonably possible change in NAV, with all other variables held constant is indicated in the table below. There is no effect on OCI as the Company has no assets classified as FVOCI. An equivalent decrease shown below would have resulted in an equivalent, but opposite, impact.

		Effect on income statement for the years ended December 31,	
Variable	**Change in NAV%**	**2021**	**2020**
Net Asset Value (NAV)	±5	**±872,279**	±872,378
	±10	**±1,744,558**	±1,744,755

15.2 Credit risk

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

Exposure
For the Company, the financial assets which are potentially subject to credit risk consist principally of balances with bank and other receivables. The Company's maximum exposure to credit risk without taking into account any collateral held or any credit enhancements is SR 47.015 million.

(All amounts in Saudi Riyals unless otherwise stated)

15. Financial risk management (continued)
15.2 Credit risk

Cash is placed with a local bank having sound credit ratings ranging between BBB to A. Other receivables include SR 2.475 million from the Parent Company, which has sound credit worthiness.

	December 31, 2021	December 31, 2020
Cash and bank balances	**37,688,273**	3,825,016
Other receivables	**9,326,601**	43,724,763
	47,014,874	47,549,779

15.2.1 Credit risk measurement

The assessment of credit risk of a financial assets carried at amortised cost (cash and bank balances and other receivables) requires further estimations of credit risk using Expected Credit Loss (ECL) which is derived by Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The impact of ECL on the financial assets of the Company is not material. A significant exposure of the Company is receivable from related parties which are payable on demand and expected to be settled in full in the next twelve months. Other exposure includes placement with a bank which has a sound credit rating as at the reporting date. Hence, currently the Company is not exposed to any significant credit risk against its receivables and bank balances.

Loss allowance on other receivables

	December 31, 2021			
	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Carrying amount	**9,326,601**	**-**	**412,500**	**9,739,101**
Expected credit loss	**-**	**-**	**(412,500)**	**(412,500)**
	9,326,601	**-**	**-**	**9,326,601**

Loss allowance on other receivables

	December 31, 2020			
	12 month ECL	Life time ECL not credit impaired	Life time ECL credit impaired	Total
Carrying amount	43,312,263	-	412,500	44,137,263
Expected credit loss	-	-	(412,500)	(412,500)
	43,312,263	-	-	43,724,763

15.2.2 Credit quality analysis

The following table sets out the credit analysis for financial assets as at December 31, 2021.

	Investment grade	Non- investment grade	Unrated	Total
Financial assets				
Cash and bank balances	**37,688,273**	**-**	**-**	**37,688,273**
Other receivables	**2,475,000**	**-**	**-**	**2,475,000**
Total	**40,163,273**	**-**	**-**	**40,163,273**

(All amounts in Saudi Riyals unless otherwise stated)

15. Financial risk management (continued)
15.2 Credit risk *(continued)*
15.2.2 Credit quality analysis (continued)

The following table sets out the credit analysis for financial assets as at December 31, 2020.

	Investment grade	Non- investment grade	Unrated	Total
Financial assets				
Cash and bank balances	3,825,016	-	-	3,825,016
Other receivables	4,760,629	-	38,964,134	43,724,763
Total	8,585,645	-	38,964,134	47,549,779

15.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The Company's liquidity management process is as follows:

a. Day-to-day funding, managed by Finance department to ensure that requirements can be met, and this includes replenishment of funds as they mature or are invested,
b. Monitoring balance sheet liquidity ratios against internal and regulatory requirements
c. Managing the concentration and profile of debt maturities
d. Liquidity management and asset and liability mismatching.

The following analyses the Company’s financial liabilities based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances are equal to their carrying balances as most of them are due for repayments within 1 year hence the impact of discounting is not significant.

	Due within 1 year	Due after 1 year
December 31, 2021		
Accrued expenses and other liabilities	**2,334,532**	**462,579**
Total	**2,334,532**	**462,579**
December 31, 2020		
Accrued expenses and other liabilities	3,276,627	-
Total	3,276,627	-

15.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the processes, technology and infrastructure supporting the Company’s activities either internally or externally at the Company’s service providers and from external factors other than credit, liquidity, currency and market risks such as those arising from the legal and regulatory requirements.

Operational risk is a distinct risk category which the Company manages within acceptable levels through sound operational risk management practices that are part of the day-to-day responsibilities of management at all levels. The objective in managing operational risk is to ensure control of the Company’s resources by protecting the assets of the Company and minimising the potential for financial loss.

The Company’s risk management approach involves identifying, assessing, managing, mitigating, monitoring and measuring the risks associated with operations. The management of operational risk has a key objective of minimising the impact of losses suffered in the normal course of business (expected losses) and to avoid or reduce the likelihood of suffering a large extreme (unexpected) loss.

(All amounts in Saudi Riyals unless otherwise stated)

16. Capital risk management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholders by pricing products and services commensuration with the level of risk. It is the policy of the Company to maintain adequate capital base so as to maintain investor, creditor and market confidence and to support future development of the business. The Company's capital base sufficiently covers all material risks meeting the minimum capital requirement and the Company intends to maintain a healthy capital ratio to cater future business growth. For capital adequacy working, refer to note 16.1.

16.1 Capital adequacy

The Company's objectives when managing capital are, to comply with the capital requirements set by CMA to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base.

In accordance with Article 74(b) of the Prudential Rules issued by CMA (the Rules), given below are the disclosures of the capital base, minimum capital requirement and total capital ratio as of December 31, 2021:

	As at December 31, 2021	As at December 31, 2020
Capital base:		
Tier 1 capital	**57,910,189**	56,495,068
Tier 2 capital	**-**	-
Total capital base	**57,910,189**	56,495,068
Minimum capital requirement:		
Market risk	**-**	-
Credit risk	**16,335,993**	42,765,318
Operational risk	**2,573,188**	3,293,033
Total minimum capital required	**18,909,181**	46,058,351
Capital Adequacy Ratio:		
Surplus in capital	**39,001,008**	10,436,717
Tier 1 capital	**3.06**	1.23
Tier 2 capital	**0.00**	0.00
Total Capital Ratio (times)	**3.06**	1.23

a) The above information has been extracted from the Company's annual Capital Adequacy Model for the year ended December 31, 2021 to be submitted to CMA and December 31, 2020 as submitted to CMA.
b) The Capital Base consists of Tier 1 Capital and Tier 2 Capital calculated as per Article 4 and 5 of the Rules respectively. The Minimum Capital Requirements for Market, Credit and Operational Risk are calculated as per the requirements specified in Part 3 of the Rules.
c) The Company is required to maintain adequate capital as specified in the Rules. The capital adequacy ratio shall not be less than 1.
d) Certain information as required by Pillar III of the Prudential Rules will be made available to the public on the Company's website, however, this information is not subject to review or audit by the external auditors of the Company.

(All amounts in Saudi Riyals unless otherwise stated)

17. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

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

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

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

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Specific valuation techniques used to value financial instruments include:

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

Accounting classifications and fair values	**Carrying value**	**Fair values**			
		Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2021					
Financial assets					
Financial assets measured at fair value					
Investments held at FVSI	**17,445,580**	**-**	**-**	**17,445,580**	**17,445,580**
Financial assets not measured at fair value					
Financial assets held at amortised cost					
Cash and bank balances	**37,688,273**	**-**	**-**	**37,688,273**	**37,688,273**
Other receivables	**9,326,601**	**-**	**-**	**9,326,601**	**9,326,601**
	64,460,454	**-**	**-**	**64,460,454**	**64,460,454**
Financial liabilities					
Financial liabilities not measured at fair value					
Financial liabilities held at amortised cost		**-**	**-**	**-**	**-**
Accrued expenses and other liabilities	**2,797,111**	**-**	**-**	**2,797,111**	**2,797,111**
	2,797,111	**-**	**-**	**2,797,111**	**2,797,111**

(All amounts in Saudi Riyals unless otherwise stated)

17. Fair value estimation (continued)

Accounting classifications and fair values	Carrying value	Fair values			
		Level 1	Level 2	Level 3	Total
December 31, 2020					
Financial assets					
Financial assets measured at fair value	17,447,550	-	-	17,447,550	17,447,550
Investments held at FVSI					
Financial assets not measured at fair value					
Financial assets held at amortised cost	-	-	-	-	-
Cash and bank balances	3,825,016	-	-	3,825,016	3,825,016
Other receivables	43,724,763	-	-	43,724,763	43,724,763
	64,997,329	-	-	64,997,329	64,997,329
Financial liabilities					
Financial liabilities not measured at fair value					
Financial liabilities held at amortised cost	-	-	-	-	-
Accrued expenses and other liabilities	3,276,627	-	-	3,276,627	3,276,627
	3,276,627	-	-	3,276,627	3,276,627

The assets and liabilities included in the above table that are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Accrued expenses and other liabilities represent contract amounts and obligations due by the Company.

17.1 Fair valuation techniques

The following tables show the valuation techniques used in measuring Level 2 fair values.

Type	Valuation techniques
Financial assets held at FVSI	Valuation is based on the NAV received from funds adjusted for fair valuation of underlying assets.
Inter-relationship between significant observable inputs and fair value measurement.	The estimated fair value would increase (decrease) if there is a change in the inputs used for valuation as discussed above.

17.2 Transfers between level 1 & 2

There have been no transfers between level 1 and level 2 during the reporting periods.

(All amounts in Saudi Riyals unless otherwise stated)

18. Financial instruments by category

All financial assets and financial liabilities for the years ended December 31, 2021 and 2020, are classified under amortised cost category except for investments held at FVSI, which are classified and measured at fair value.

	Measurement category	As at December 31, 2021	As at December 31, 2020
Financial assets			
Cash and bank balances	Amortised cost	**37,688,273**	3,825,016
Other receivables	Amortised cost	**9,006,842**	43,724,763
Investments at fair value	FVSI	**17,445,580**	17,447,550
Total financial assets		**64,140,695**	64,997,329
Financial liabilities			
Accrued expenses and other liabilities	Amortised cost	**2,797,111**	3,276,627
Total financial liabilities		**2,797,111**	3,276,627

19. Assets held under fiduciary capacity

These represent net assets of mutual funds under management amounting to Saudi Riyals 1.9 Billion (2020: Saudi Riyals 1.6 Billion). Consistent with the Company's accounting policy, such balances are not included in the Company's financial statements.

20. Impact of COVID-19

The Coronavirus ("COVID-19") pandemic continues to disrupt global markets as many geographies experienced multiple waves of infections despite having previously controlled the outbreak through aggressive precautionary measures such as imposing restrictions on travel, lockdowns and strict social distancing rules. The Government of Kingdom of Saudi Arabia ("the Government") however has managed to successfully control the outbreak to date, owing primarily to the effective measures taken by the Government, following which the Government has now ended the lockdowns and has begun taking phased measures to normalize international travel and resume Umrah pilgrimages.

Notwithstanding these challenges, the Company's business operations are only affected with respect to fair value of investments in mutual fund. As at December 31, 2021 (date of latest statutory financial statements), the Management's expert used the discounted cashflow method (DCF) to determine the fair value of the underlying real estate property which is held as inventory at cost. The net realizable value of the real estate property remains unchanged as the estimated selling price is fixed pending completion of the property as per the signed agreement with the buyer. Furthermore, given the fact that the Company has an insignificant holding of 2.85% in the mutual fund, the fair value effect is not significant to the Company's financial information as at December 31, 2021 (a fair value decrease of SAR 1,970).

Based on these factors, the Company's management believes that the COVID-19 pandemic has had it's impact on the profitability of the Company, only due to fair value of investments in mutual fund, however, this is expected to be temporary. The Company's management continues to monitor the situation closely and will modify its strategy based on the prevalent situation as may be required.

21. Subsequent events

The Company received a no objections confirmation for the establishment of a new fund (SHUAA WYS Irqah Fund I) in January 2022. There have been no other significant subsequent events after the date of statement of financial position until the date of approval of these financial statements.

22. Dividend distribution

The shareholders of the Company approved distribution of dividends amounting to Saudi Riyals 600,000 in June 1, 2021.