NOMW Capital Company for Financial Consultant
(Closed Joint Stock Company)
FINANCIAL STATEMENTS
For the year ended 31 December 2020
together with the
Independent Auditor's Report

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company**)**
FINANCIAL STATEMENTS
For the year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT
To the Shareholders
NOMW Capital Company for Financial Consultant

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of NOMW Capital Company for Financial Consultant (Closed Joint Stock Company) (the "Company"), which comprise the financial position as at 31 December 2020, statements of income, comprehensive income, changes in shareholders' equity, cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization of Certified Public accountants ("SOCPA").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Financial Statements"* section of our report. We are independent of the Company in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the Company's financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders
NOMW Capital Company for Financial Consultant

Report on the audit of the financial statements (Continued)

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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.

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INDEPENDENT AUDITOR'S REPORT
To the Shareholder
NOMW Capital Company for Financial Consultant

Report on the audit of the financial statements (Continued)

- 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.

Al-Bassam & Co.
Riyadh, Kingdom of Saudi Arabia

البسام وشركاؤه
محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
license 520/11/323
Al-Bassam & Co.
Certified Public Accountants

Ibrahim A. Al-Bassam
Certified Public Accountant
License No. 337

31 March 2021
18 Shaban 1442

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2020
(Saudi Arabian Riyals)

	Note	**31 December 2020**	31 December 2019
ASSETS			
NON-CURRENT ASSETS			
Investments measured at FVOCI	10	**7,652,806**	8,572,398
Property and equipment, net	11	**65,860**	41,922
TOTAL NON-CURRENT ASSETS		**7,718,666**	8,614,320
CURRENT ASSETS			
Cash and cash equivalents	5	**13,356,500**	21,551,601
Accounts Receivable	7	**1,158,586**	1,965,287
Investments carried at FVIS	6	**310,820**	236,298
Prepayments and other current assets	8	**652,901**	541,787
Due from related parties	9	**48,132,046**	32,650,212
TOTAL CURRENT ASSETS		**63,610,853**	56,945,185
TOTAL ASSETS		**71,329,519**	65,559,505
SHARE HOLDERS' EQUITY			
Share Capital	15	**50,000,000**	50,000,000
Statutory reserve	16	**3,561,185**	2,829,653
Retained earnings		**17,863,370**	11,279,583
Investments fair value reserve	10	**(5,505,096)**	(4,585,504)
Actuarial gains and losses reserve	14	**516,271**	104,435
TOTAL SHAREHOLDER'S EQUITY		**66,435,730**	59,628,167
NON-CURRENT LIABILITIES			
Employees' post-employment benefits	14	**483,773**	1,420,141
TOTAL NON-CURRENT LIABILITIES		**483,773**	1,420,141
CURRENT LIABILITIES			
Accrued Zakat	13	**1,519,472**	1,460,251
Accrued expenses and other current liabilities	12	**2,890,544**	3,050,946
TOTAL CURRENT LIABILITIES		**4,410,016**	4,511,197
TOTAL LIABILITIES		**4,893,789**	5,931,338
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**71,329,519**	65,559,505

The accompanying notes (1) to (23) form an integral part of these financial statements.

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company**)**
STATEMENT OF INCOME
For the year ended 31 December 2020
(Saudi Arabian Riyals)

	Note	**For the year ended 31 December 2020**	For the year ended 31 December 2019
INCOME			
Asset management fee	9	**16,392,851**	17,268,865
Arrangement fee		**349,878**	2,904,000
Custody fee		**1,485,760**	1,601,667
Income from investment	17	**579,430**	401,104
TOTAL INCOME		**18,807,919**	22,175,636
EXPENSES			
General and administrative expenses	18	**(10,059,922)**	(10,534,831)
TOTAL EXPENSES		**(10,059,922)**	(10,534,831)
NET INCOME BEFORE ZAKAT		**8,747,997**	11,640,805
Zakat	13	**(1,432,678)**	(1,456,244)
NET INCOME FOR THE YEAR		**7,315,319**	10,184,561

The accompanying notes (1) to (23) form an integral part of these financial statements.

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company**)**
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2020
(Saudi Arabian Riyals)

	Note	**For the year ended 31 December 2020**	For the year ended 31 December 2019
NET INCOME FOR THE YEAR		**7,315,319**	10,184,561
Items that not will be reclassified subsequently to statement of income:			
Net change on equity instruments carried at fair value through other comprehensive income	10	**(919,592)**	(285,586)
Remeasurements of post-employment benefit obligations	14	**411,836**	(273,022)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(507,756)**	(558,608)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,807,563**	9,625,953

The accompanying notes (1) to (23) form an integral part of these financial statements.

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company)
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the year ended 31 December 2020
(Saudi Arabian Riyals)

	Note	Share Capital	Statutory Reserve	Retained earnings	Actuarial gain and losses reserve	Investment Fair value reserve	Total
Balance at 1 January 2019		50,000,000	1,811,197	11,113,478	377,457	(4,299,918)	59,002,214
Net income for the year		-	-	10,184,561	-	-	10,184,561
Net changes in fair value investments measured at FVOCI	10	-	-	-	-	(285,586)	(285,586)
Remeasurements of post-employment benefit obligations	14	-	-	-	(273,022)	-	(273,022)
Total Comprehensive income for the year		-	-	10,184,561	(273,022)	(285,586)	9,625,953
Transferred to statutory reserve		-	1,018,456	(1,018,456)	-	-	-
Dividends paid	21	-	-	(9,000,000)	-	-	(9,000,000)
Balance as at 31 December 2019		50,000,000	2,829,653	11,279,583	104,435	(4,585,504)	59,628,167
Balance at 1 January 2020		**50,000,000**	**2,829,653**	**11,279,583**	**104,435**	**(4,585,504)**	**59,628,167**
Net income for the year		**-**	**-**	**7,315,319**	**-**	**-**	**7,315,319**
Net changes in fair value investments measured at FVOCI	10	**-**	**-**	**-**	**-**	**(919,592)**	**(919,592)**
Remeasurements of post-employment benefit obligations	14	**-**	**-**	**-**	**411,836**	**-**	**411,836**
Total Comprehensive income for the year		**-**	**-**	**7,315,319**	**411,836**	**(919,592)**	**6,807,563**
Transferred to statutory reserve		**-**	**731,532**	**(731,532)**	**-**	**-**	**-**
Dividends paid	21	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2020		**50,000,000**	**3,561,185**	**17,863,370**	**516,271**	**(5,505,096)**	**66,435,730**

The accompanying notes (1) to (23) form an integral part of these financial statements.

NOMW CAPITAL COMPANY FOR FINANCIAL CONSULTANT
(Closed Joint Stock Company**)**
STATEMENT OF CASH FLOWS
For the year ended 31 December 2020
(Saudi Arabian Riyals)

	Note	For the year ended 31 December 2020	For the year ended 31 December 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net income before zakat		**8,747,997**	11,640,805
Adjustments to reconcile net income before zakat to net cash from operating activities			
Unrealized (gain)/loss on investment measured at FVOCI	17	**(59,022)**	20,006
Depreciation	18	**22,218**	52,672
Provision for Employees' post-employment benefits	14	**383,644**	284,762
		9,094,837	11,998,245
Changes in operating assets and liabilities			
Accounts Receivable		**806,701**	168,361
Due from related parties		**(15,481,834)**	(16,944,049)
Prepayments and other current assets		**(111,114)**	387,295
Accrued expenses and other current liabilities		**(160,402)**	73,179
		(5,851,812)	(4,316,969)
Zakat paid	13	**(1,373,457)**	(1,316,556)
Employees' post-employment benefits paid	14	**(908,176)**	(3,885)
Net cash used in operating activities		**(8,133,445)**	(5,637,410)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		**(51,793)**	(37,965)
Sell of property and equipment		**5,637**	-
Purchase of Investments carried at FVIS		**(15,500)**	-
Net cash used in investing activities		**(61,656)**	(37,965)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		**-**	(9,000,000)
Net cash used in investing activities		**-**	(9,000,000)
Net changes in cash and cash equivalents		**(8,195,101)**	(14,675,375)
Cash and cash equivalents at beginning of the year		**21,551,601**	36,226,976
Cash and cash equivalents at the end of the year		**13,356,500**	21,551,601
Supplemental non-cash information			
Net changes in fair value of investments measured at FVOCI		**(919,592)**	(285,586)

The accompanying notes (1) to (23) form an integral part of these financial statements.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

NOMW Capital Company for Financial Consultant (the "Company") is a Saudi Closed Joint Stock Company established and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration No. 1010404870 on 17 Rabi Thani 1435H (corresponding to 17 February 2014). The Company carries out its activities under authorization license number 13172-37 dated 23 Muharram 1435H (corresponding to 26 November 2013) issued by the Capital Market Authority ("CMA").

The principal activities of the Company are to carry out dealing as principal, underwriting, managing, arranging and acting as custodian in the securities business as per license of the CMA. Further, the Company received the approval of Ministry of Commerce and Industry to start its operations on Thursday 13 Rabi Thani 1435H corresponding to 13 February 2014.

Referring to the events related to the spread of the Corona Virus (COVID – 19) and its repercussions on the business sectors locally and internationally, the Company is committed to applying the recent directives of the relevant authorities. The Company is taking the necessary measures to ensure the health and safety of its employees and contribute to curbing the spread of the pandemic. The Company seeks to benefit from the initiative and decisions taken by the Government of the Kingdom of Saudi Arabia in order to mitigate the negative effects of COVID-19 on private sector companies.

Despite the general challenges faced by the financial sector, the Company's operations remained largely unaffected. This was primarily because of the Company's effective crisis management policies as well as it's efforts to benefit from the initiatives and incentives provided by the Government. The Company will monitor the situation as it develops and provide disclosure of material changes in the future if they occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization of Certified Public accountants ("SOCPA").

The financial statements have been prepared on a historical cost convention, except for the measurement at fair value of investments carried at FVIS and investments measured at FVOCI.

2.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). These financial statements are presented in Saudi Arabian Riyal ("SAR") which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into SAR using the exchange rates prevailing at the date of transactions. Foreign currency assets and liabilities are translated into SAR using the exchange rates.

Prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.3 Critical accounting judgments estimates and assumption

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Going Concern
The Company’s management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

Impairment of non-financial assets
The carrying amounts of the non-financial assets are reviewed at the end of each reporting date or more frequently to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using the pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. The fair value less cost to sell is based on observable market prices or, if no observable market prices exist, estimated prices for similar assets or if no estimated prices for similar assets are available, then based on discounted future cash flow calculations.

Actuarial valuation of employee benefits liabilities
The cost of the post-employment benefits ("employee benefits") under defined unfunded benefit plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined unfunded benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

2.4 *Cash and cash equivalents*

Cash and cash equivalents comprise cash with banks and other short-term highly liquid investments, if any, with original maturities of three months or less, which are available to the Company without any restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.5 Financial instruments

2.5.1 Measurement methods

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

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 income statement, 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. Transaction costs of financial assets and financial liabilities carried at fair value through income statement are expensed in the statement of income. Immediately after initial recognition, an expected credit loss allowance (ECL), if material is recognised for financial assets measured at amortised cost, which results in an accounting loss being recognised in the statement of income when an asset is newly originated.

Equity instruments

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 classifies its equity instruments at fair value through income statement (FVIS). The Company subsequently measures all equity investments at fair value through income statement, except where the Management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. 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 statement of 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 statement when the Company’s right to receive payments is established.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability form the issuer’s perspective.

Classification and subsequent measurement of debt instruments depend on:

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

Based on these factors, the Company classifies its debt instruments into amortised cost categories:

Amortised cost

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5.2 Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets 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.

2.5.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

2.5.4 Financial liabilities

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at FVIS. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.6 Offsetting

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

2.7 Employees' post-employment benefits

Post-employment defined benefit plans, end of service benefits plan, indemnity plans and other long-term employee related liabilities represent obligations that will be settled in the future and require actuarial valuations to determine these obligations. Management is required to make further assumptions regarding variables such as discount rates, rates of salary increase, longevity, employee turnover and future healthcare costs, if applicable. Periodically, management consults external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and employee defined benefit cost.

2.8 Accrued expenses and other current liabilities

Accrued expenses and other current liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective commission rate method.

2.9 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provision is not recognised for future operating loss.

2.10 Zakat

Zakat is provided for the Company in accordance with Saudi Arabian fiscal regulations. The provision is charged to the statement of income. Additional amounts, if any, that may become due on finalization of an assessment are accounted for in the year in which assessment is finalized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.11 Property and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment in value. The cost of property and equipment is depreciated and amortised on the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	2 years or base period whichever is less
Computers, equipment and software	3 years
Furniture and fixtures	3 years
Motor vehicles	5 years

2.12 Assets under management

The Company offers asset management services to its customers, which include management of certain mutual funds and DPMs. Such assets are held in fiduciary capacity and are not treated as assets of the Company. Accordingly, these are not included in the financial statements and are treated as off-balance sheet items.

2.13 Income recognition

- ***Asset management and advisory fee income***
  Fees and commissions are recognized when the service has been provided. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Fees received on asset management, financial planning and custody services are recognized over the period when the service is provided.

- ***Underwriting fee income***
  Underwriting fee income is recognized when the shares are allotted to the investors.

- ***Income from murabah placements***
  Income from murabah placements on deposits for all commission-bearing financial instruments, are recognized in the statement of income on the effective yield basis. The effective yield is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective yield, the Company estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses.

- ***Arrangement fee income***
  Arrangement fee is recognized based on the underlying agreement when the related transaction are executed and is in accordance with accrual basis.

- ***Dividend income***
  Dividend income is recognized when the right to receive dividend is established.

2.14 Expenses

All expenses not directly attributable to the earning of income are classified as general and administrative expenses.

3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

Amendments

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Company's Financial Statements, except for where referenced below.

New amendments to standards issued and applied effective January 1, 2020

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1 and IAS 8	Definition of material	January 1, 2020	The amendments provided a new definition of material and clarified that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.
IFRS 3	Definition of business	January 1, 2020	The amendment clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.
Revised Conceptual Framework for Financial Reporting	Amendments to references Conceptual Framework in IFRS Standards and updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.	January 1, 2020	The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	January 1, 2020	A fundamental review and reform of major interest rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from IBOR.
IFRS 16	COVID-19-Related Rent Concessions	June 1, 2020	The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The amendment applies to annual reporting periods beginning on or after 1 June 2020 and earlier application is permitted. The Company applied and the impact is disclosed within Note 4.

4. NEW STANDARDS, AMENDMENTS AND REVISED IFRS ISSUED BUT NOT YET EFFECTIVE

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021	These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. These amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.
IFRS 16, IFRS 9, IAS 41 and IFRS 1	Annual Improvements to IFRS Standards 2018–2020	January 1, 2022	IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements IFRS 9: The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender. The amendment is to be applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. IAS 41: The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. IFRS 1: The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation difference.

4. NEW STANDARDS, AMENDMENTS AND REVISED IFRS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use. Additionally, the amendments also clarify the meaning of 'testing whether an asset is functioning properly'.
IFRS 3	Reference to the Conceptual Framework	January 1, 2022	The amendment as a whole updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

Management anticipates that these new standards interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

5. CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash in hand	**5,000**	5,000
Bank balances	**13,351,500**	21,546,601
	13,356,500	21,551,601

6. INVESTMENTS CARRIED AT FVIS

	31 December 2020		31 December 2019	
	Cost	**Market value**	Cost	Market value
Listed equity shares	**516,700**	**310,820**	501,200	236,298

6-1 This represents investments in equity instruments of entities outside the Kingdom of Saudi Arabia.

7. ACCOUNTS RECEIVABLE

	31 December 2020	31 December 2019
Custody fee receivable	**1,079,836**	1,046,877
Other service fee receivable	**78,750**	918,410
	1,158,586	1,965,287

8. PREPAYMENT AND OTHER CURRENT ASSETS

	31 December 2020	31 December 2019
Prepaid insurance	**274,434**	175,528
Prepaid rent	**74,600**	74,600
Advances paid to employees	**91,810**	127,000
Prepayments from fund establishment activities	**91,900**	40,713
Others	**120,157**	123,946
	652,901	541,787

9. RELATED PARTIES' TRANSACTIONS AND BALANCES

Related parties represent, funds managed by the Company, shareholders, key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. During the year, the Company entered into transactions in the ordinary course of business with its related parties. These transactions were entered into on terms and prices mutually agreed among the respective parties. The following are the major related parties' transactions of the Company that occurred during the year

9. RELATED PARTIES' TRANSACTIONS AND BALANCES (CONTINUED)

	Nature of transactions	*Amounts of transactions*	
		31 December 2020	31 December 2019
Riyadh Logistic City fund	Management fee	**12,656,695**	12,771,649
NOMW Private Equity Fund	Management fee	**1,100,000**	1,100,000
NOMW Eskan Real Estate Fund	Management fee	**2,055,825**	2,354,823
Jeddah Hospitality Fund	Management fee	**580,330**	830,590
	Structuring fees	**-**	173,250
Board of directors	Meeting fee	**55,000**	90,000
Key management personnel	Short term benefits	**3,510,725**	3,820,836
	Employees' post-employment benefits	**109,983**	716,032

Amounts due from related parties are as follows:

	31 December 2020	31 December 2019
Riyadh Logistic City fund	**39,774,610**	26,478,554
NOMW Eskan Real Estate Fund	**6,191,790**	4,590,318
Jeddah Hospitality Fund	**332,921**	1,003,840
Nomw private Equity fund	**1,732,500**	577,500
AlSabiq Investment Company	**100,225**	**-**
	48,132,046	32,650,212

10. INVESTMENTS MEASURED AT FVOCI

	31 December 2020		31 December 2019	
	Cost	**Market value**	**Cost**	**Market value**
Listed equity shares	**3,157,902**	**1,295,137**	3,157,902	1,212,370
Funds managed by the Company	**10,000,000**	**6,357,669**	10,000,000	7,360,028
	13,157,902	**7,652,806**	13,157,902	8,572,398

10-1 This represents investments in equity instruments of entities outside the Kingdom of Saudi Arabia.

11. PROPERTY AND EQUIPMENT, NET

	Leasehold improvement	Computers, equipment and software	Furniture and fixtures	Motor vehicles	Total 2020	Total 2019
Cost:						
At the beginning of the year	**382,725**	**363,825**	**239,070**	**174,900**	**1,160,520**	1,122,555
Additions during the year	**-**	**48,393**	**3,400**	**-**	**51,793**	37,965
Disposals	**-**	**(9,410)**	**-**	**-**	**(9,410)**	-
At the end of the year	**382,725**	**402,808**	**242,470**	**174,900**	**1,202,903**	1,160,520
Accumulated depreciation:						
At the beginning of the year	**382,725**	**326,245**	**235,303**	**174,325**	**1,118,598**	1,065,926
Depreciation charge for the year	**-**	**19,358**	**2,285**	**575**	**22,218**	52,672
Disposals	**-**	**(3,773)**	**-**	**-**	**(3,773)**	-
At the end of the year	**382,725**	**341,831**	**237,588**	**174,900**	**1,137,043**	1,118,598
Net book value:						
At 31 December 2020	**-**	**60,978**	**4,882**	**-**	**65,860**	
At 31 December 2019	**-**	37,580	3,767	575		41,922

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2020	31 December 2019
Other payables	**1,844,014**	793,525
Accrued staff benefits	**500,604**	1,721,155
Value added tax payables	**420,535**	87,460
Accrued expenses	**125,391**	448,806
	2,890,544	3,050,946

13. ACCRUED ZAKAT

The principal elements of the zakat base are as follows:

	31 December 2020	31 December 2019
Shareholder equity	**60,277,420**	53,924,675
Opening balance of provisions and other adjustments	**598,759**	866,964
Book value of long-term assets	**(7,691,500)**	(9,099,326)
	53,184,679	45,692,313
Adjusted profit for the year	**5,941,570**	11,484,419
Zakat base	**59,126,249**	57,176,732
Zakat charge for the year @ 2.5%	**1,519,472**	1,460,251

Zakat is calculated on the higher of the zakat base or adjusted income for the year.

	31 December 2020	31 December 2019
At the beginning of the year	**1,460,251**	1,320,563
Charge for the year	**1,519,472**	1,460,251
Adjustment to prior year zakat	**(86,794)**	(4,007)
Payments during the year	**(1,373,457)**	(1,316,556)
At the end of the year	**1,519,472**	1,460,251

Status of assessments

Zakat returns for the years through to 31 December 2019 have been submitted to General Authority of Zakat and Tax (the "GAZT"). The Company's management is in process of submitting its 2020 return.

The Company received its zakat assessments for the financial years from 2014 to 2018. The Company objected to all these assessments and has the following status as at 31 December 2020:

Zakat Assessment 2014

On 12 December 2018, the Company received a zakat assessment for the financial year 2014 from the General Authority for Zakat and Tax ("GAZT") which included a request for payment of SAR 1,250,000 and the Company filed an objection against this assessment. The objection was rejected by GAZT. The Company escalated the observation to Tax Committee for resolution through the General Secretariat of Tax Committees. The Company is currently following up with the Tax Committee to determine the hearing session for reconsideration of the objection raised by the Company.

13. ACCRUED ZAKAT (Continued)

Zakat Assessment 2015-2016

The Company received the zakat assessment from GAZT for the financial years from 2015 to 2016 and the Company filed an objection against this assessment. The objection was rejected by GAZT. The Company escalated the observation to the Tax Committee for resolution through the Tax Violations and Disputes Resolution Committee (TVDRC) and TVDRC issued its decision on the assessment for the financial years 2015 and 2016 and accepted only certain points. The Company has submitted an appeal to the General Secretariat of Tax Committees against TVDRC's decision.

Zakat Assessment 2017-2018

The Company received the zakat assessment from GAZT for the years from 2017 to 2018 and the Company filed an objection against this assessment. The objection was rejected by GAZT. The Company escalated the observation to the Tax Committee for resolution through TVDRC.

14. EMPLOYEES' POST EMPLOYMENT BENEFIT

	31 December 2020	31 December 2019
Present value of employees' post-employment benefits	**483,773**	1,420,141

The major financial assumptions used to calculate the employees' post-employment benefits liabilities are as follows:

Principal actuarial assumptions

	31 December 2020	31 December 2019
Discount rate	**5.00%**	3.05%
General salary increases	**2.70%**	3.05%

The movements in employees' post-employment benefits recognized in the statement of financial position are as follows:

	31 December 2020	31 December 2019
Net liability at the beginning of the year	**1,420,141**	866,242
Current service and interest cost	**383,644**	284,762
Benefits paid during the year	**(908,176)**	(3,885)
Actuarial (gain) /losses through OCI	**(411,836)**	273,022
Net liability at the end of the year	**483,773**	1,420,141

The amounts recognized in the statement of income in respect of employees' post-employment benefits are as follows:

	31 December 2020	31 December 2019
Employer's current service and interest cost	**383,644**	**284,762**

14. EMPLOYEES' POST EMPLOYMENT BENEFIT (Continued)

The sensitivity of the employees' post-employment benefit to changes in the weighted principal assumptions is:

	Change in assumption	**Increase / (decrease) in present value of employees' post-employment benefit liability**	
		Amount	**%**
Discount rate	+0.5%	454,067	-5.60%
	-0.5%	516,455	6.06%
Salary growth rate	+0.5%	506,088	3.96%
	-0.5%	463,029	-3.74%

15. SHARE CAPITAL

As at 31 December 2020 and 2019, the Company's paid-up capital of SAR 50 million was divided into 5 million parts of SAR 10 each.

16. STATUTORY RESERVE

In accordance with the Company's By-Laws and the Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to transfer at least 10% of its net income each year to statutory reserve until such reserve equals to 30% of its share capital. This reserve is not available for distribution to the shareholders.

17. INCOME FROM INVESTMENTS

	For the year ended 31 December 2020	For the year ended 31 December 2019
Dividend income	**814**	485
Income from Murabaha placements	**86,986**	174,625
Unrealised gain / (loss) on investment carried at FVIS	**59,022**	(20,006)
Other income	**432,608**	246,000
	579,430	401,104

18. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December 2020	For the year ended 31 December 2019
Salaries and wages	6,638,943	7,431,174
Professional fees	2,366,845	1,826,411
Rent	298,400	298,400
Licensing and subscription fee	225,357	237,409
Marketing and advertising	193,587	180,000
Utilities and office	120,535	113,322
Insurance	72,800	72,059
Travel	51,846	169,309
Depreciation	22,218	52,672
printing and stationary	8,648	14,680
Others	60,743	139,395
	10,059,922	10,534,831

19. ASSETS HELD UNDER FIDUCIARY CAPACITY

Pursuant to CMA's Authorized Persons Regulations requiring Client money segregation, the Company holds clients' money in Omnibus accounts at a local bank to carry out its dealing, managing and custody activities. As at 31 December 2020, the clients' cash accounts held by the Company amounted to SR 1.0 million (31 December 2019: SR 4.4 million). Consistent with the Company's accounting policy, such balances are not included in the Company's financial statements as these are held by the Company in fiduciary capacity.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

20.1 Financial risk factors

The objective of the Company is to safeguard the Company's ability to continue as a going concern so that it can continue to provide optimum returns to its shareholder and to ensure reasonable safety to the Shareholder.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company Manager is responsible for identifying and controlling risks. The Company Board supervises the Company Manager and is ultimately responsible for the overall management of the Company.

Monitoring and controlling risk is primarily set up to be performed based on the limits established by the Company Board.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in foreign currency.

The financial instruments of the Company are denominated in SAR and United States Dollar (USD). The SAR is pegged against USD. The Company's transactions are principally in SAR and exposures in foreign currencies are not significant.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

20.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Commission rate risk

Commission rate risk is the risk that the value of the future cash flows of a financial instrument or fair values of fixed coupon financial instruments will fluctuate due to changes in market commission rates.

The Company does not have significant cash flow commission rate risk as it does not have any significant amount of variable rate financial instruments.

The Company is not exposed to fair value commission rate risk as the financial instruments of the Company are measured at amortised cost.

(iii) Price risk

Price risk is the risk that the value of the Company's financial instruments will fluctuate as a result of changes in market prices caused by factors other than foreign currency and profit rate movements.

The price risk arises primarily from uncertainty about the future prices of financial instruments that the Company holds. The Company diversifies the investment portfolio and closely monitors the price movement of its investments in financial instruments. As of the statement of financial position date, the Company has equity investments in Investee funds.

	31 December 2020		31 December 2019	
	Potential reasonable change %	Effect on equity	Potential reasonable change %	Effect on equity
Fund	1%	**63,577**	1%	73,600
Listed equity shares	1%	**16,060**	1%	14,487

(b) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk for Cash and cash equivalents, accrued income and margin lending as follows:

	31 December 2020	31 December 2019
Cash at bank	**13,351,500**	21,546,601
Accounts Receivable	**1,158,586**	1,965,287
Due from related parties	**48,132,046**	32,650,212

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on due from related parties, accounts receivable and Cash and cash equivalents is limited as:

- Cash and cash equivalents, is held with banks with sound credit ratings from BBB- and above.

- Account receivable and due from related party:

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

20.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets. The Company did not recognize impairment on account receivable and due from related party, because the amount of impairment was immaterial and fully collateralized respectfully.

Its Company's policy to enter into financial instrument contracts with reputable counterparties. The Company seeks to limit its credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with the financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Financial assets of the Company as at period-end mainly included balances with bank, accrued income, margin lending and investments carried at FVIS and investments carried at FVOCI which can be utilized to meet changing liquidity requirements. Management monitors forecasted cash flow on a regular basis and ensures that positive cash flows from operating activities are maintained to fund the Company's future commitments.

20.2 Fair value estimation

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales were reported on the valuation day are valued at the most recent bid price.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The carrying value less impairment provision of financial instruments carried at amortised cost are assumed to approximate their fair values.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The table below presents the financial instruments at their fair values as of 31 December based on the fair value hierarchy:

	31 December 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Fund managed by the Company	**-**	-	**6,357,669**	**6,357,669**
Listed equity shares	**1,605,957**	-	**-**	**1,605,957**
Total	**1,605,957**	-	**6,357,669**	**7,963,626**

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

20.2 Fair value estimation (Continued)

	31 December 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Fund managed by the Company	-	-	7,360,028	7,360,028
Listed equity shares	1,448,668	-	-	1,448,668
Total	1,448,668	-	7,360,028	8,808,696

Financial assets at fair value through income statement classified as Level 3 include investments in equity securities recorded at cost and investment in an unquoted mutual fund, the fair value of which is determined based on net assets value (NAV) obtained from the latest available financial statements of the unquoted mutual fund.

21. DIVIDENDS DISTRIBUTION

On 14 March 2019, the shareholders in their General Assembly Meeting approved dividends of SAR 9 million (SAR 1.8 per share) for the year ended 31 December 2018 which was paid on 14 March 2019. No dividends paid during 2020.

22. REGULATORY CAPITAL REQUIREMENT AND CAPITAL ADEQUACY RATIO

The Capital Market Authority (the "CMA") has issued Prudential Rules (the "Rules") dated 30 December 2012 (corresponding to 17 Safar 1434H). According to the Rules, the CMA has prescribed the framework and guidance regarding the minimum regulatory capital requirement and its calculation methodology as prescribed under these Rules. In accordance with this methodology, the Company has calculated its minimum capital required and capital adequacy ratios as follows:

(amount in '000)	**31 December 2020**	31 December 2019
Capital Base:		
Tier 1 capital	**65,919**	59,628
Tier 2 capital	**-**	-
Total Capital Base	**65,919**	59,628
Minimum Capital Required:		
Credit risk	**37,946**	25,453
Operational risk	**3,095**	2,998
Market risk	**55**	42
Total Minimum Capital Required	**41,096**	28,493
Capital Adequacy Ratio:		
Surplus in Capital	**24,823**	31,135
Capital Adequacy Ratio (times)	**1.60**	2.09

23. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 16 Shaban 1442 H (corresponding to 29 March 2021).