

Al Waseela Fund

FINANCIAL STATEMENTS

31 DECEMBER 2022



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INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF AI WASEELA FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Waseela Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2022, and statements of profit or loss and other comprehensive income, changes in net assets attributable to unit holders and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

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

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the *International Ethics Standards Board for Accountants' International Codes of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

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 guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

Auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

**INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF
AI WASEELA FUND (CONTINUED)**

Report on the audit of the financial statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosure is 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by the Fund, and the financial statements comply with the Qatar Central Bank Law No. 13 of 2012 and the Fund's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Fund's financial position or performance.


Ahmed Sayed
of Ernst & Young
Auditor's Registration No. 326

Date: 14 May 2023
Doha



Al Waseela Fund

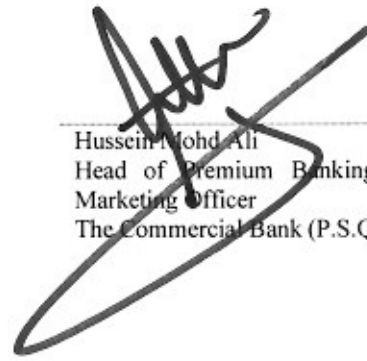
STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

| | <i>Notes</i> | 2022 QR | 2021 QR |
|--|--------------|--------------------------|--------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 3 | 2,020,387 | 713,573 |
| Investment securities at fair value through profit or loss (FVTPL) | 4 | 37,390,746 | 68,719,516 |
| Receivable from the founder towards reimbursement of tax | | - | 435,000 |
| Other receivables | | - | 4 |
| TOTAL ASSETS | | 39,411,133 | 69,868,093 |
| LIABILITIES | | | |
| Subscription pending allotment | | 3,000 | - |
| Other payables and accrued expenses | 5 | 218,299 | 311,786 |
| Income tax payable | | 133,619 | 435,000 |
| TOTAL LIABILITIES | | 354,918 | 746,786 |
| NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS | | 39,056,215 | 69,121,307 |
| | | <i>Units</i> | <i>Units</i> |
| Number of units in issue | | 1,820,797 | 3,027,186 |
| Net asset value per unit (QR) – Before tax | | 21.5234 | 22.8335 |
| Net asset value per unit (QR) – After tax | | 21.4501 | 22.8335 |



Shahnawaz Rashid
EGM
Retail and Consumer Banking
The Commercial Bank (P.S.Q.C.)



Hussein Mohd Ali
Head of Premium Banking and EGM, Chief
Marketing Officer
The Commercial Bank (P.S.Q.C.)



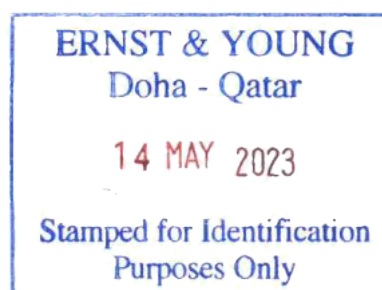
The attached notes 1 to 11 form part of these financial statements.

Al Waseela Fund

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

| | <i>Notes</i> | 2022 QR | 2021 QR |
|---|--------------|--------------------------------|-------------------------|
| Income | | | |
| Dividend income | | 2,786,648 | 1,844,422 |
| (Loss) / gain on investment securities at FVTPL | 4 | (1,638,463) | 5,923,104 |
| Other income | | 2,143 | 373 |
| Total income | | <u>1,150,328</u> | <u>7,767,899</u> |
| Expenses | | | |
| Performance fees | | (11,382) | (205,546) |
| Management fees | | (1,034,842) | (885,101) |
| Custodian fees | | (103,484) | (88,510) |
| Administration fees | | (88,177) | (87,470) |
| Brokerage commissions | | (188,337) | (72,698) |
| Other operating expenses | 6 | (427,317) | (241,390) |
| Total expenses | | <u>(1,853,539)</u> | <u>(1,580,715)</u> |
| (LOSS) / PROFIT BEFORE TAX | | <u>(703,211)</u> | <u>6,187,184</u> |
| Income tax expense | 7 | <u>(133,619)</u> | <u>-</u> |
| (LOSS) / PROFIT AFTER TAX | | <u>(836,830)</u> | <u>6,187,184</u> |
| Other comprehensive income for the year | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR | | <u><u>(836,830)</u></u> | <u><u>6,187,184</u></u> |



The attached notes 1 to 11 form part of these financial statements.

Al Waseela Fund

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS

For the year ended 31 December 2022

| | <i>Number of units</i> | <i>Net assets attributable to the units holders</i> |
|--|----------------------------|---|
| Balance as at 1 January 2021 | 2,749,050 | 56,385,468 |
| Total comprehensive income for the year | - | 6,187,184 |
| Contributions and redemptions by unit holders: | | |
| Issue of redeemable units during the year | 413,667 | 9,434,577 |
| Redemption of redeemable units during the year | <u>(135,531)</u> | <u>(2,885,922)</u> |
| Balance as at 31 December 2021 | <u>3,027,186</u> | <u>69,121,307</u> |
| Balance as at 1 January 2022 | 3,027,186 | 69,121,307 |
| Total comprehensive (loss) for the year | - | (836,830) |
| Contributions and redemptions by unit holders: | | |
| Issue of redeemable units during the year | 1,281 | 32,039 |
| Redemption of redeemable units during the year | <u>(1,207,670)</u> | <u>(29,260,301)</u> |
| Balance as at 31 December 2022 | <u>1,820,797</u> | <u>39,056,215</u> |



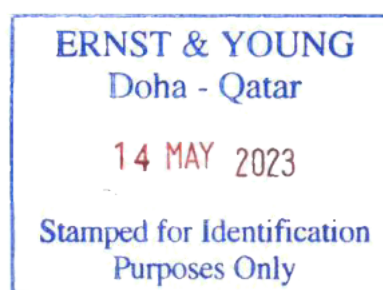
The attached notes 1 to 11 form part of these financial statements.

Al Waseela Fund

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

| | <i>Note</i> | 2022 QR | 2021 QR |
|---|-------------|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | | |
| (Loss) / profit before tax | | (703,211) | 6,187,184 |
| <i>Adjustments for:</i> | | | |
| (Loss) / gain from investment securities measures at FVTPL | | 1,638,463 | (5,923,104) |
| Tax (reversals) / penalties | | (347,500) | 435,000 |
| Reimbursement of tax from the Founder | | 347,500 | (435,000) |
| Operating profit before changes in operating assets and liabilities | | (935,252) | 264,080 |
| <i>Changes in:</i> | | | |
| Investment securities at FVTPL | | 31,560,811 | (9,373,047) |
| Other receivables | | 4 | 2 |
| Subscriptions pending allotment | | 3,000 | - |
| Other payables and accrued expenses | | (93,487) | 217,646 |
| Net cash flows generated from / (used in) operating activities | | 30,535,076 | (8,891,319) |
| FINANCING ACTIVITIES | | | |
| Payment for redemption of redeemable units | | (29,260,301) | (2,885,922) |
| Proceeds from issuance of redeemable units | | 32,039 | 9,434,577 |
| Net cash flows (used in) / generated from financing activities | | (29,228,262) | 6,548,655 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | | 1,306,814 | (2,342,664) |
| Cash and cash equivalents as at 1 January | | 713,573 | 3,056,237 |
| CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER | 3 | 2,020,387 | 713,573 |



The attached notes 1 to 11 form part of these financial statements.

1 LEGAL STATUS AND MAIN ACTIVITIES

Al Waseela Fund (“the Fund”) was established on 14 November 2006, as an open ended fund and is registered in the Investment Funds Register at the Ministry of Economy and Commerce under registration certificate no. 34168 and is licensed by the Qatar Central Bank under license no. I.F/6/2006 in accordance with Law No. (25) of 2002 concerning Investment Funds, and its Implementation Regulations, promulgated by virtue of Ministerial Resolution No. (69) of 2004 of the Minister of Business and Trade.

The Fund was founded by The Commercial Bank (P.S.Q.C), (the “Founder”) with a commercial registration No. 150; QCB License No. BC/101/1975, licensed, supervised and regulated by Qatar Central Bank established under the laws of the State of Qatar and having its principal office at P.O. Box 3232 Doha, Qatar.

The Fund is managed by National Bank of Oman (“Fund Manager”) and the custodian of the Fund is HSBC Bank Middle East Limited (“Fund Custodian”), Qatar Branch, with an office at P.O. Box 57 Doha, State of Qatar.

The financial statements as at and for the year ended 31 December 2022 were authorised for issue on 14 May 2023.

Objective of the Fund and Nature of its Activity

The Fund will invest primarily in shares and other securities issued by companies established or operating in Qatar. The benchmark for performance is the Qatar Stock Exchange Index.

However, the Fund Manager will have the flexibility to invest up to 40% of the portfolio in shares and other securities issued by companies operating or established in other GCC countries. The exposure to GCC markets will only be increased when the Fund Manager believes opportunities in those markets are greater than available opportunities in Qatar on a short to medium term basis. It is not expected that the weighting in other GCC markets will be significant on a long-term basis as the Fund’s objective is to participate in the growth of Qatar’s economy and capital markets.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Fund for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs). It is presented in Qatari Riyals (“QR”), which is the functional and presentation currency of the Fund.

These financial statements are prepared on a historical cost basis, except for investment securities classified at fair value through profit or loss.

The preparation of the financial information requires Fund Manager to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The significant judgments made by Fund Manager in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

2.2 Standards, amendments and interpretations issued

New IFRS Standards, amendments and interpretations issued and effective on or after 1 January 2022

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) effective as of 1 January 2022 as noted below:

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments and interpretations issued (continued)

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the financial statements of the Company.

Standards and Interpretations

Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract
 Amendments to IFRS 1: Subsidiary as a first-time adopter
 Amendments to IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities
 Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use
 Amendments to IFRS 3: Reference to the Conceptual Framework
 Amendments to IAS 41: Taxation in fair value measurements

2.3 Standards issued but not yet effective

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

Standards and Interpretations

Effective date

| | |
|---|----------------|
| Classification of Liabilities as Current or Non-current (Amendments to IAS 1) | 1 January 2023 |
| IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts | 1 January 2023 |
| Definition of Accounting Estimates - Amendments to IAS 8 | 1 January 2023 |
| Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 | 1 January 2023 |
| Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 | 1 January 2023 |

2.4 Summary of significant accounting policies

(a) Revenue recognition

- Net gain from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes profits and dividend income; and
- Dividend income is recognized when the Fund has the right to collect the dividends.

(b) Fees and commissions

Fee and commission expenses are recognized in profit or loss as the related services are performed.

(c) Financial assets and liabilities

Recognition

The Fund recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs related to such financial assets and liabilities are recognized directly in profit and loss.

The Fund classifies financial assets and financial liabilities into the following categories.

Financial assets at fair value through profit or loss: *investment securities*

Financial assets at amortised cost: *cash and cash equivalents, other receivables*

Financial liabilities at amortised cost: *other payables and accrued expenses*

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

Initial measurement (continued)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

Financial assets at fair value through profit or loss are re-measured at fair value at the end of each reporting period and the resultant re-measured gain or loss is recognized in the profit or loss in the period in which they arise.

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Other financial assets and financial liabilities of the Fund are subsequently measured at amortised cost.

Amortised cost measurement

The amortised cost of financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired or it has transferred its rights to receive cash flows of a transaction where all the risks and rewards of ownership of the asset, are transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognized as a separate asset or liability.

The Fund derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master-netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

(d) Foreign currencies

Transactions in foreign currencies are translated into Qatari Riyals at the exchange rate at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into Qatari Riyals at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Qatari Riyals at the exchange rate at that date the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.4 Summary of significant accounting policies (continued)****(d) Foreign currencies (continued)**

Foreign currency differences arising on translation are recognized in profit or loss as net foreign exchange loss, except for those arising on financial instruments at fair value through profit or loss, which are recognized as net gain on revaluation of investment securities at fair value through profit or loss.

(e) Other payables and accruals

Other payables and accruals are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

(f) Other receivables

Other receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful receivables is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

(g) Subscriptions pending allotment

The initial subscriptions made by the investors before the allotment of units will be recorded as liabilities against the cash received including the commission related to the Fund Manager.

3 CASH AND CASH EQUIVALENTS

| | <i>2022</i> <i>QR</i> | <i>2021</i> <i>QR</i> |
|-------------------|--------------------------|--------------------------|
| Current accounts* | <u>2,020,387</u> | <u>713,573</u> |

*The bank balances are held with a bank, which is rated as AA-, based on Fitch ratings.

4 INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <i>2022</i> <i>QR</i> | <i>2021</i> <i>QR</i> |
|--|--------------------------|--------------------------|
| Listed equity securities - State of Qatar | 33,347,266 | 62,983,547 |
| Listed equity securities - Other GCC Countries (i) | <u>4,043,480</u> | <u>5,735,969</u> |
| Investments at FVTPL | <u>37,390,746</u> | <u>68,719,516</u> |

The carrying amount of investment securities at fair value through profit or loss includes fair value gain of QR 2,554,569 as at 31 December 2022 (31 December 2021: QR 14,593,328).

Total gain including realised upon disposal of investments and the changes in the fair values, from the investment securities at fair value through profit or loss for the year amounting to QR 1,638,463 (2021: QR 5,923,104).

Note i:

During the year ended 31 December 2019, the Fund invested QR 1,143,061 in the shares of NMC Health PLC (the "Company"). Pursuant to the identification of financial irregularities in the Company's financial statements and suspension of trading of the Company's shares from 27 February 2021, followed by the delisting of the Company on 27 April 2021 from London Stock Exchange, the Fund has assessed the fair value of its investment in the shares of the Company as zero and the related loss was recognised in the statement of comprehensive income during year 2021.

Al Waseela Fund

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

5 OTHER PAYABLES AND ACCRUED EXPENSES

| | 2022 <i>QR</i> | 2021 <i>QR</i> |
|---------------------|-----------------------|-----------------------|
| Performance fees | 11,382 | 212,430 |
| Management fees | 50,017 | 45,620 |
| Custodian fees | 5,002 | 4,562 |
| Administration fees | 7,280 | 3,640 |
| Other accruals | <u>144,618</u> | <u>45,534</u> |
| | <u>218,299</u> | <u>311,786</u> |

6 OTHER OPERATING EXPENSES

| | 2022 <i>QR</i> | 2021 <i>QR</i> |
|--|-----------------------|-----------------------|
| Custody transaction fees | 43,437 | 43,735 |
| Investor transaction fees | 10,731 | 6,789 |
| Investment plan service fees (Note 8) | 8,687 | 8,747 |
| Taxation (reversals) / penalties (Note (i)) | (347,500) | 435,000 |
| Reimbursement of tax from the Founder (Note (i)) | 347,500 | (435,000) |
| Miscellaneous expenses | <u>364,462</u> | <u>182,119</u> |
| | <u>427,317</u> | <u>241,390</u> |

Note (i):

Taxation (reversals) penalties

The Founder agreed to bear the expense including penalties in relation to the Fund's filing of income tax returns for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 and accordingly the total tax penalty and reimbursement amount was recorded in the financial statements for the year ended 2021.

During 2022, the Fund has agreed with the General Tax Authority total tax penalty amount of QR 87,500 relating to the years ended 31 December 2019, 31 December 2020 and 31 December 2021. Consequently, over provision / (reimbursement) has been adjusted in the current year financial statements.

7 INCOME TAX

The reconciliation between the accounting profit and profit calculated as per Qatar Income Tax Law is as follows:

| | 2022 <i>QR</i> | 2021 <i>QR</i> |
|--|-----------------------|-------------------|
| Accounting (loss) / profit before tax | (703,211) | 6,187,184 |
| Adjustments: | | |
| Income that is exempt in determining taxable profit | (2,786,648) | (7,445,680) |
| Expenses that are not deductible in determining taxable profit | <u>12,041,980</u> | <u>-</u> |
| Taxable profit/ (loss) | 8,552,121 | (1,258,496) |
| Less: Carried forward tax losses utilised | <u>(1,258,496)</u> | <u>-</u> |
| Total taxable profit | 7,293,625 | (1,258,496) |
| Tax rate | 10% | 10% |
| Non-Qatari shareholding of the Parent | <u>18.32%</u> | <u>8.35%</u> |
| Income tax expense | <u>133,619</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

8 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent associated entities, Founder, the Fund Manager, directors and key management personnel of the Fund, and entities controlled, jointly controlled or significantly influenced by such parties. The terms of all transactions between these parties are approved by the Fund's Board of Directors.

Management fees

The Fund Manager receives a management fee based on the net asset value estimated based on traded values, payable quarterly in arrears using the annual rate of 1.5% which is shared equally with the Founder.

Custodian fees

The Fund Custodian charges a custodian fee based on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Fund Custodian.

The Fund Custodian, in addition to the custodian fees, is entitled to custody transaction fee of QR 219 per investment sale or purchase and investor transaction fees of QR 146 for each subscription and redemption into and from the Fund.

Administration fees

The Fund has engaged the services of the Fund Custodian to provide administrative services for a fee. The fees are charged on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Custodians.

Performance fees

The Fund Managers are entitled to a performance fees calculated at 20% of any incremental increases of net asset value over a 10% hurdle rate. This performance fee is shared equally with the Founder.

Investment plan service fees

The Fund pays the Fund Custodian an investment plan services fees QR 728 per month to cover 250 investors.

Subscription fee

Subscription fees equal to 3% of the subscription price will be payable to the Founder from the amount paid by each Unit holders upon subscription.

Redemption fees

Redemption fees equal to 1% of the net asset value of the units being redeemed, will be payable to the Fund by the relevant unit holders on the redemption proceeds of units redeemed. The redemption fee is shared equally between the Fund and the Founder. This amount will be charged at the time of redemption of units by the unit holders.

| | <i>As at 31 December 2022</i> | | | <i>As at 31 December 2021</i> | | |
|--------------------------------------|-------------------------------|---------------------|------------------|-------------------------------|---------------------|------------------|
| | <i>Founder</i> | <i>Fund Manager</i> | <i>Custodian</i> | <i>Founder</i> | <i>Fund Manager</i> | <i>Custodian</i> |
| Related party balances | QR | QR | QR | QR | QR | QR |
| Accrued performance fees | 5,691 | 5,691 | - | 106,215 | 106,215 | - |
| Accrued management fees | 25,009 | 25,008 | - | 22,810 | 22,810 | - |
| Accrued custodian fees | - | - | 5,002 | - | - | 4,562 |
| Accrued administration fees | - | - | 7,280 | - | - | 3,640 |
| Accrued investment plan service fees | - | - | 728 | - | - | 364 |
| | 30,700 | 30,699 | 13,010 | 129,025 | 129,025 | 8,566 |

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

8 RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

| Related party transactions | <i>For the year ended 31 December 2022</i> | | | <i>For the year ended 31 December 2021</i> | | |
|--|--|-------------------------|------------------|--|-------------------------|------------------|
| | <i>Founder</i> | <i>Fund Manager</i> | <i>Custodian</i> | <i>Founder</i> | <i>Fund Manager</i> | <i>Custodian</i> |
| | <i>QR</i> | <i>QR</i> | <i>QR</i> | <i>QR</i> | <i>QR</i> | <i>QR</i> |
| <i>Income:</i> | | | | | | |
| Reimbursement of tax from the Founder (Note 6) | <u>(347,500)</u> | <u>-</u> | <u>-</u> | <u>435,000</u> | <u>-</u> | <u>-</u> |
| <i>Expenses:</i> | | | | | | |
| Performance fees | <u>5,691</u> | <u>5,691</u> | <u>-</u> | <u>102,773</u> | <u>102,773</u> | <u>-</u> |
| Management fees | <u>517,421</u> | <u>517,421</u> | <u>-</u> | <u>442,551</u> | <u>442,550</u> | <u>-</u> |
| Custodian fees | <u>-</u> | <u>-</u> | <u>103,484</u> | <u>-</u> | <u>-</u> | <u>88,510</u> |
| Administration fees | <u>-</u> | <u>-</u> | <u>88,177</u> | <u>-</u> | <u>-</u> | <u>87,470</u> |
| Investment plan service fees | <u>-</u> | <u>-</u> | <u>8,687</u> | <u>-</u> | <u>-</u> | <u>8,747</u> |
| | <u>523,112</u> | <u>523,112</u> | <u>200,348</u> | <u>545,324</u> | <u>545,323</u> | <u>184,727</u> |

9 FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment securities at fair value through profit or loss held for trading are valued as per the Level 1 valuation method except for the Fund's investment on the shares of NMC Health PLC which have been valued at zero, using the level 3 fair value techniques.

10 FINANCIAL RISK MANAGEMENT**Objectives and policies**

The Fund's financial liabilities includes other payables and accrued expenses. The Fund's financial asset comprises of investment securities at fair value through profit or loss (FVTPL), other receivables and bank balances which arise directly from its operations.

The main risks arising from the Fund's financial instruments are market risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks which are summarised in the following paragraph.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Funds income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Fund does not hedge its currency exposure. The Fund is not exposed to significant currency risks as all its investments and bank balances are denominated in Qatar Riyals.

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2022

10 FINANCIAL RISK MANAGEMENT (CONTINUED)**Market risk (continued)***Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Fund is not exposed to interest rate risk since the Fund has no floating rate interest-bearing financial instruments.

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices where those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The table below shows the sensitivity of the comprehensive income for an assumed increase in fair value. An equivalent decrease would have resulted in an equivalent but opposite impact.

| <i>Change in price index 2022 %</i> | <i>Effect on comprehensive income 2022 QR</i> | <i>Change in price index 2021 %</i> | <i>Effect on comprehensive income 2021 QR</i> |
|---|---|---|---|
| +5 | 1,869,537 | +5 | 3,435,976 |
| -5 | (1,869,537) | -5 | (3,435,976) |

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. With respect to credit risk arising from the financial assets, the Fund's exposure to credit risk arises from default of the counterparty, with a maximum exposure as follows:

| | <i>2022 QR</i> | <i>2021 QR</i> |
|-------------------------------------|--------------------|--------------------|
| Cash and cash equivalents | 2,020,287 | 713,573 |
| Reimbursement of taxation penalties | - | 435,000 |
| | <u>2,020,287</u> | <u>1,148,573</u> |

Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet obligations as they fall due. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's operations.

All financial liabilities of the Fund will mature within 12 months from the end of the reporting period.

11 KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires that management make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed for on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future.

Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund 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 upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.