Alkffa Holding B.S.C. (c)

Consolidated financial statements
for the year ended 31 December 2022

Index

Commercial registration No.	39646-1 obtained on 2 December 1997
Shareholders	Group of Bahraini shareholders Group of GCC shareholders
Board of Directors	Jamal Fahad Alnafisi - Chairman Majed Yousef Ahmed Al-Ali – Vice Chairman & CEO Sheikh Yousef Abdullah Sabah Alsabah Hamad Hmood Sauood Alabhool Ibrahim Cheaib Cheaib
Bankers	Bank of Bahrain and Kuwait Al Salam Bank Khaleeji Commercial Bank
Registered office	Office No. 31 Building No. 680 Road No. 2811 Al Seef 428 Kingdom of Bahrain
Auditors	Baker Tilly MKM Public Accountants 24th Floor, Almoayyed Tower Al Seef Area PO Box 11674 Manama Kingdom of Bahrain

للاستشارات الشرعية المالية

Date:16 May 2023

Sharia Supervisory Board Report on the activities of Alkffa Holding B.S.C.(c)
For the Financial Year Ended on 31 December 2022

In The Name of Allah, the Most Beneficent, the Most Merciful, Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.
TO the Shareholders of Alkffa Holding B.S.C.(c),

Acting as Sharia Supervisory Committee pursuant to the appointment resolution passed by the General Assembly of the Company, we are required to provide the following report:

The Sharia board of Alkffa Holding B.S.C.(c) has reviewed the Company principles, contracts or agreements related transactions, and applications submitted by the Company for the financial year ended on 31 December 2022 , and upon comparing them with the fatwa and rulings issued during the financial year ended on 31 December 2022 , we found them compatible with the above mentioned fatwa and rulings.

We performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance Alkffa Holding B.S.C.(c) has not violated Islamic Shari rules and principles.

The Sharia board believes that it has expressed its opinion in respect of the activities carried out by Alkffa Holding B.S.C.(c), and the management is responsible for ensuring that the Company conducts its business in accordance with Islamic Shari, However, our responsibility is limited to form an independent opinion based on our review of the activities and operations conducted by Alkffa Holding B.S.C.(c).

In our opinion:

The contracts, transactions and dealings entered into by the Company during the financial year ended on 31 December2022 that we have reviewed are in compliance with the Islamic Shari rules and principles.

The calculation of Zakat is in compliance with Islamic Shari rules and principles.

The Sharia board has also discussed with the representative of the Company the financial statements for financial year ended on 31 December 2022, and the Sharia board is satisfied that these statements are in compliance with the Islamic Sharia.

This report has been prepared based on the information provided by the Company, The Sharia board is satisfied that the Company activities are in compliance with the Islamic Sharia.
Prayers and Peace are upon the last messenger, our prophet Mohammed, his family and companions.

Sheikh Dr. Khalid Shuja'a Al-Otaibi. Chairman ------------------------

Sheikh Dr. Murad Bou Daia. Member ------------------------

Sheikh Dr. Dawoud Salman Bin Essa. Executive Member ------------------------

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BOARD OF DIRECTORS' REPORT
For the year ended 31 December 2022 *US dollars*

In the name of Allah, the Beneficent, the Merciful, Prayers and Peace upon the Last Apostle and Messenger, Our Prophet Mohammed.

Dear Shareholders
The Directors have pleasure to submit their report, together with the consolidated financial statements of ALKFFA HOLDING B.S.C. (C) for the year ended 31 December 2022.

Overview:
ALKFFA HOLDING B.S.C (C) (Previously known as Investors Bank B.S.C. (C)) (the "Company") was established in the Kingdom of Bahrain as an exempt company on 2 December 1997.The legal status of the Company was changed to a closed Bahraini joint stock company on 3 July 2005. The Company was operating under an investment banking license (Wholesale Islamic Bank). In the Extraordinary General Assembly of shareholders held on 22 September 2016, it was resolved to surrender the banking license and to discontinue all the Company's banking operations. The banking license was cancelled effective 31 January 2017.

Currently, the company is operating as Holding Company under the regulation of Ministry of Industry, Commence and Tourism, Bahrain.

During the year ended 31 December 2021 the Company incorporated a new fully owned subsidiary in the Kingdom of Bahrain under the name of (Alkffa Real Estate W.L.L.) with commercial registration number 143158 that is engaged in real estate activities.

Principal Activities
The principal activities of the Group include investment transactions, participating in equity investments in projects in conformity with the Islamic Sharia, in addition to real estate activities. The parent company is carrying on the activities of holding companies.

Financial Position and Results
The detailed consolidated financial position of the Group at 31 December 2022 and the results for the year ended are set out in the accompanying consolidated financial statements.

Financial highlights	**2022**	2021
Total assets	**46,855,719**	48,590,404
Total equity	**46,800,038**	44,384,937
Net profit for the year	**4,698,288**	1,494,615

Movement in retained earnings	**2022**	2021
Balance at January 1	**4,016,187**	2,671,034
Net profit for the year	**4,698,288**	1,494,615
Transfer to statutory reserve	**(469,829)**	(149,462)
Reclassification	**(632,870)**	-
Balance at December 31	**7,611,776**	4,016,187

Dividends
The Board of Directors has not made any appropriations for dividends for the year ended 31 December 2022 (31 December 2021: nil).

ص.ب: ١١٨١٨ ، المنامة ، مملكة البحرين ، هاتف : ١٧٥٦٥٧٧٧ (٩٧٣+) ، فاكس: ١٧٥٨٣٧٦٦ (٩٧٣+) ، س.ت: ٣٩٦٤٦
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Website: www.investorsb.com

BOARD OF DIRECTORS' REPORT (continued)

Board of Directors

The following are the directors of the parent company as at 31 December 2022:

Name	Title	Independent/ Non Independent
Mr. Jamal Fahad Alnafisi	Chairman	Non Independent
Mr. Majed Yousef Ahmed Al-Ali	Vice Chairman & CEO	Non Independent
Sheikh Yousef Abdulla Sabah Alsabah	Member	Independent
Mr. Hamad Hmood Sauood Alabhool	Member	Independent
Mr. Ebrahim Cheaib Cheaib	Member	Independent

Board of directors' remuneration details

US dollars

Name	**Fixed remunerations**					**Variable remunerations**					**End-of-service award**	**Aggregate amount** (Does not include expense allowance)	**Expenses Allowance**
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent Directors:													
Sheikh Yousef Abdulla Sabah Alsabah	-	2,000	-	-	2,000	-	-	-	-	-	-	2,000	-
Hamad Hmood Sauood Alabhool	-	500	-	-	500	-	-	-	-	-	-	500	-
Ebrahim Cheaib Cheaib	-	2,500	-	-	2,500	-	-	-	-	-	-	2,500	-
Second: Non-Executive Directors:													
Jamal Fahad Alnafisi	-	2,500	-	-	2,500	-	-	-	-	-	-	2,500	-
Third: Executive Directors:													
Majed Yousef Ahmed Al-Ali	-	2,500	-	-	2,500	-	-	-	-	-	-	2,500	-
Total	-	10,000	-	-	10,000	-	-	-	-	-	-	10,000	-

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BOARD OF DIRECTORS' REPORT (continued)

Executive management remuneration details

				US dollars
Executive management	**Total paid salaries and allowances**	**Total paid remuneration**	**Any other cash/ in kind remuneration for 2022**	**Aggregate Amount**
Majed Yousef Ahmed Al-Ali* (Chief Executive Officer)	-	2,500	-	2,500

Note: *The Only Executive Management in the company.

Auditors
Baker Tilly MKM Public Accountants have expressed their willingness to continue in office and a resolution proposing their appointment, as auditors of the Group for the year ending 31 December 2023; will be submitted to the Annual General Meeting.

Thanks
We wish to express our gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, The King of the Kingdom of Bahrain and His Royal Highness Prince Salman bin Hamad Al Khalifa the Prime Minister, Deputy Supreme Commander and Crown Prince, the Ministry of Industry, Commerce and Tourism. Gratitude is also extended to the Sharia'a Supervisory Board for their support and valuable guidance, to our investors and to our members of staff, executives and employees.

Mr. Jamal Fahad Al Nafisi
Chairman

Mr. Majed Yousef Ahmed Al-Ali
Vice Chairman & CEO

16 May 2023

ص.ب: ١١٨١٨ ، المنامة ، مملكة البحرين ، هاتف: ١٧٥٦٥٧٧٧ (+٩٧٣) ، فاكس: ١٧٥٨٣٧٦٦ (+٩٧٣) ، س.ت: ٣٩٦٤٦
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Independent auditors' report to the shareholders of
Alkffa Holding B.S.C. (c)

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Alkffa Holding B.S.C. (c) ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, set on pages 4 to 5, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the Consolidated Financial Statements
Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, Board of Directors is responsible for assessing the Group'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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Group's financial reporting process.

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Independent auditors' report to the shareholders of Alkffa Holding B.S.C. (c) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (ISAs) 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 consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Report on Anti-Money Laundering and Terrorism Financing Requirements

As required by the Bahrain Commercial Companies Law, in case of the Company, Ministerial Order Number 103 of 2021, we have examined the internal controls, systems of the Company as well as the policies and procedures relevant to detecting and reporting of suspicious transactions, in addition to systems and procedures relevant for Customer/Client identification. To the best of our knowledge and belief, we report that:

(1) The Company maintains proper internal controls systems and procedures sufficient of monitoring and reporting of suspicious or extraordinary transactions;
(2) the Company holds sufficient measures and internal procedures relevant to verifying the identity of its customers; and
(3) the Company had no suspicious or extraordinary transactions to report during the year ended 31 December 2022.

In addition, we report that, we are not aware of any violations to the Ministerial Order Number 103 of 2021 concerning the obligations related to the procedures of the Prohibition of Combating Money Laundering and Terrorism Finance in the Business of the Persons Registered in the Commercial Register and the Audit Registry and Ministry of Industry and Commerce with respect to Anti-Money Laundering and Terrorism Finance.

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Independent auditors' report to the shareholders of Alkffa Holding B.S.C. (c) (continued)

Report on Other Legal and Regulatory Requirements
In case of the Company, we report that:

a) As required by the Commercial Companies Law of 2001 as amended:

(1) The Company has, maintained proper accounting record and the consolidated financial statements are in agreement therewith:
(2) The financial information contained in the Board of Directors' report is consistent with the consolidated financial statements;
(3) Nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of Bahrain Commercial Companies' law, or the items of its Articles of Association that would a material adverse effect on its businesses or its consolidated financial position; and
(4) Satisfactory explanations and information have been provided to us by the management in response to all our requests.

b) As required by Article (8) of section (2) of chapter (1) of the Bahrain corporate governance code, the Company:

(1) Has appointed a corporate governance officer; and
(2) Has a board approved written guidance and procedures for corporate governance.

Baker Tilly

Manama, Kingdom of Bahrain
16 May 2023
Eyad Husain
Registration Number 98

bakertilly
MKM PUBLIC ACCOUNTANTS
C.R.No.: 80680-1

Alkffa Holding B.S.C. (c)
Consolidated statement of financial position as at 31 December 2022
(Expressed in US Dollars)

	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Fixed assets	7	18,250	23,071
Investment properties	8	15,578,249	14,805,595
Financial assets at FVTOCI	9	3,374,025	9,652,558
Dividend receivables	11	-	887,733
		18,970,524	25,368,957
Current asset			
Due from a financial institution	11	4,778,418	-
Financial assets at FVTPL	10	19,629,247	18,707,600
Rent and other receivables	12	486,078	119,964
Murabaha short-term deposits	13	2,654,270	-
Cash and cash equivalents	14	337,182	4,393,883
		27,885,195	23,221,447
Total assets		46,855,719	48,590,404
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	40,000,000	40,000,000
Statutory reserve	16	2,090,502	1,620,673
Fair value reserve		(2,902,240)	(1,251,923)
Retained earnings		7,611,776	4,016,187
		46,800,038	44,384,937
Non-current liabilities			
Due to a financial institution	11	-	3,670,202
Current liabilities			
Other payables	17	55,681	535,265
Total equity and liabilities		46,855,719	48,590,404

These consolidated financial statements, set out on pages 10 to 32, were approved for issue by the Board of Directors on 16 May 2023 and signed on their behalf by:

Jamal Fahad Alnafisi
Chairman

Majed Yousef Ahmed Al-Ali
Vice Chairman & CEO

Alkffa Holding B.S.C. (c)
Consolidated statement of comprehensive income for the year ended 31 December 2022
(Expressed in US Dollars)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Rental income	18	170,398	104,369
Gain on disposal of financial assets at FVTOCI	9	3,565,542	-
Fair value (loss)/gain on financial assets at FVTPL	10	(78,353)	2,109,407
Fair value gain on investment properties	8	772,654	-
Dividend income on financial assets at FVTOCI		38,633	38,633
Dividend income on financial assets at FVTPL		5,834	92
Loss on disposal of investment property	8	-	(32,675)
Gain on disposal of fixed assets		159	-
Commodity murabaha revenues		89,279	90,287
Foreign exchange loss		(244)	(2,088)
Other income	19	501,878	10,522
Total income, net		5,065,780	2,318,547
Expenses			
Depreciation	7	(8,211)	(7,920)
Staff costs	20	(70,385)	(582,353)
General and administrative expenses	21	(288,896)	(233,659)
		(367,492)	(823,932)
Net profit for the year		4,698,288	1,494,615
Other comprehensive income:			
Fair value loss on financial assets at FVTOCI	9	(2,283,187)	(1,025,570)
Total comprehensive income for the year		2,415,101	469,045

Jamal Fahad Alnafisi
Chairman

Majed Yousef Ahmed Al-Ali
Vice Chairman & CEO

Alkffa Holding B.S.C. (c)
Consolidated statement of changes in shareholders' equity
For the year ended 31 December 2022
(Expressed in US Dollars)

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Total
At 31 December 2020	40,000,000	1,471,211	(226,353)	2,671,034	43,915,892
Total comprehensive income for the year	-	-	(1,025,570)	1,494,615	469,045
Transfer to statutory reserve	-	149,462	-	(149,462)	-
At 31 December 2021	40,000,000	1,620,673	(1,251,923)	4,016,187	44,384,937
Total comprehensive income for the year	-	-	(2,283,187)	4,698,288	2,415,101
Reclassification of fair value reserve			632,870	(632,870)	-
Transfer to statutory reserve	-	469,829	-	(469,829)	-
At 31 December 2022	40,000,000	2,090,502	(2,902,240)	7,611,776	46,800,038

Alkffa Holding B.S.C. (c)
Consolidated statement of cash flows for the year ended 31 December 2022
(Expressed in US Dollars)

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
Operating activities			
Net profit for the year		4,698,288	1,494,615
Adjustments for:			
Depreciation	7	8,211	7,920
Gain on disposal of financial assets at FVTOCI	9	(3,565,542)	-
Fair value loss/(gain) on financial assets at FVTPL	10	78,353	(2,109,407)
Fair value gain on investment properties	8	(772,654)	-
Loss on disposal of investment properties	8	-	32,675
Gain on disposal of fixed assets		(159)	-
Commodity murabaha revenues		(89,279)	(90,287)
Dividend income		(44,467)	(38,725)
Changes in operating assets and liabilities:			
Rent and other receivables		(366,114)	(59,808)
Other payables		(479,583)	111,830
Net cash (used in)/from operating activities		(532,946)	(651,187)
Investing activities			
Murabaha deposits made	13	(2,654,270)	-
Additions to financial assets at FVTPL	10	(1,000,000)	-
Proceeds from sale of investment properties	8	-	1,143,635
Proceeds from sale fixed assets	7	159	-
Additions to investment properties	8	-	(428,939)
Additions to fixed assets	7	(3,390)	-
Commodity murabaha revenues received		89,279	90,287
Dividend received		44,467	38,725
Net cash (used in)/from investing activities		(3,523,755)	843,708
Net change in cash and cash equivalents		(4,056,701)	192,521
Cash and cash equivalents, beginning of the year		4,393,883	4,201,362
Cash and cash equivalents, end of the year	14	337,182	4,393,883
Non-cash activities:			
Financial assets at FVTOCI		7,560,888	-
Dividend receivables		887,733	-
Due from a financial institution		(4,778,418)	-
Due to a financial institution		(3,670,202)	-

1 Organization and activities

Alkffa Holding B.S.C. (c) ("the Company") and its subsidiary comprise ("the Group"). The Company is a closed Bahrain Shareholding Company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 39646-1 obtained on 2 December 1997.

The Company is principally engaged in activities of holding companies.

The registered office of the Company is in the Kingdom of Bahrain.

2 Structure of the Group

Subsidiary

The details of the Company's investment in a subsidiary as at 31 December 2022 and 31 December 2021 are as follows:

Name of the subsidiary	Country of incorporation	Proportion of ownership interest	Principal activities	Type of ownership
Alkffa Real Estate W.L.L.	Kingdom of Bahrain	100%	Real estate activities with own or leased property	Direct

3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiary, after elimination of all inter-company transactions, balances and unrealized surpluses and deficits on transactions between the group companies. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealized gains or losses on transactions between group companies are eliminated; unrealized losses are also eliminated unless the costs cannot be recovered. Accounting policies of subsidiary has been changed, where necessary, to ensure consistency with the policies adopted by the Group.

Entities controlled by the Group by virtue of more than fifty percent of the voting shares are considered as subsidiaries. Entities, over which the Group has significant influence and which are not subsidiaries, are considered either as associates or joint ventures.

The Group does not consolidate its holdings in those entities from which it does not obtain any benefit from its activities and the investment is held only on behalf, and for the beneficial interest, of third parties.

4 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of the Bahrain Commercial Companies Law of 2001, as amended.

Basis of presentation

The functional currency of the Group is United States Dollars.

The consolidated financial statements have been prepared under the historical cost basis except for the measurement of financial assets and investment properties at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise judgment in the process of applying the Group's accounting policies.

Standards, interpretations and amendments to standards and interpretations effective for the first time during the year ended 31 December 2022

Newly effective standards, interpretations and amendments to standards and interpretations, have been adopted by the Group. The adoption of these standards, interpretations and amendments did not have any material effects on these consolidated financial statements.

Standards, interpretations and amendments to standards and interpretations but not yet effective as at 31 December 2022

The following issued but not yet effective standards, interpretations and amendments to standards and interpretations, have not been early adopted by the Group. There would have been no change in the operational results of the Group for the year ended 31 December 2022 had the Group early adopted any of the below standards, interpretations or amendments applicable to the Group. These standards, interpretations and amendments will be adopted by the Group at its accounting periods starting on or after the effective dates.

(Expressed in US Dollars)

4 Basis of preparation (continued)

Standards, interpretations and amendments to standards and interpretations but not yet effective as at 31 December 2022 (continued)

Standards, interpretations and amendments	Effective date
IFRS 17 "Insurance Contracts"	1 January 2023
Disclosure of Accounting Policies: Amendments to IAS 1 "Presentation of Financial Statements"	1 January 2023
Definition of Accounting Estimates: Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	1 January 2023
Deferred Tax on Leases and Decommissioning Obligations, and Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction: Amendments to IAS 12 "Income Taxes"	1 January 2023
Non-current Liabilities with Covenants: Amendments to IAS 1 "Presentation of Financial Statements"	1 January 2024
Lease Liability in a Sale and Leaseback: Amendments to IAS 16 "Leases"	1 January 2024
Classification of Liabilities as Current or Non-Current: Amendments to IAS 1 "Presentation of Financial Statements"	1 January 2024

5 Significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied during all the years presented, unless stated otherwise.

Investment properties

Investment properties comprise freehold land and buildings that is held for long-term rental yields or capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the period in which they arise.

Investment properties are derecognized when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the statement of comprehensive income in the period of retirement or disposal.

Gains or losses on the disposal of investment properties are determined as the difference between the net disposal proceeds and the carrying value of the asset as at the disposal date.

5 Significant accounting policies (continued)

Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes all costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight-line method to write-off the cost of fixed assets to their estimated residual values over their expected useful lives which are between 3 to 5 years.

Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amounts and are taken into account in determining net profit.

Financial assets

The Group classifies its financial assets into one of the categories presented below, depending on the purpose for which the asset was acquired:

- Financial assets at amortized cost;
- Financial assets at fair value through profit or loss ("FVTPL"); and
- Financial assets at fair value through other comprehensive income ("FVTOCI").

The Group's accounting policy for each category is as follows:

a) Financial assets at amortized cost

Financial assets that arise principally from the provision of goods and services to customers, or which are held within a business model whose objective is achieved by collecting contractual cash flows, and where the contractual cash flows represent solely payments of principal and interest are classified as amortized cost unless the asset is designated at fair value through profit or loss under fair value option.

These assets are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized based on a forward looking expected credit loss model.

The Company's financial assets at amortized cost include fixed deposits, rent and other receivables and cash and cash equivalents.

5 Significant accounting policies (continued)

Financial assets (continued)

b) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a business model whose sole objective is achieved by selling financial assets only, or all other financial assets those do not meet the criteria for being measured at amortized cost or FVTOCI are classified as fair value through profit or loss ("FVTPL") unless the investment is designated at fair value through other comprehensive income under other comprehensive income option.

Further, even if a financial instrument meets the requirements to be measured at amortized cost or FVTOCI, the financial assets could be elected to be measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases (Fair value option).

FVTPL financial assets are initially recognized at fair value only. The related transaction costs of the initial acquisition of the FVTPL financial assets are expensed in profit or loss. Subsequent to initial recognition, FVTPL financial assets are continued to be re-measured to their fair value. Any unrealized gains and losses arising from changes in the fair value of the FVTPL financial assets are recognized in the statement of profit or loss.

Dividend income from FVTPL financial assets is recognized in the statement of profit or loss when the Group's right to receive payments is established.

c) Financial assets at fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and where the contractual cash flows represent solely payments of principal and interest are classified as fair value through other comprehensive income ("FVTOCI") unless the asset is designated at fair value through profit or loss under fair value option.

FVTOCI financial assets are initially recognized at fair value plus transaction costs. Subsequently, these FVTOCI financial assets are carried at fair value only. Any unrealized gains and losses arising from changes in the fair value of the FVTOCI financial assets are taken to a fair value reserve in shareholders' equity. When FVTOCI financial assets are sold or assessed as impaired, the accumulated fair value adjustments are transferred to retained earnings.

Impairment losses (and reversal of impairment losses) on the FVTOCI financial assets are not reported separately from other changes in fair value.

Dividend income from FVTOCI financial assets is recognized in the statement of profit or loss when the Group's right to receive payments is established.

5 Significant accounting policies (continued)

Financial liabilities

The Group classifies its financial liabilities as financial liabilities at amortized cost using the following accounting policy:

These financial liabilities are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently re-measured at amortized cost using the effective interest method.

The Group's financial liabilities at amortized cost comprise other payables.

Leases

Where leases have a lease term of 12 months or less and containing no purchase options, or where the underlying asset of the lease has a low value, the lease can be classified as operating lease and account for lease payments as an expense charged to the statement of comprehensive income on a straight-line basis over the lease term.

Provisions

The Group recognizes provisions when it has a present legal or constructive obligation to transfer economic benefits as a result of past events, and a reasonable estimate of the obligation can be made.

Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of comprehensive income.

Income

Rental income is recognized on accrual basis for the period it relates and other income is recognized on the accrual basis as occurred.

6 Critical accounting judgments and key sources of estimation uncertainty

Preparation of consolidated financial statements in accordance with IFRS requires the Group's Board of Directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and all other available information. Actual results could differ from those estimates.

Other than those listed below, the Board of Directors has not made any judgments, estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6 Critical accounting judgments and key sources of estimation uncertainty (continued)

Fair value measurement

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

The Group must be able to access the principal or the most advantageous market at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

To obtain a fair value, the Group shall use 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 significant to the fair value measurement as a whole.

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group 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.

The financial assets and the investment properties of the Group that require fair value measurements as at 31 December 2022 and 31 December 2021 are disclosed in Note 24.

Investments classifications

The investments are classified by management based on the dividend yield, intention and purpose.

(Expressed in US Dollars)

6 Critical accounting judgments and key sources of estimation uncertainty (continued)

Power to exercise significant influence

Subsidiaries are fully consolidated from the date on which, control is achieved. The Group's management takes into consideration the following factors while determining, if the Group has control and power to exercise significant influence over its investee entities:

- control over the board of directors of the investee entity;
- rights to control the operational decision making process of the investee entity;
- the ability to exercise its power over the investee that will affect the investee entity's financial position and returns.

The Group's management reviews at each reporting date, the above facts and circumstances that may indicate any change due to one or more elements mentioned above and confirms its continued ability and power to exercise significant influence over the investee entities. Any change in the assumptions and circumstances will have an impact on the Group management's decision making process.

7 Fixed assets

	Furniture and equipment	Motor vehicles	Total
Cost			
At 31 December 2020 and 2021	65,388	36,797	102,185
Additions during the year	3,390	-	3,390
Disposals during the year	(22,225)	-	(22,225)
At 31 December 2022	46,553	36,797	83,350
Accumulated depreciation			
At 31 December 2020	64,803	6,391	71,194
Charge for the year	206	7,714	7,920
At 31 December 2021	65,009	14,105	79,114
Charge for the year	851	7,360	8,211
On disposals	(22,225)	-	(22,225)
At 31 December 2022	43,635	21,465	65,100
Net book amount			
At 31 December 2022	2,918	15,332	18,250
At 31 December 2021	379	22,692	23,071

(Expressed in US Dollars)

8 Investment properties

The movement in the investment properties during the year is as follow:

	Year ended 31 December 2022	Year ended 31 December 2021
At 1 January	14,805,595	15,552,966
Fair value gain	772,654	-
Additions during the year	-	428,939
Disposal during the year	-	(1,176,310)
At 31 December	15,578,249	14,805,595

During the year ended 31 December 2021, an investment property with a fair value of USD1,176,310 has been disposed-off for a loss of USD32,675.

The carrying value of each investment property as at the reporting date is as follows:

	31 December 2022	31 December 2021
Burhama land	7,692,307	7,161,802
Hoora building 91700	3,793,104	3,607,427
Hoora building 92072	3,660,477	3,607,427
Muhrraq building 350	432,361	428,939
	15,578,249	14,805,595

The fair value gains on investment properties recognized during the year are as follow:

	Year ended 31 December 2022	Year ended 31 December 2021
Burhama land	530,505	-
Hoora building 91700	185,677	-
Hoora building 92072	53,050	-
Muhrraq building 350	3,422	-
	772,654	-

Investment properties are measured at fair value using observable level 2 inputs obtained from an independent valuer (Note 24).

(Expressed in US Dollars)

9 Financial assets at FVTOCI

The movement in the financial assets at FVTOCI is as follow:

	Year ended 31 December 2022	Year ended 31 December 2021
At 1 January	9,652,558	10,678,128
Disposals during the year	(3,995,346)	-
Fair value loss	(2,283,187)	(1,025,570)
At 31 December	3,374,025	9,652,558

The details of financial assets at FVTOCI as at 31 December are as follow:

	31 December 2022	31 December 2021
Gulf Kuwaiti Holding Company, Bahrain, (previously known "Gulf Monetary Group (GMG)")	2,166,681	6,780,163
Takaful International, Bahrain	989,012	1,004,465
Gulf Kuwaiti Holding Company, Bahrain (Managed portfolio), (previously known "Gulf Monetary Group (GMG)")	95,673	191,345
First Takaful Insurance Co., Kuwait	67,752	72,338
Bahrain Family Leisure Co., Bahrain	54,907	55,703
Bahrain Islamic Bank, Bahrain	-	1,548,544
	3,374,025	9,652,558

Financial assets at FVTOCI represent quoted and unquoted shares.

The shares of Bahrain Islamic Bank which were under legal dispute and in the custody of the Court, have been retained by the financial institution, and was considered as a part of the settlement of the amount due to the financial institution as a result of the Court's final verdict that was issued on 16 January 2023.

All affected accounts including financial assets at FVTOCI, dividend receivables and due to a financial institution have been adjusted during the year ended 31 December 2022 (Notes 11, 23 & 26).

10 Financial assets at FVTPL

The movement in the financial assets at FVTPL is as follow:

	Year ended 31 December 2022	Year ended 31 December 2021
At 1 January	18,707,600	16,598,193
Additions during the year	1,000,000	-
Fair value (loss)/gain	(78,353)	2,109,407
At 31 December	19,629,247	18,707,600

(Expressed in US Dollars)

10 Financial assets at FVTPL (continued)

The details of financial assets at FVTPL as at 31 December is as follow:

	31 December 2022	31 December 2021
International Holding Group, Kuwait	14,270,551	14,442,965
Grand Real Estate Projects Co., Kuwait	4,052,898	4,101,865
Raz Pre-IPO Fund	1,130,400	-
Al Salam Bank, Bahrain	145,723	137,277
Khaleeji Commercial Bank, Bahrain	24,935	19,394
GFH Financial Group, Bahrain	4,740	6,099
	19,629,247	18,707,600

Financial assets at FVTPL include quoted and unquoted shares.

11 Dividend receivables, due from a financial institution and due to a financial institution

On 7 March 2004 the Group entered into a sale and purchase agreement with a financial institution to purchase shares of a related party for a total consideration of USD5,811,957 including six-month deferred payment costs of USD141,755. Concurrently, the Group entered into an agreement with a related party to sell the same shares for a total consideration of USD 5,821,958 including deferred payment costs of USD151,755, payable on 30 September 2004.

In accordance with the terms of the sale and purchase agreement, the Group pledged certain equity investments along with subsequent dividend shares received with a carrying value as at 31 December 2021 amounted to USD1,548,544 and dividend receivables up to 2006 totaling USD887,733 respectively.

At the date of signature of both agreements, the net remaining amounts due to the financial institution and due from the related party amounted to USD3,670,202 and USD3,680,203 respectively (excluding deferred payment costs). No further settlements were made and the agreement was terminated by the financial institution, which in return, retained the Group's pledged shares. The Group's Board of Directors considered that the agreement was wrongfully terminated and the pledged shares are unlawfully retained. The Group has filed a legal case before the courts of Bahrain against the financial institution for repossession of the pledged shares, which are currently under the custody of the court with the related dividend.

Further, at that time, a cheque in the amount of USD3,680,203, representing the amount due to the Group on the deferred sale of shares was drawn by that related party and deposited at the court.

During the year ended 31 December 2020, the Group reached a settlement agreement with the related party, Gulf Kuwaiti Holding Company (previously known "Gulf Monetary Group (GMG)"), in which the deferred payment sales receivables of USD3,680,203 would be exchanged for 11,152,130 shares in GMG with a fair value of USD2,899,554.

(Expressed in US Dollars)

11 Dividend receivables, due from a financial institution and due to a financial institution (continued)

On 16 January 2023, the final verdict by the Court was passed in favor the Group and the affected accounts were adjusted during the year ended 31 December 2022.

In accordance to the above verdict, the Group is due to receive 12,886,979 shares of International Holding Group (Previously Known as "International Investment Group") and amount of BD 1,200,228 being the shares cash dividends for the years 2005, 2006 and 2007.

Also, the court ruled that the group will receive amount of US$ 3,998,710 or its equivalent in Bahraini dinars, being an excess amount paid by the group to the financial institution (Bahrain Islamic Bank shares value and the amount of cheque deposited in the court). In addition, the group will also receive US$ 4,358,968 or its equivalent in Bahraini dinars being a compensation for the damages incurred by the group as result of drop in value of International Holding Group shares.

The shares of Bahrain Islamic Bank have been retained by the financial institution, and was considered as a part of the settlement of the amount due to the financial institution as a result of the Court's final verdict.

The amount due from the Group to the financial insinuation of USD3,670,202 have been offset against the related balances.

As the Group had an agreement with a related party, Gulf Kuwaiti Holding Company (previously known as "Gulf Monetary Group") for the sale and purchase of the same shares, the Group reached an agreement with Gulf Kuwaiti Holding Company to pay the Group a net amount of USD4,778,418, being compensation for the loss of Bahrain Islamic Bank shares, while other amounts will be transferred to Gulf Kuwaiti Holding Company.

Accordingly, the Group has realized a gain of USD3,565,542 during the year ended 31 December 2022 all associated accounts have been adjusted (Notes 9, 23 & 26).

12 Rent and other receivables

	31 December 2022	31 December 2021
Rent receivables	6,511	-
Amounts due from related parties (Note 22)	473,186	113,265
Prepayments and other receivables	6,381	6,699
	486,078	119,964

Rent receivables are generally on 30 to 60 days credit payment terms.

Unimpaired rent receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over rent receivables and the vast majorities therefore are unsecured.

The Group's rent receivables are mainly denominated in Bahrain Dinars

13 Murabaha short-term deposits

Murabaha short-term deposits have a maturity of less than 12 months and earn market profit rates.

Profit income on murabaha short-term deposits for the year ended 31 December 2022 amounted to USD89,279 (2021: USD90,287).

(Expressed in US Dollars)

14 Cash and cash equivalents

	31 December 2022	31 December 2021
Cash on hand	2,653	141
Murabaha short-term deposits	-	3,185,544
Current account balances with banks	334,529	1,208,198
	337,182	4,393,883

The current account balances are non-profit earning.

Mudarabah short-term deposits have original maturities of 3 months or less.

15 Share capital

In accordance with the Memorandum and Articles of Association of the Company, the authorized share capital is USD100,000,000 and the paid up share capital is USD40,000,000, comprising 121,212,121 shares of USD0.33 each.

The shareholding pattern as at 31 December 2022 and 31 December 2021 is as follows:

	Number of shares	**Amount**	**Percentage of ownership interest**
Group of Bahraini Shareholders	15,363,230	5,069,866	12.67%
Group of GCC Shareholders	105,848,891	34,930,134	87.33%
	121,212,121	40,000,000	100%

16 Statutory reserve

In accordance with the provisions of the Bahrain Commercial Companies Law of 2001, as amended, an amount equivalent to 10% of the Group's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the share capital is set aside. During the year ended 31 December 2022, an amount of USD469,829 has been transferred to the statutory reserve (2021: USD149,462).

17 Other payables

	31 December 2022	31 December 2021
Provision for CEO end of service benefits	-	455,862
Provision for leave salary	6,931	48,570
Accruals and other payables	48,750	30,833
	55,681	535,265

(Expressed in US Dollars)

18 Rental income

	Year ended 31 December 2022	Year ended 31 December 2021
Hoora building 92072	140,955	26,525
Muhrraq building 350	29,443	6,631
Al Muhanned tower (unit 7)	-	44,688
Hoora building 91700	-	26,525
	170,398	104,369

19 Other income

	Year ended 31 December 2022	Year ended 31 December 2021
Sale of written-off securities	-	3,306
Provision written-back	499,811	-
Miscellaneous income	2,067	7,216
	501,878	10,522

20 Staff costs

	Year ended 31 December 2022	Year ended 31 December 2021
Salaries and related benefits - CEO	-	508,086
Salaries and related benefits - Staff	70,385	74,267
	70,385	582,353

21 General and administrative expenses

	Year ended 31 December 2022	Year ended 31 December 2021
Professional fees	55,327	39,218
Electricity and municipality charges	58,938	6,475
Rental expenses	42,493	30,851
Maintenance expenses	23,842	29,851
Brokerage fees	20,332	17,563
Consultancy and legal expenses	19,913	52,695
Office service and cleaning expenses	11,598	11,598
BOD meetings expenses and attendance fees	11,379	12,500
Travel expenses	4,953	7,885
Insurance expenses	4,906	5,069
Shari'a Board fees	3,283	3,306
Communication expenses	3,108	3,280
Sundry expenses	28,824	13,368
	288,896	233,659

(Expressed in US Dollars)

22 Balances and transactions with related parties

Related parties comprise shareholders, directors of the Group, Shari'a Supervisory Board members, entities owned or controlled, jointly controlled or significantly influenced and companies affiliated by virtue of shareholding in common.

Transactions with related parties are undertaken on terms agreed between the parties which may not necessarily be on arms-length bases.

A summary of related parties' balances as at 31 December 2022 and related parties' transactions for the year ended 31 December 2022 is as follows:

	31 December 2022		
	Shareholders	Other related parties	Total
Assets			
Equity investments			
International Holding Group	14,270,551	-	14,270,551
Grand Real Estate Projects Co.	-	4,052,898	4,052,898
Gulf Kuwaiti Holding Company (Previously known "Gulf Monetary Group (GMG)")	2,166,681	-	2,166,681
Gulf Kuwaiti Holding Company (Managed portfolio) (Previously known "Gulf Monetary Group (GMG)")	95,673	-	95,673
Other receivables (Note 12)			
Gulf Kuwaiti Holding Company	468,511	-	468,511
Grand Real Estate Projects Co. (Net of provision USD7.64 million)	-	1,409	1,409
International Holding Group	3,266	-	3,266
Liabilities			
Other payables			
Accrued Shari'a supervisory board fees	-	1,633	1,633

(Expressed in US Dollars)

22 Balances and transactions with related parties (continued)

	Year ended 31 December 2022		
	Shareholders	Other related parties	Total
Income, gains and losses			
Fair value loss on investment in Gulf Kuwaiti Holding Company measured at FVTOCI	(2,166,680)	-	(2,166,680)
Fair value loss on Gulf Kuwaiti Holding Company (Managed portfolio) measured at FVTOCI	(95,672)	-	(95,672)
Fair value loss on investment in International Holding Group (IHG) measured at FVTPL	(172,414)	-	(172,414)
Fair value loss on investment in Grand Real Estate Projects Co. measured at FVTPL	-	(48,967)	(48,967)
Other income, provision written-back	-	499,811	499,811
Expenses			
BOD meeting expense and attendance fees	-	10,000	10,000
Shari'a supervisory fees	-	3,283	3,283

A summary of related parties' balances as at 31 December 2021 and related parties' transactions for the year ended 31 December 2021 is as follows:

	31 December 2021		
	Shareholders	Other related parties	Total
Assets			
Equity investments			
International Holding Group	14,442,965	-	14,442,965
Grand Real Estate Projects Co.	-	4,101,865	4,101,865
Gulf Kuwaiti Holding Company	6,780,163	-	6,780,163
Gulf Kuwaiti Holding Company (Managed portfolio)	191,345	-	191,345
Other receivables (Note 12)			
Gulf Kuwaiti Holding Company	67,240	-	67,240
Projects Holding	41,415	-	41,415
Grand Real Estate Projects Co. (Net of provision USD7.64 million)	-	1,304	1,304
International Holding Group	3,306	-	3,306
Liabilities			
Other payables			
Accrued benefits and end-of-service for CEO	-	499,812	499,812
Accrued Shari'a supervisory board fees	-	1,653	1,653

(Expressed in US Dollars)

22 Balances and transactions with related parties (continued)

	Year ended 31 December 2021		
	Shareholders	Other related parties	Total
Income, gains and losses			
Fair value loss on investment in Gulf Kuwaiti Holding Company measured at FVTOCI	(1,232,757)	-	(1,232,757)
Fair value loss on Gulf Kuwaiti Holding Company (Managed portfolio) measured at FVTOCI	(34,791)	-	(34,791)
Fair value gain on investment in International Holding Group (IHG) measured at FVTPL	2,039,198	-	2,039,198
Fair value loss on investment in Grand Real Estate Projects Co. measured at FVTPL	-	22,922	22,922
Gain on disposal of written-off securities		3,306	3,306
Expenses			
Salaries and related charges – CEO	-	508,086	508,086
BOD meeting expense and attendance fees	-	12,500	12,500
Shari'a supervisory fees	-	3,306	3,306

A summary of off-balance sheet balances as at 31 December 2022 and 31 December 2021 is as follows:

Off-balance sheet items	31 December 2022	31 December 2021
Investments in IHG on behalf of Gulf Kuwaiti Holding Company (Net of provision USD1.04 million) (2021: Net of provision USD5.67 million) (a)	4,629,926	-
GMG shares managed by the Group on behalf of GMG, IHG and Investors Holding (b)	4,687,963	9,375,927

Off-balance sheet investment accounts represents amounts received from related parties through transactions entered on their behalf.

a) On the instructions of an off-balance sheet investment account holder, a related party, the Group has entered into a deferred payment purchase agreement with a financial institution to acquire shares of International Holding Group (IHG). The Group then entered into a deferred payment sale agreement with the off-balance sheet investment account holder for the sales of these shares. However, due to a legal dispute (Note 23), with the financial institution, the Group could not affect the transfer of IHG shares to the off-balance sheet investment account holder (Note 11). The Group's board of directors has resolved to write down the value of these shares to zero in the later part of 2013 due to the uncertain result from the legal case. In 2023, the court issued its final verdict about the Case in favor of the Group.

b) Gulf Kuwaiti Holding Company shares managed by the Group on behalf of Gulf Kuwaiti Holding Company, International Holding Group (IHG), and Investors Holding.

23 Legal cases

On 16 January 2023, a final verdict of the Court was passed in the case against financial Institution in the favor of the Group. All associated accounts have adjusted during the year ended 31 December 2022 (Notes 9, 11 & 26).

24 Financial assets and liabilities and risk management

Financial assets and liabilities carried on the consolidated statement of financial position include cash and cash equivalents, rent and other receivables, financial assets at FVTPL, financial assets at FVTOCI, dividend receivables, due to a financial institution, Murabaha payable and other payables. The particular recognition method adopted is disclosed in the individual policy statements associated with each item.

The risk associated with financial assets and liabilities and the Group's approaches to managing such risks are described below:

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Cash is placed with a national bank with a good credit rating. Concentrations of credit risk with respect to rent and other receivables are limited due to the large number of tenants. Thus, credit risk is considered minimal by the Board of Directors.

Interest rate risk is the risk that the value of financial assets and liabilities will fluctuate due to changes in market interest rates. The Group's short-term deposits and borrowings earn/bear the market rate of interest. The Group's other assets and liabilities are not sensitive to interest rate risk.

Currency rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's foreign currency transactions are in Kuwaiti Dinar, Emirates Dirham and Bahraini Dinar. For Kuwaiti Dinar, the Group limits its currency rate risk by proactively monitoring the key factors that affect the foreign currency fluctuations. The Emirates Dirham and Bahraini Dinar pegged to the US Dollar. Thus, the currency rate risk is considered to be minimal.

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available to meet all liabilities as they fall due.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts at the year-end.

The fair value of quoted shared has been obtained from primary and secondary markets (Level 1).

(Expressed in US Dollars)

24 Financial assets and liabilities and risk management (continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2022 and 31 December 2021.

The Group monitors capital on the basis of debt to equity ratio. This ratio is calculated as debt divided by equity. The debt to equity ratio at the end of the year has been as follows:

	31 December 2022	31 December 2021
Debt	-	3,670,202
Equity	46,800,038	44,384,937
Debt to equity ratio	0.00%	8.27%

25 VAT applicability

As at 31 December 2022, the Group is exempted from registering for VAT with the National Bureau for Revenue due to its nature of activities.

26 Subsequent events

On 16 January 2023, a final verdict of the Court was passed in the case against financial Institution in the favor of the Group. All associated accounts have adjusted during the year ended 31 December 2022 (Notes 9, 11 & 23).

There were no other events subsequent and occurring before the date of the audit report that are expected to have a significant impact on these consolidated financial statements.