

**J. AWAN CAPITAL SINGLE PERSON
COMPANY
(A LIMITED LIABILITY COMPANY WITH
GULF CAPITAL)**

**PREVIOUSLY KNOWN AS AWAN SAUDI
SINGLE PERSON COMPANY**

FOR THE YEAR ENDED 31 DECEMBER 2024

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
Previously known as Awan Saudi Single Person Company

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

For the year ended 31 December 2024

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INDEPENDENT AUDITOR'S REPORT

To the Partner
J. Awan Capital
(Limited Liability Company)
Riyadh, Kingdom of Saudi Arabia
Report on the Audit of The Financial Statements

Opinion

We have audited the financial statements of J. Awan Capital (A Limited Liability Company) ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

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

Responsibilities of Management 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- size entities ("IFRS for SMEs") that is endorsed in the Kingdom of Saudi Arabia and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Management is responsible for overseeing the Company'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 a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

**To the Partner of J. Awan Capital
(A Limited Liability Company)
Riyadh, Kingdom of Saudi Arabia**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

We communicate with 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 regulatory requirements

According to Article (20) of the Companies Law, the auditor is required to include in the audit report any violations of the provisions of the law or the company's bylaws. During our audit of the financial statements, we noted the following violation, which had no material impact on the financial statements:

1. The company has yet to secure the necessary business licenses from the Saudi Organisation for Certified Public Accountants (SOCPA) to provide bookkeeping services to clients.

**For Sultan Ahmed Alshubaily
Certified Public Accountant Company
Riyadh, Kingdom of Saudi Arabia**



[Handwritten signature of Mohammed Zeid AlBattal]

**Mohammed Zeid AlBattal
Certified Public Accountant - License No.
1081**

Date: Shawal 1st, 1446 AH
Corresponding: 30th March, 2025

J. Awan Capital Single Person Company
(A Limited Liability Company with Gulf Capital)
Previously known as Awan Saudi Single Person Company

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 SR	31 December 2023 SR
ASSETS			
CURRENT ASSETS			
Investment - FVTPL	5	1,526,252	-
Cash and cash equivalents	6	852,152	821,827
Trade Receivable, net	7	878,689	606,609
Prepayments and other assets	8	383,157	63,219
TOTAL CURRENT ASSETS		3,640,250	1,491,655
NON-CURRENT ASSETS			
Property and equipment, net	9	37,854	44,198
TOTAL NON-CURRENT ASSETS		37,854	44,198
TOTAL ASSETS		3,678,104	1,535,853
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Accrued expenses and other payables	10	489,054	239,832
Unearned revenue	11	306,750	-
Due to related party	12	63,358	-
Zakat provision	14	72,510	31,878
TOTAL CURRENT LIABILITIES		931,672	271,710
NON-CURRENT LIABILITIES			
Employees' defined benefit liabilities	13	28,512	34,775
TOTAL NON-CURRENT LIABILITIES		28,512	34,775
TOTAL LIABILITIES		960,184	306,485
OWNERS' EQUITY			
Capital	15	768,000	768,000
Statutory reserve	16	198,839	52,411
Actuary reserve		24,277	
Retained earnings		1,726,804	408,957
TOTAL OWNERS' EQUITY		2,717,920	1,229,368
TOTAL LIABILITIES AND OWNERS' EQUITY		3,678,104	1,535,853

The accompanying notes from 1 to 24 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
Revenue	17	4,864,384	1,802,011
Cost of Revenue	18	(2,019,977)	(1,152,944)
GROSS PROFIT		2,844,407	649,067
General and administrative expenses	19	(1,576,025)	(725,400)
Marketing expense	20	(152,500)	-
PROFIT / (LOSS) FROM THE MAIN OPERATION		1,115,882	(76,333)
Other revenue	21	420,903	144,375
INCOME BEFORE ZAKAT		1,536,785	68,042
Zakat	14	(72,510)	(31,878)
PROFIT FOR THE YEAR		1,464,275	36,164
Other comprehensive income not to be reclassified subsequently			
Remeasurement gain on defined benefit obligations	13	24,277	-
Other comprehensive income		24,277	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,488,552	36,164

The accompanying notes from 1 to 24 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2024

	Share capital SR	Statutory Reserve SR	Actuary Reserve SR	Retained earnings SR	Total SR
As at 1 January 2023	768,000	48,795	-	376,409	1,193,204
Profit for the year	-	-	-	36,164	36,164
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	36,164	36,164
Transfer to statutory reserve	-	3,616	-	(3,616)	-
As at 31 December 2023	768,000	52,411	-	408,957	1,229,368
Profit for the year	-	-	-	1,464,275	1,464,275
Other comprehensive income	-	-	24,277	-	24,277
Total comprehensive income	-	-	24,277	1,464,275	1,488,552
Transfer to statutory reserve (note	-	146,428	-	(146,428)	-
As at 31 December 2024	768,000	198,839	24,277	1,726,804	2,717,920

The accompanying notes from 1 to 24 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 SR	2023 SR
OPERATING ACTIVITIES			
Income before zakat		1,536,785	68,042
Adjustments			
Depreciation	9	36,564	33,907
Provision for employees' defined benefit liabilities	12	22,802	21,681
Interest on employees' defined benefit liabilities	12	1,652	-
Provision for impairment of receivables	7	24,227	-
Write off against provision	7	3,850	-
other income		(25,133)	-
Operating cash flows before movements in working capital		1,600,747	123,630
Movements in operation Assets and liabilities			
Trade Receivable		(300,157)	(390,902)
Prepayments and other assets		(319,938)	(9,232)
Unearned revenue		306,750	78,467
Accrued expenses and other payables		249,222	161,089
Due to related party		63,358	-
Cash from / (used in) Operation		1,599,982	(36,948)
Zakat paid	13	(31,878)	(29,532)
Employees' defined benefit paid	12	(6,800)	-
Net cash from / (used in) operating activities		1,561,304	(66,480)
INVESTING ACTIVITIES			
Purchase of investment - FVTPL		(1,500,759)	-
Addition of property and equipment	9	(30,220)	-
Net cash used in investing activities		(1,530,979)	-
Change in cash and cash equivalents		30,325	(66,480)
Cash and cash equivalents at the beginning of the year		821,827	888,307
Cash and cash equivalents at the end of the year		852,152	821,827

The accompanying notes from 1 to 24 are an integral part of these financial statements.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS

For the year end 31 December 2024

1. INCORPORATION AND ACTIVITIES

Awan Saudi Single Person Company (the "Company") is A Limited Liability Company with Gulf Capital. The Company is registered in Riyadh Kingdom of Saudi Arabia, commercial registration number 1010931227 dated 21 Rabi AL Akhir 1439H (corresponding to 8 January 2018). Providing senior management consultancy and Activities related to integrated administrative services for offices. The company have obtained a license from the Capital Market Authority on 4/11/1444H (corresponding to 24 May 2023)

Headquarters:

AWAN HOLDINGS Private Company Limited by Shares is an Emirati citizen registered in Dubai United Arab Emirates, Register or its equivalent under No. 647 dated 9/10/1438 AH issued by Abu Dhabi Global Market

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (Referred to as the "International Financial Reporting Standard for Small and Medium-sized Entities Endorsed in Saudi Arabia")

Basis of measurement

The financial information has been prepared under the historical cost convention,

Presentation and functional currency

These financial statements are presented in Saudi Riyal ("SR"), which is the Company's functional and presentation currency

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing these financial statements.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Financial assets and financial liabilities

Financial assets included in the financial position mainly is a cash and cash equivalent, Investment-FVTPL, Trade Receivable, Financial liabilities, includes Accrued expenses.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment and uncollectibility of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the profit or loss in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at amortized cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the original effective interest rate.
- The impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company would receive for the asset if it were to be sold at the reporting date.

Offsetting a financial asset and a financial liability

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

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consists of bank balances and cash on hand.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The Company applies the following annual rates of depreciation to its property and equipment:

Type of assets	Number of years
1- Computers	3 years
2- Furniture and fixtures	3 years

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in statement of comprehensive loss.

Trade Payables and accrued expenses and other credit balance.

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. Trade payables denominated in a foreign currency are translated into presentation currency using the ex- change rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Company has:

- A present legal or constructive obligation as a result of a past event.
- It is probable that an outflow of economic resources will be required to settle the obligation in the future.
- The amount can be reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax and zakat rate reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognised as part of the finance costs in the profit or loss in the statement of comprehensive income.

Zakat

The Company is subject to the Zakat, Tax and Customs Authority (“ZATCA”) in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis in each financial year charge in the statement of comprehensive income. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared

Employees’ defined benefits liabilities

The level of benefit provided is based on the length of service and earnings of the person entitled, and computed in accordance with the rules stated under the Saudi Arabian Labor Law.

The employee benefit obligations, being a defined benefit plan, is determined using the projected unit credit method with actuarial valuations being conducted at end of annual reporting periods. The related liability recognised in the statement of financial position is the present value of the employee benefit obligations at the end of the reporting period.

The discount rate applied in arriving at the present value of the employee benefit obligations represents the yield on US high quality market corporate bonds, by applying a single discount rate that approximately reflects the estimated timing and amount of benefit payments.

Employee benefit obligations costs are categorised as follows:

- i) current service cost (increase in the present value of end of service benefits obligation resulting from employee service in the current period)
- ii) interest expense (calculated by applying the discount rate at the beginning of the period to the end of service benefits liability); and
- iii) remeasurement

Current service cost and the interest expense arising on the employee benefit obligations are included in the same line items in the statement of comprehensive income as employee-related costs.

Remeasurement, comprising actuarial gains and losses, is recognised in full in the period in which they occur, in OCI without recycling to the profit or loss in subsequent periods. Amounts recognised in OCI are recognised immediately in retained earnings.

Operating lease – lessee

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Expenses

Cost of revenue represents the costs related directly to the salaries and other project related costs. All other expenses are classified as general and administrative expenses.

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue from rendering services is recognized when contracted services are performed. Performance-based income is recognized when the Company meets present performance targets. The component of billed revenue related to services not yet performed is deferred until the services are provided. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

Key sources of estimation uncertainty

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

Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgment in estimating the expected cash outflows for severance payments and site closures or other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

Estimated useful lives of property, and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation on a straight-line basis over their estimated useful lives. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives and residual value of the assets at each annual reporting period and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment of trade receivables

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision is applied according to the length of the past due.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (Continued)

Assumptions for employee benefit obligations

The cost of the defined benefit obligation and the present value of the benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Zakat

The Company is subject to the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Zakat is provided on an accrual basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

5. INVESTMENT - FVTPL

	31 December 2024	31 December 2023
	SR	SR
Investment in AL Jazira capital Mutual Fund	1,526,252	-
	1,526,252	-

6. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
	SR	SR
Cash in hand	867	894
Cash at bank	851,285	820,933
	852,152	821,827

7. TRADE RECEIVABLE ,Net

	31 December 2024	31 December 2023
	SR	SR
Trade Receivable	902,916	610,459
Provision for impairment	(24,227)	(3,850)
	878,689	606,609

The movement during the year in Provision for impairment is as follows:

	31 December 2024	31 December 2023
	SR	SR
Balance at beginning of the year	3,850	3,850
Provision for the year	24,227	-
Write off against provision	(3,850)	-
	24,227	3,850

8. PREPAYMENTS AND OTHER ASSETS

	31 December 2024	31 December 2023
	SR	SR
Prepaid Rent	258,226	16,002
Security deposit	56,360	10,000
Prepaid medical insurance	43,361	12,795
Prepaid License	25,210	21,351
Others	-	3,071
	383,157	63,219

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

9. PROPERTY AND EQUIPMENT

As at 31 December the net book value of the property and equipment as follow:

	Computers SR	Furniture and fixtures SR	Total 2024 SR	Total 2023 SR
Cost:				
At the beginning of the year	65,983	40,661	106,644	106,644
Additions	30,220	-	30,220	-
At the end of the year	96,203	40,661	136,864	106,644
Depreciation:				
At the beginning of the year	38,543	23,903	62,446	28,539
Charge for the year	23,477	13,087	36,564	33,907
At the end of the year	62,020	36,990	99,010	62,446
Net book amounts:				
At 31 December 2024	34,183	3,671	37,854	
At 31 December 2023	28,840	15,358		44,198

*All depreciation charged to general and administrative expenses due to the nature of the company's operations.

10. ACCRUED EXPENSES AND OTHER PAYABLES

	31 December 2024 SR	31 December 2023 SR
Accrued Bonus	146,667	107,000
VAT payable	113,082	100,490
Accrued professional fees	212,373	22,000
Accrued GOSI	16,471	7,490
Others	461	2,852
At 31 December	489,054	239,832

11. UNEARNED REVENUE

The company has issued invoices related to certain license applications for a client, but the performance obligation has not been fully satisfied. However, unearned revenue has been recorded based on the work performed as of 31 December 2024.

12. TRANSACTIONS WITH RELATED PARTIES

<u>Related Party</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	2024 SR	2023 SR
J Awan and Partners Limited	Partner	Expense paid on behalf	66,429	-

12.1 Due to Related Parties

	31 December 2024 SR	31 December 2023 SR
J Awan and Partners Limited	63,358	-
	63,358	-

J. Awan Capital Single Person Company
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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

12. TRANSACTIONS WITH RELATED PARTIES (Continued)

Key management and rewards:

There were no remuneration of directors and other key management were charged during the current year and prior year.

13. EMPLOYEES' DEFINED BENEFIT LIABILITIES

	2024 SR	2023 SR
At beginning of the year	34,775	13,094
Current service cost	22,802	21,681
Interest cost	1,652	-
Benefits paid	(6,800)	-
Actuarial remeasurement charged to OCI	(24,277)	-
At end of the year	<u>28,152</u>	<u>34,775</u>

The expense charged to profit or loss comprise of:

	2024 SR	2023 SR
Current service cost	22,802	21,681
Interest cost	1,652	-
Cost recognized in profit or loss	<u>24,454</u>	<u>21,681</u>

13.1 Significant actuarial assumption

	2024 SR	2023 SR
Discount factor used	4.75%	-
Salary increase rate	6%	-

13.2 Sensitivity analysis of key actuarial assumptions

Sensitivity analysis of key actuarial assumptions are as follows:

	31 DECEMBER 2024		31 December 2023	
	%	SR	%	SR
Discount rate				
Increase	+1	25,778	-	-
Decrease	-1	30,903	-	-
Salary growth rate				
Increase	+1	31,007	-	-
Decrease	-1	25,645	-	-

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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

14. ZAKAT PROVISION

14.1 Zakat Base

	2024 SR	2023 SR
Additions	2,843,169	1,282,927
Deductions	(37,854)	(44,198)
Zakat base	2,805,315	1,238,729
Zakat Payable	72,510	31,878

14.2 Zakar Provision Movement

	2024 SR	2023 SR
Balance at beginning of the year	31,878	29,532
Provision for the year	72,510	31,878
Paid during the year	(31,878)	(29,532)
Closing Balance	72,510	31,878

14.3 Zakat Position

The company has submitted its zakat return for the year ended December 31, 2023, and has not received any zakat assessments to date. The company will submit its zakat return for the year ended December 31, 2024, in the subsequent period.

* On 19 Sha'ban 1445H (corresponding to February 29, 2024), the Executive Regulations for Zakat Collection 1445H were issued under Ministerial Resolution No. (1007), introducing significant amendments to the zakat calculation methodology. These amendments took effect for financial years beginning on or after January 1, 2024. Accordingly, the Zakat provision has been determined and calculated based on the new methodology outlined in the regulations. The company continues to monitor any developments related to the application of the regulations and will disclose any material impacts in accordance with regulatory requirements.

15. CAPITAL

The capital consists of amounting to SR 768,000 (2023: SR 768,000) each with a shares of 768,000 shares with a value of SR 1 for each. The entire capital is owned by Awan Holding Company registered in United Arab Emirates.

16. STATUTORY RESERVE

According to the new Companies Law issued under Royal Decree No. M/132 dated 1 Dhul Hijjah 1443H (corresponding to 30 June 2022), which came into effect on 26 Jumada Al-Akhirah 1444H (corresponding to 19 January 2023), the Company is no longer required to allocate a portion of its net income to the statutory reserve under the Law.

However, in accordance with its by-laws, the Company is required to set aside 10% of its annual net income until the reserve reaches 30% of the Company's share capital.

17. Revenue

	2024 SR	2023 SR
Consulting income	3,394,589	1,027,133
License income	1,469,795	774,878
	4,864,384	1,802,011

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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

18. COST OF REVENUE

	2024 SR	2023 SR
Employees' Salaries and benefits	1,620,560	850,770
License and Subscription fee	107,475	33,014
Government expenses	103,189	-
Medical Insurance	57,947	33,196
Commission	51,621	85,737
office expenses	35,941	84,969
Others	25,237	52,373
Training	18,007	12,885
	<u>2,019,977</u>	<u>1,152,944</u>

19. GENERAL AND ADMINISTRATIVE EXPENSES

	2024 SR	2023 SR
Professional fees	613,377	176,650
Employees' Salaries and benefits	594,640	276,816
Rent	258,504	201,757
Depreciation (note 9)	36,564	33,907
Provision for employee benefit liabilities (note 13)	24,454	21,681
Provision for impairment of receivables (note 7)	24,227	-
Utilities	15,296	13,449
others	8,963	1,140
Total	<u>1,576,025</u>	<u>725,400</u>

20. Marketing Expense

	2024 SR	2023 SR
Promotional event expense	152,500	-
Total	<u>152,500</u>	<u>-</u>

21. OTHER REVENUE

	2024 SR	2023 SR
Bookkeeping Services	393,750	144,375
Others	27,153	-
Total	<u>420,903</u>	<u>144,375</u>

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NOTES TO FINANCIAL STATEMENTS (continued)

For the year end 31 December 2024

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments Risk Management

The Company's main activity is subjected for financial risk which is comprised. Market risk (which is currency risk, fair value risk cash flow from Foreign currency risk and Currency risk), Credit risk and Liquidity risk. The company management oversees the fluctuation of the unexpected financial market, And search for the probability of reducing the negative influence probability on the company's main operation.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Senior Management reviews and agrees policies for managing each of these risks, which are summarized below.

Currency risk

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi riyal and United States dollar. Currency risk is managed on regular basis.

Liquidity risk

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

Credit risk

Is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The company has no significant concertation of credit risk. Cash is substantially placed with national banks with sound credit ratings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk

Financial instrument 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 as the accompanying financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that the fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

23. COMPARATIVE INFORMATION

Certain amounts in the prior period have been reclassified in order to conform to the presentation for the current year.

24. APPROVALS OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized to issue on Ramadan29, 1446H (corresponding to 29 March 2025).