

***TEAM ONE Financial Company.
(LIMITED LIABILITY CO.)
RIYADH - SAUDI ARABIA
FINANCIAL STATEMENTS
&
AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2025***

TEAM ONE Financial Company.
(Limited Liability CO.)
RIYADH - SAUDI ARABIA

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Independent Auditor's Report

**TO THE PARTNERS OF
TEAM ONE Financial Company.
(Limited Liability Company)**

Report on the Audit of the Financial Statements**Opinion:**

We have audited the statement of financial position of **TEAM ONE Financial Company.**, as at June 30, 2025, the statement of comprehensive income, statement of changes in Owners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements taken as a whole present fairly, in all material respects, the financial position of the company as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard(s) for Small and Medium Entities that are endorsed in the Kingdom of Saudi Arabia (SMEs) and other standards and pronouncements issued by Saudi Organization for certified public Accountants (Socpa).

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 Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kingdom Saudi Arabia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter:

We would like to draw your attention that on 19/03/2025 AD, the company name was changed from First Team Company to First Team Financial Company, as explained in Clarification No. (1).

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium Entities that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, Entity's By-laws and Companies regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with Management 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

- Article (20) of the Companies Regulations requires the auditor shall include in his report, "what might come to his attention about violation of the terms of the Companies Law or Company's Articles of Association, and we have not found during our current audit of the financial statements, that the Company is violating the terms of the Companies Regulations or the Company's Articles of Association with regard to the preparation and presentation of financial statements.

At Riyadh: Muharram 20, 1447 H
Corresponding: July 15, 2025 G




Asaad S. Basudan Partner
License No. 342

TEAM ONE Financial Company.
(Limited Liability CO.)
RIYADH - SAUDI ARABIA
Balance Sheet As Of June 30, 2025
(Expressed in Saudi Riyals)

Statement A

	<i>Note</i>	<u>30/06/2025</u>	<u>30/06/2024</u>
<u>Assets</u>			
<i>Current Assets :</i>			
<i>Cash and cash equivalent</i>	(5)	3,541	311,546
<i>Receivable - Trade</i>	(6)	1,430,384	603,584
<i>Due from related parties</i>	(7)	231,309	101,263
<i>Prepayments & other debit balances</i>	(8)	151,471	190,715
<i>Total current assets</i>		<u>1,816,705</u>	<u>1,451,669</u>
<i>Properties and equipment, net</i>	(9)	205,932	244,561
<i>Total Assets</i>		<u>2,022,637</u>	<u>1,451,669</u>
<u>Liabilities and Owners' Equity</u>			
<i>Current Liabilities:</i>			
<i>Accruals and other credit balances</i>	(10)	195,716	112,241
<i>Due to related parties</i>	(11)	642,704	-
<i>Provision for zakat</i>	(16)	24,332	41,926
<i>Total Current Liabilities</i>		<u>862,752</u>	<u>154,267</u>
<i>Provision for End of Service Indemnity</i>	(12)	268,834	239,495
<i>Total Liabilities</i>		<u>1,131,586</u>	<u>393,762</u>
<i>Partners' Equity:</i>			
<i>Capital</i>	(1)	1,000,000	1,000,000
<i>Statutory reserve</i>		55,447	55,447
<i>Retained earnings</i>		(164,396)	2,460
<i>Total Owners' Equity</i>		<u>891,051</u>	<u>1,057,907</u>
<i>Total Liabilities and Partners' Equity</i>		<u>2,022,637</u>	<u>1,451,669</u>

***The accompanying notes from (1) to (18) form
an integral part of these financial statements***

TEAM ONE Financial Company.
(Limited Liability CO.)
RIYADH - SAUDI ARABIA
Statement Of Income For The Year Ended June 30, 2025
(Expressed in Saudi Riyals)

Statement B

	<i>Note</i>	<i>30/06/2025</i>	<i>30/06/2024</i>
		SR	SR
<i>Revenues</i>		<u>2,237,000</u>	<u>3,241,636</u>
<i>Cost of Revenues</i>	(13)	<u>(1,480,085)</u>	<u>(1,868,360)</u>
<i>Gross operating income</i>		756,915	1,373,276
<i>General & administrative expenses</i>	(14)	<u>(895,146)</u>	<u>(802,385)</u>
<i>Net operating income</i>		(138,231)	570,891
<i>Other income</i>	(15)	<u>36,611</u>	<u>116,809</u>
<i>Net income before zakat provision</i>		(101,620)	687,700
<i>Provision for zakat</i>	(16)	<u>(24,332)</u>	<u>(41,926)</u>
<i>Net income for the year (Statement C+D)</i>		(125,952)	645,774
 <i>Items that will not to be Reclassified subsequently to Profit or Loss:</i>			
<i>Actuarial Loss on Employees' Defined Benefit Liabilities</i>		<u>(40,904)</u>	<u>(14,887)</u>
<i>Total Other Comprehensive Income (loss)</i>		(40,904)	(14,887)
<i>Net income and Other Comprehensive Income</i>		(166,856)	630,887

The accompanying notes from (1) to (18) form an integral part of these financial statements

**TEAM ONE Financial Company.
(LIMITED LIABILITY CO.)
RIYADH - SAUDI ARABIA**

Statement C

**Statement Of Changes In Owners' Equity For The Year Ended June 30, 2025
(Expressed in Saudi Riyals)**

<i>Particulars</i>	<i>Share Capital</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Total</i>
<u>The Year Ended June 30, 2025</u>				
<i>Balance, July 1, 2024</i>	1,000,000	55,447	2,460	1,057,907
<i>Net Income for the Year – Statement B</i>	-	-	(125,952)	(125,952)
<i>Other Comprehensive Income</i>	-	-	(40,904)	(40,904)
<i>Balance, June 30, 2025</i>	1,000,000	55,447	(164,396)	891,051
<u>The Year Ended June 30, 2024</u>				
<i>Balance, July 1, 2023</i>	1,000,000	55,447	(128,427)	927,020
<i>Net Income for the Year – Statement B</i>	-	-	645,774	645,774
<i>Dividends</i>	-	-	(500,000)	(500,000)
<i>Other Comprehensive Income</i>	-	-	(14,887)	(14,887)
<i>Balance, June 30, 2024</i>	1,000,000	55,447	2,460	1,057,907

***The accompanying notes from (1) to (18) form
an integral part of these financial statements***

TEAM ONE Financial Company.
(LIMITED LIABILITY CO.)
RIYADH - SAUDI ARABIA
Statement Of Cash Flows for The Year Ended June 30, 2025
(Expressed in Saudi Riyals)

Statement D

	30/06/2025	30/06/2024
	SR	SR
<u>Cash Flows from Operating Activities</u>		
Net income for the year – Statement B	(125,952)	645,774
Depreciation expenses	38,628	38,099
Zakat provision provided for the year	24,332	41,926
End of service provision provided for the year	68,046	96,170
Provision no longer required	(2,311)	(73,809)
Adjusted net income	2,743	748,160
<u>Cash Flows from Operating Activities</u>		
Trade receivables	(826,800)	(178,308)
Prepayments & other debit balances	39,246	(60,704)
Accruals and other credit balances	83,374	(38,503)
Paid from Zakat provision	(41,926)	(21,020)
Paid from End of Service Indemnity	(77,300)	-
Net cash provided from (used in) operating activities	(820,663)	449,625
<u>Cash Flows from Investing Activities</u>		
Proceeds from disposal of Investments in companies	-	258,592
Purchase of Property, Plant and Equip.	-	(17,500)
Net cash provided by investing activities	-	241,092
<u>Cash Flows from financing Activities</u>		
Dividends	-	(500,000)
Related parties' transactions	512,658	(227,018)
Net cash provided from (used in) operating activities	512,658	(727,018)
Net increase (decrease) in cash and cash equivalent	(308,005)	(36,301)
Cash and cash equivalent at the beginning of the year	311,546	347,847
Cash and cash equivalent at the end of the year	3,541	311,546

**The accompanying notes from (1) to (18) form
an integral part of these financial statements**

TEAM ONE Financial Company.
(LIMITED LIABILITY CO.)
RIYADH - SAUDI ARABIA
Notes To the Financial Statements

1- Organization and Activities:

The **TEAM ONE Financial Company. (LIMITED LIABILITY CO.)** is a limited liability Company, and its capital is SR 1,000,000, divided between the partners as follows:

Partner's Name	No. of Shares	Share value	Value	Percentage
<i>Dr, Abdullah Baeshen</i>	960	500	480,000	48%
<i>Elfateh Mohammed Saleh</i>	520	500	260,000	26%
<i>Thamer Abdullah Baeshen</i>	520	500	260,000	26%
Total	2,000	500	1,000,000	100%

The company operates under the unified national number 7001498802 and commercial registration number 1010220493 issued in Riyadh on 05/22/1427 AH. Its main activity is arranging and providing advice in securities pursuant to Capital Market Authority letter No. (30-06009) dated 04/09/1427 AH. On 03/19/2025 AD, the company's name was changed from First Team Company to First Team Financial Company

2- Basis of preparation:

A. Statement of compliance with the IFRS for SMEs:

The financial statements have been prepared in accordance with the International Standard for the Financial Reporting of Small and Medium-sized Enterprises (SMEs) adopted in the Kingdom of Saudi Arabia and the other standards and regulations adopted by the Saudi Organization for Certified Public Accountants (SOCPA). Other standards and issuances are those adopted by the Saudi Organization for Certified Public Accountants (SOCPA) of technical standards and opinions not covered by the IFRS for SMEs.

B. Basis of Measurement:

The financial statements are prepared on a going concern basis and in accordance with the principles of accounting accruals and historical cost, unless otherwise stated.

C. Presentation and Functional Currency:

The financial statements are presented in Saudi Riyals, which is the functional currency. All amounts shown in the accompanying financial statements are rounded to the nearest Saudi Riyals.

D. Financial year:

The Company's financial year starts from 1 July 2024 to 30 June 2025.

3- Significant Judgments, Estimates & Accounting Assumptions:

The preparation of financial statements in accordance with applicable accounting principles and policies requires the use of judgments, estimates and assumptions that affect the values of reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date

Uncertainty about these estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

The key assumptions relating to the future and other major sources of uncertainty at the reporting date that pose high risk could result in material changes in the carrying amounts of assets or liabilities during the next financial year. The entity based these assumptions and estimates upon available information in the date of preparing financial statements these assumptions and estimates of future developments may change as a result of market changes and circumstances beyond the control of the entity. Such changes to assumptions are explained when they occur.

The establishment follows several accounting estimates and assumptions, the most important of which are the following:

A. Going Concern Principal:

The management of the entity has not doubt about the entity's ability to continue. Accordingly, so the financial statements have been prepared on a going concern basis.

B. Estimated useful lives of property and equipment:

The cost of property, plant and equipment is depreciated over the estimated useful life, this estimated is determined after considering expected usage of the asset, potential obsolescence, maintenance programs and the estimated recoverable amount of the asset. The management of the entity has not included any residual value of property, plant and equipment as this residual value is insignificant.

C. Provisions:

The provisions is recognize as obligation using the best estimate of the probable cash outflows that may be required to settle the obligation. When: an entity has an obligation at the reporting date (legal or constructive) as a result of an earlier event that would likely require the entity to transfer economic resources to settle the obligation, and this obligation can be estimate on reliable way.

At the end of the reporting date, provisions are reviewed and adjusted to reflect the best current estimate of the probable cash outflows that may be required to settle the obligation. Any adjustments to amounts previously recognized are recognized in profit or loss.

D. Impairment of assets

Impairment and non-recoverability of financial assets:

At the end of the reporting period, it is determined whether there is objective evidence that a financial asset may be impaired. If such evidence exists, any impairment loss is recognized in profit or loss. The decrease in value is determined as follows:

i. In the case of financial assets carried at fair value, impairment is the difference between cost and fair value less any impairment loss previously recognized in profit or loss.

ii. In the case of financial assets carried at amortized cost, impairment is the difference between the carrying amount and the present value of the cash flows discounted at the effective interest rate applicable.

E. Impairment of non-financial assets

At the end of the reporting period, indications of impairment of non-financial assets are considered. If any indication exists, the asset's recoverable amount is estimated to determine the magnitude of the impairment. Where the recoverable amount of that asset cannot be estimate on its own, the recoverable amount of the cash-generating unit to which that asset belongs is estimated.

Where the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, then the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized as an expense in the profit or loss for the financial period in which it occurs.

If the impairment loss is subsequently reversed, the value of the asset or cash-generating unit is increased to its recoverable amount, but only if it is increased above the original amount that would have been determined had the impairment loss not been established. In the value of that asset or cash generating unit in prior years. A reversal of an impairment loss is recognized as income in profit or loss for the financial period in which it arises.

F. Discount rate used to determine the present value of defined benefit plans obligation:

- *Provision for end of service benefits is deducted at a rate determined based on the prevailing market rate at the end of the financial period on a curve close to the profit rate in Saudi Arabia for a similar maturity as there is no similar long-term bond market.*

4- Summary of significant accounting policies:

A. Cash and cash equivalents:

Cash and cash equivalents include cash on hand, banks current accounts, deposits paid on demand and high liquidity investments that can transferred to cash in three months or less from the date of acquisition that are subject to minimal risk of changes in value.

B. Trade Receivables:

Represents the amounts due from customers arising from services performed within the normal course of business. The initial recognition of trade receivables is measured at fair value through the original transaction amount. A provision for doubtful debts is made when there is objective evidence that the receivable may not be recoverable. At the end of the reporting period, they are measured at amortized cost.

C. Related Party:

The related parties are transactions in the ordinary course of business with other parties that are considered to be relevant:

1- A person or a member close to that person's family, related to the reporting entity:

- ✓ *A senior management officer in the reporting entity or in the reporting entity's parent entity. Or*
- ✓ *Have joint control or control over the reporting entity. Or*
- ✓ *Has an important impact on the reporting entity.*

2- Related enterprise:

To include the disclosure of transactions whether the transfer of resources, or services. Or obligations between the Company and a related party regardless of whether or not a price has been incurred from transactions with the relationship between the parent entity and the subsidiary if any and the compensation of senior management personnel. As these transactions are not materially different from transactions with debtors and commercial creditors and there is no special advantage offered to them.

D. Prepaid & Other receivables:

Represent receivables other than trade as advance expenses, employee's advances, and others; it is shown at its net realizable values after deducting the provision for doubtful debts.

E. Property, Plant & Equipment:

The company recognizes the cost of an item of property, plant and equipment as an asset when it is probable that future economic rewards associated with the item will flow to the entity or the cost of the item can be measure reliably.

The Company recognizes the measurement of the item of property, plant and equipment at initial recognition at cost and the entity selects the cost model as an accounting policy.

The Company allocates the depreciable amount of the asset on a regular basis over its useful life.

The amortization of the asset commences when it is available for use, that is, when the condition is necessary to be operational in the manner intended by management. Depreciation of the asset is discontinued when its recognition is derecognized. Depreciation does not cease when the asset becomes impaired or when active use is removed unless the asset is fully depreciated.

When certain factors, such as a change in the way in which the asset is used, significant unexpected erosion, technical progress and changes in market prices, indicate that, the asset's residual value or useful life has changed since the most recent annual report date. When such indicators exist, the Company retracts its previous estimates, and when current expectations differ, the residual value, depreciation method or useful-life is adjusted.

<i>Furniture and Fixtures</i>	<i>10%</i>	<i>Office equipment</i>	<i>10%</i>
<i>Motor Vehicles</i>	<i>20%</i>	<i>Computers</i>	<i>10%</i>
<i>Communication equipment</i>	<i>25%</i>	<i>Leased hold improvements</i>	<i>25%</i>

F. Accruals Exp. & Payables:

Accounts payable and amounts payable represent amounts to be repaid in the future for goods and services received, whether invoiced or not, and are measured initially at the transaction price, including transaction costs, except for what is subsequently measured at fair value through profit or loss.

G. Zakat & Tax Provision:

The Company is, The Zakat & Tax provision is computed compliance to the regulations of the Zakat and Income Tax Department in Saudi Arabia, any difference in the estimate is recorded when the final assessment is recognized.

H. Employees' terminal benefits:

Provision is made to meet the employees' end of service indemnities in accordance with the requirements of the Saudi Labor Law to compensate employees for their accumulated periods of service.

The liability for end of service indemnity is calculated by estimating the amount of future benefits due to employees in current and prior periods and deducting the value of the benefits to arrive at the present value.

The entity estimate the assumptions that are used when determining the key elements of costs to meet these future liabilities.

Revaluation of end of service benefits is recognized directly from actuarial gains and losses directly to other comprehensive income.

I. Statutory Reserve:

According to the Saudi Companies Law, and the company's articles of association the company provide for 10% from its annual net profit as statutory reserve which to accumulate up to 30 % of its capital.

J. Transactions in foreign currencies:

Transactions in foreign currencies denominated in foreign currencies at the reporting date are translated to Saudi Riyals at the exchange rates prevailing at that date and the resulting differences are recognized in profit or loss.

Transactions denominated in foreign currencies are translated into Saudi Riyals at the exchange rates ruling at the date of the transaction and are recognized initially by each entity in the Group. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Saudi Riyals at the exchange rates prevailing at that date. Gains and losses arising from the settlement and translation of transactions in foreign currencies are recognized in the consolidated statement of profit or loss.

K. Revenue:

Revenue from sales is recognized when all risks and rewards are transferred to the buyer, goods sold to the buyer are delivered and an invoice is issued, at the amount of the proceeds received or receivable.

L. Marketing expenses and General Administration Expenses:

Marketing expenses and General Administration Expenses are recognized in accordance with the accrual principle and consist of management expenses that are not related to the cost of revenue.

M. Rent:

Capital leases is the leases that result in transfer most of the risks and gains associated with the ownership of an asset, these leases are capitalized in a manner similar to the assets owned and depreciated over the estimated useful life or lease period whichever is less.

Operating leases are recognized as an expense on the income statement when accrued.

N. Cash flow statement:

The cash flow statement is prepared according to the indirect method.

	30/06/2025	30/06/2024
	SR	SR
5 - Cash and cash equivalent:		
Petty Cash	-	994
Cash at banks	3,541	310,552
Total	3,541	311,546
6 - Receivable - Trade:		
Accrued revenue	1,485,757	658,957
Provision of bad debts (6/1)	(55,373)	(55,373)
Total	1,430,384	603,584
6/1 - Provision of bad debts:		
Balance - beginning of the year	55,373	55,373
Provided during the year	-	-
Write off during the year	-	-
Balance - Ending of the year	55,373	55,373

7-. Due from related parties:

Particular	Type of Relation	Kind of relation	Beg. Bal.	Net Movement		Ending Bal.
				DR	CR	
Dr, Abdullah Baeshen	finance	Partner	5,296	-	5,296	-
Thamer Abdullah Baeshen	finance	Partner	95,967	135,342	-	231,309
Total			101,263	135,342	5,296	231,309

	30/06/2025	30/06/2024
	SR	SR
8 - Prepayments & other debit balances:		
Prepaid expenses	151,471	142,915
Staff loans	-	47,800
Total	151,471	190,715

9- Properties and equipment :

Description	Furniture	Office Equipment	Motor Vehicles	Computers	Communication Equipment	Leasehold Improvements	Total
Historical Cost:							
<i>Balance, July 1, 2024</i>	621,318	238,593	68,890	677,780	83,140	238,889	1,928,610
<i>Additions</i>	-	-	-	-	-	-	-
<i>Disposals</i>	-	-	(68,890)	-	-	-	-
Balance As of 30/06/2025	621,318	238,593	-	677,780	83,140	238,889	1,859,720
Accumulated Depreciation:							
<i>Balance, July 1, 2024</i>	515,573	201,487	68,889	591,072	83,140	223,888	1,684,049
<i>Additions</i>	15,924	6,216	-	16,488	-	-	38,628
<i>Disposals</i>	-	-	(68,889)	-	-	-	(68,889)
Balance As of 30/06/2025	531,497	207,703	-	607,560	83,140	223,888	1,653,788
Net book value as of 30/06/2025	89,821	30,890	-	70,220	-	15,001	205,932
Net book value as of 30/06/2024	105,745	37,106	1	86,708	-	15,001	244,561

- The fully depreciated Properties & equipment that recorded in the company accounting records, and still operating at the company amounted to SR 1,458,716 as the date of financial statements.

	30/06/2025	30/06/2024
	<u>SR</u>	<u>SR</u>
10- Accruals & other credit balances :		
Salaries & Vacation expenses	45,951	11,500
VAT	149,765	100,841
Total	<u>195,716</u>	<u>112,341</u>

11-:Due to related parties

Particular	Type of Relation	Kind of relation	Beg. Bal.	Net Movement		Ending Bal.
				DR	CR	
Dr, Abdullah Baeshen	finance	Partner	-	5,296	648,000	642,704
Total			-	<u>5,296</u>	<u>648,000</u>	<u>642,704</u>

12. Provision for end of service benefits:

- The Company grant end of service benefits to its employees. The payable calculated on the basis of the employee's last salary and the period of service and calculated according to labor laws in Saudi Arabia and payable upon resignation or upon termination of the employee 's services. The expected cost to meet this obligation is allocated over the employment period.
- The Company prepares the defined benefits plan for calculating and measuring the end of service obligation using the credit unit method.
- The actuarial assumptions used in calculating end of service benefits for the years 2022: 2023 are as follows:
 - ✓ Discount Rate (4.04%)
 - ✓ Salary increases rate in 2023 (lowest).
 - ✓ Employee turnover rate in zero.
- The expenses recognized in the income statement are as follows:

	30/06/2025	30/06/2024
	<u>SR</u>	<u>SR</u>
Current cost	56,909	65,846
Interest cost	11,137	30,324
Total	<u>68,046</u>	<u>96,170</u>

The movement in the end of service benefits provision for the year ended 30 June is as follows:

Beginning balance	239,495	128,438
The expenses recognized in the income statement	68,046	96,170
Actuarial loss recognized because of changing in the actuarial assumption	40,904	14,887
Paid	(77,300)	-
Adjustments	(2,311)	-
Ending balance	<u>268,834</u>	<u>239,495</u>

13- Cost of Revenues:

Salaries & wages	1,305,378	1,389,378
Consulting exp	69,600	420,043
Rewards & Bonus	104,000	48,500
Miscellaneous expenses	1,378	10,439
Total	<u>1,480,085</u>	<u>1,868,360</u>

	30/06/2025	30/06/2024
	SR	SR
14 - <u>General & administrative expenses:</u>		
Salaries & wages	134,991	114,140
Rent expenses	164,312	144,719
Fees and subscriptions	31,981	37,233
Insurance and medical treatment	103,840	73,107
Social Insurance	118,052	110,270
End of Service Indemnity	68,046	96,170
Postage & Internet	11,105	69,579
Depreciation expenses	38,628	38,099
Miscellaneous expenses	224,191	119,068
Total	895,146	802,385
15 - <u>Other income:</u>		
Gains From Investment in securities	-	73,809
Miscellaneous income	36,611	43,000
Total	36,611	116,809

16 . Provision for zakat:

a) *The following is the movement in Zakat Provision Account for the period ended 30/06/2025:*

Balance - beginning of the year	21,020
Provided during the year	41,926
Paid during the year	(21,020)
Balance - Ending of the year	41,926

b) *The company has submitted the zakat declaration for the year ended June 30, 2024 and received Zakat Certificate and did not get final assessment until the date of issuance of these financial statements.*

17. Financial instruments & Risk Management:

Financial instruments consist of the major financial assets and liabilities included in the balance sheet which include cash and cash equivalents, other financial assets, other receivables and financial liabilities.

The specific recognition methods are described in the policy statements for each item.

The major risks arising from the Company's financial instruments are credit risk, liquidity risk, market risk, interest rate risk and price risk.

Management reviews risks and approves policies to manage each of these risks, summarized as follows:

✓ **Credit Risk:**

Credit risk is the risk that the Company will incur a financial loss if the customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from trade receivables and cash and cash equivalents.

The carrying amount of each financial asset in the balance sheet represents the maximum exposure to credit risk.

The company's accounts are deposited with reputable financial institutions.

The Company has no significant concentration of credit risk for receivables and other receivables due to risk distribution. Because of the Company does not have a large number of customers, the Company maintains a credit policy that only deals with counterparties with high credit efficiency and adequate insurance where appropriate to reduce the risk of financial loss from non-compliance, the Company regularly monitors the credit rating of its customers and the volume of transactions with them during the year. A continuous credit rating is performed on their positions and therefore exposure to credit risk is significant.

✓ **Liquidity Risk:**

Liquidity risk is the inability of the Company to meet its financial liabilities as they fall due. The Company's approach to liquidity management is to ensure that it has sufficient liquidity, to the extent possible, to meet its obligations when due, either on normal or strict terms without incurring unacceptable loss or risk of abuse its reputation.

Similarly, the Company ensures that it receives sufficient cash on demand to meet potential operating expenses including the servicing of financial liabilities other than the potential impact of circumstances that cannot be reasonably expected such as: natural disasters.

: Market Risk:

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates and its impact on the Company's income or the value of its financial instruments. The object of market risk management is to manage and control market risk exposure within acceptable parameters

18 - General:

The company's financial statements for the fiscal year ending June 30, 2025 were approved by the General Manager on 20/01/1447 H corresponding to 15/07/ 2025 G.