Ashmore Investment Saudi Arabia
(A Closed Joint Stock Company)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

FINANCIAL STATEMENTS
For the year ended 30 June 2024

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ASHMORE INVESTMENT SAUDI ARABIA (A CLOSED JOINT STOCK COMPANY).

Opinion

We have audited the financial statements of Ashmore Investment Saudi Arabia ("the Company"), which comprise the statement of financial position as at 30 June 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards 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) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with that 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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements 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 related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ASHMORE INVESTMENT SAUDI ARABIA (A CLOSED JOINT STOCK COMPANY)
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional 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 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ASHMORE INVESTMENT SAUDI ARABIA (A CLOSED JOINT STOCK COMPANY) (Continued)

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The financial statements of the Company for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 17 September 2023.

for Ernst & Young Professional Services

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CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Fahad M. Al-Toaimi

Certified Public Accountant

License No. 354

Riyadh: 1 Rabi' al-Awwal 1446H

(4 September 2024)

STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Notes	*30 June 2024 SR*	*30 June 2023 SR*
ASSETS			
NON-CURRENT ASSETS			
Furniture and office equipment, net	*5*	**155,188**	304,481
Deferred tax assets	*14*	**2,021,485**	2,145,335
TOTAL NON-CURRENT ASSETS		**2,176,673**	2,449,816
CURRENT ASSETS			
Account receivables	*6*	**32,546,523**	21,729,204
Prepayments and other current assets	*7*	**476,752**	1,708,015
Due from a related party	*12*	**132,459**	263,502
Investment carried at FVTPL	*8*	**25,019,531**	-
Cash and cash equivalents	*9*	**26,976,764**	49,005,057
TOTAL CURRENT ASSETS		**85,152,029**	72,705,778
TOTAL ASSETS		**87,328,702**	75,155,594
EQUITY AND LIABILITIES			
EQUITY			
Share capital	*10*	**51,388,888**	51,388,888
Statutory reserve		**3,268,295**	2,158,975
Retained earnings		**12,879,422**	9,395,541
Remeasurement gain / loss on defined benefit obligation reserve		**247,912**	933,513
TOTAL EQUITY		**67,784,517**	63,876,917
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' defined benefit obligation	*11*	**2,509,460**	1,378,846
TOTAL NON-CURRENT LIABILITIES		**2,509,460**	1,378,846
CURRENT LIABILITIES			
Due to related parties	*12*	**6,817,721**	5,802,746
Accrued expenses and other liabilities	*13*	**7,626,367**	3,900,472
Provision for taxation	*14*	**2,590,637**	196,613
TOTAL CURRENT LIABILITIES		**17,034,725**	9,899,831
TOTAL LIABILITIES		**19,544,186**	11,278,677
TOTAL EQUITY AND LIABILITIES		**87,328,702**	75,155,594

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	***For the year ended 30 June*** ***2024*** ***SR***	*2023* *SR*
INCOME			
Asset management fees income, net	*15*	**33,735,694**	30,711,252
Advisory fees income		**936,872**	1,082,907
Service fees income		**1,221,477**	2,084,781
Performance fees income		**3,748,274**	-
Other income		**2,486,668**	1,986,701
TOTAL INCOME		**42,128,985**	35,865,641
EXPENSES			
Salaries and employee related expenses	*16*	**(23,222,513)**	(18,979,649)
General and administrative expenses	*17*	**(5,098,784)**	(4,268,099)
TOTAL EXPENSES		**(28,321,297)**	(23,247,748)
NET INCOME BEFORE TAX		**13,807,688**	12,617,893
Provision for taxation	*14*	**(2,714,487)**	(2,663,460)
NET INCOME FOR THE YEAR AFTER TAX		**11,093,201**	9,954,433
OTHER COMPREHENSIVE LOSS / INCOME			
Item that will not be reclassified to profit or loss			
Re-measurement (loss) / gain on employees' defined benefit obligation		**(685,601)**	184,597
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**10,407,600**	10,139,030

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Share capital SR	*Statutory reserve SR*	*Remeasurement gain / loss on defined benefit obligation reserve SR*	*Retained earnings SR*	*Total SR*
Balance at 1 July 2022	51,388,888	1,163,532	748,916	4,290,373	57,591,709
Net income for the year	-	-	-	9,954,433	9,954,433
Other comprehensive income for the year	-	-	184,597	-	184,597
Total comprehensive income for the year	-	-	184,597	9,954,433	10,139,030
Transfer to statutory reserve	-	995,443	-	(995,443)	-
Dividend paid	-	-	-	(3,853,822)	(3,853,822)
Balance at 30 June 2023	51,388,888	2,158,975	933,513	9,395,541	63,876,917
Balance at 1 July 2023	**51,388,888**	**2,158,975**	**933,513**	**9,395,541**	**63,876,917**
Net income for the year	-	-	**-**	**11,093,201**	**11,093,201**
Other comprehensive loss for the year	-	-	**(685,601)**	-	**(685,601)**
Total comprehensive income for the year	-	-	**(685,601)**	**11,093,201**	**10,407,600**
Transfer to statutory reserve		**1,109,320**	**-**	**(1,109,320)**	-
Dividend paid	-	**-**	**-**	**(6,500,000)**	**(6,500,000)**
Balance at 30 June 2024	**51,388,888**	**3,268,295**	**247,912**	**12,879,422**	**67,784,517**

The attached notes from 1 to 23 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Notes	*For the year ended 30 June* 2024 SR	2023 SR
OPERATING ACTIVITIES			
Net income before tax for the year		**13,807,688**	12,617,893
Adjustments to reconcile net income before income tax to net cash generated from operating activities:			
Depreciation	*5*	**168,068**	149,743
Provision for employees' end of service benefits	*11*	**460,839**	584,143
Share-based payment expense	*16.1*	**881,608**	589,823
Unrealised gain on investment carried at FVTPL	*8*	**(19,531)**	
		15,298,672	13,941,602
Changes in operating assets and liabilities:			
(Increase) / decrease in account receivables		**(10,817,319)**	692,839
Decrease in prepayments and other assets		**1,231,263**	302,111
Increase in due to related parties,net		**264,410**	(5,363,936)
Increase in accrued expenses and other liabilities		**3,725,895**	119,743
Cash from operations		**9,702,921**	9,692,359
Income tax paid	*14*	**(196,613)**	(4,079,842)
Employees' end of service benefits paid	*11*	**(15,826)**	(773,686)
Net cash generated from operating activities		**9,490,482**	4,838,831
INVESTING ACTIVITIES			
Purchase of investment carried at FVTPL	*8*	**(25,000,000)**	-
Purchase of furniture and office equipment	*5*	**(18,775)**	(75,413)
Net cash used in investing activities		**(25,018,775)**	(75,413)
FINANCING ACTIVITIES			
Dividend paid		**(6,500,000)**	(3,853,822)
Net cash used in a financing activity		**(6,500,000)**	(3,853,822)
Net (decrease)/increase in cash and cash equivalents		**(22,028,293)**	909,596
Cash and cash equivalents at beginning of the year		**49,005,057**	48,095,461
Cash and cash equivalents at end of the year		**26,976,764**	49,005,057

1 ORGANISATION AND PRINICIPAL ACTIVITES

Ashmore Investment Saudi Arabia ("the Company") is Closed Joint Stock Company formed under foreign license investment number 1029350637555, issued by the Saudi Arabian General Investment Authority on 13 Juma'da Al Thani 1435H (corresponding to 13 April 2014) and operates under commercial registration no. 1010420651 dated 7 Shawwal 1435H (corresponding to 3 August 2014).

The principal activities of the Company are to provide asset management services, including managing investment funds, client portfolio management, and advisory services in relation to the securities business pursuant to the Capital Market Authority ("CMA") license number 14174-22 dated 19/3/1435H (corresponding to 20 January 2014) of the Company. In addition to these activities, the CMA approved the Company's application to venture to arranging activities through its letter to the Company dated 29/4/1439H (corresponding to 16 January 2018).

The Company's registered office is located at the following address:
P.O. Box 8022
Riyadh 12213
Kingdom of Saudi Arabia

2 BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS")as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as endorsed by Saudi Organisation for Chartered and Professional Accountants ("SOCPA") and in compliance with the provisions of the Regulations for Companies in the Kingdom of Saudi Arabia and the By-laws of the Company.

b) Basis of measurement and presentation

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting and the going concern concept, except for the employees' benefit obligation which is measured at present value of future obligations using Projected Unit Credit Method.

c) Functional and presentation currency

These financial statements are presented in Saudi Riyals ("SR"), which is the functional and presentation currency of the Company.

d) Use of estimates and judgement

The preparation of these financial requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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 in the period in which the estimates are revised and in future periods affected.

Areas where management has used significant estimates, assumptions and exercised judgements are as follows:

- Valuation of deferred tax assets – notes 4(k) and 13A;
- Valuation of employees' defined benefit obligation – notes 4(j) and 10; and
- Valuation of employees' share based payment plan – notes 4(j), 12 and 15.1

3 GOING CONCERN

The Company continues to be cognisant of both, the micro and macroeconomic challenges it faces, and continues to evaluate the business environment through reviewing the funds it manages, its business strategy and risk management practices. Based on their assessment, management believes the Company has sufficient liquidity and financial resources available to meet its financial commitments as and when they become due and has the ability to continue as a going concern in the foreseeable future. As a result, these financial statements have been prepared on a going concern basis.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 30 June 2023.

a) Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is:

Expected to be recognize or intended to be sold or consumed in the normal operating cycle;

- Held primarily for the purpose of trading;
- Expected to be recognize 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.

All other assets including deferred tax asset are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- 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.

b) 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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks in current accounts and other short- term highly liquid placements with banks having original maturities of three months or less from the date of its date of original purchase / acquisition.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

d) Assets held in trust or in a fiduciary capacity

Assets held in trust or in a fiduciary capacity are not treated as assets of the Company and accordingly treated as off-balance sheet items.

e) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company. The revenue is recognised when the Company transfers the services to customers at an amount that the Company expects to be entitled to in exchange for those services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as a principal in its revenue arrangements since it has exposure to the significant risks and rewards.
The details of the Company's revenues and the method of their recognition in accordance with IFRS 15 are as follows:

Asset management fees
Asset management fees are recognised based on a fixed percentage of net assets under management ("asset-based"), or a percentage of returns from net assets ("return-based") subject to applicable terms and conditions and service contracts with customers and funds. The Company attributes the revenue from management fees to the services provided during the period, because the fee relates specifically to the Company's efforts to transfer the services for that period. As asset management fees are not subject to clawbacks, the management does not expect any significant reversal of revenue previously recognised.

Advisory fee income
Advisory fees are recognised based on the applicable service contract, as the services are rendered under the applicable service contracts using the five-step approach to revenue recognition above.

Special commission revenue
Special commission income is accrued and recognised using the effective commission method.

Service fee income
Service fees are referral fee income for introducing the Company's clients to one of the Company's related parties and are recognized based on agreed rates upon successful referral.

Performance fee income
Performance fees are a type of compensation paid to an investment manager or a fund manager for generating positive returns on the assets they manage. This fee structure is designed to align the interests of the manager with those of the investors by providing an incentive for the manager to achieve higher returns.

f) Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the statement of financial position only if there is an enforceable legal right to offset the recognized amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

g) Foreign currencies transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into SAR at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are also translated into SAR at the exchange rate at the reporting date.

Foreign currency differences arising on translation are recognised in the statement of income as net foreign exchange gains or losses, except for those arising on financial instruments at fair value through Profit and Loss (“FVTPL”), which are recognised as a component of net gain from financial instruments at FVTPL.

h) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a *result of past events*, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made of the amount of obligation.

i) Impairment of non-financial assets

The carrying amounts of the Company’s non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of income. Impairment losses in respect of non-financial assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had there been no impairment loss had been recognised.

j) Employees’ benefits

<u>End of service benefits</u>
The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plans are not funded. Accordingly, valuations of the obligations under the plan are carried out internally based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in statement of profit or loss while unwinding of the liability at discount rates used are recorded in profit or loss. Any changes in net liability due to valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

<u>Share-based payment plan</u>
The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Taxation (continued)

Income tax
The Company is 100% foreign owned and, therefore, not subject to Zakat. The Company's foreign shareholders are subject to income tax in accordance with the regulations of ZATCA as applicable in the Kingdom of Saudi Arabia. Income tax is computed on adjusted net income.

An estimate of income tax provisions are charged to statement of income.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of asset and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liability is recognised for all temporary differences. Deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

l) Withholding tax payable

The Company withholds taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations.

m) Expenses

Salaries and short-term employee benefits are measured on an undiscounted basis and is expensed as the related service is provided.

General and administrative expenses and other expenses are expensed as incurred.

n) Statutory reserve

In accordance with the Company's by-laws, the Company must set aside 10% of its net profit in each year until it has built up a reserve equal to 30% of its share capital. The Company may resolve to discontinue such transfers when the reserve totals 30% of the share capital.

o) Furniture and office equipment

Furniture and office equipment are stated at cost, net of accumulated depreciation and / or accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

- Leasehold improvements 10 Years
- Furniture and office equipment 4 Years
- Motor vehicle 4 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.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) Classification and measurement of financial assets

On initial recognition, the Company classifies its financial assets in the following measurement categories:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through statement of profit or loss (FVTPL)

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Debt instruments
Classification and subsequent measurement of debt instruments depend on:

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

Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at fair value through profit and loss.

Factors considered by the Company in determining the business model for a group of assets include:

- Past experience on how the cash flows for these assets were collected;
- How the asset's performance is internally evaluated and reported to key management personnel;
- How risks are assessed and managed; and
- How managers are compensated.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payment of principal and interest (the "SPPI" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. profit (or special commission income) includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories

Amortized cost; Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVTPL, are measured at amortized cost. Profit earned from these financial assets is recognized in the statement of profit or loss using the effective commission rate method.

Fair value through profit or loss (FVTPL): If debt instrument's cash flows do not represent solely SPPI or if it not held within the held to collect or the held to collect and sell business model, or if it is designated at FVTPL, then it is measured at FVTPL. A gain or loss on a debt investment measured at FVTPL is recognized in the statement of profit or loss, in the period in which it arises. Special commission income earned from these financial assets is recognized in the statement of profit or loss using the effective commission rate method.

4.1 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

p) Classification and measurement of financial assets (continued)

Debt instruments (continued)

Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from statement of changes in equity to statement of profit or loss.

Equity instruments
The Company measures all equity investments at FVTPL, except where the Company has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to trade.

When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to the statement of profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Dividends, when representing a return on such investments, continue to be recognized in the statement of profit or loss when the Company's right to receive payments is established.

q) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset and restoring the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

After initial recognition, the lease liability is measured by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease liability
The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit or loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (less than 12 months) and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.2 MATERIAL ACCOUNTING POLICIES, ESTIMATES AND IMPACT OF CHANGES DUE TO ADOPTION OF NEW STANDARDS

4.2.1 New standards, interpretations and amendments adopted by the Company

The material accounting policies adopted in the preparation of the financial statements are consistent with those followed in the Fund's annual financial statements for the year ended 30 June 2023, except for the adoption of below new standards..

The following standards, interpretations or amendments are effective from the current year and are adopted by the Company, however, these do not have any impact on the financial statements of the year.

Standard, interpretation and amendments	***Description***	***Effective date***
Amendment to IFRS 16 – Leases on sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	Annual periods beginning on or after 1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	Annual periods beginning on or after 1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	Annual periods beginning on or after 1 January 2024
IFRS S1, 'General requirements for disclosure of sustainability-related financial information	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	1 January 2024 subject to endorsement from SOC
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	1 January 2024 subject to endorsement from SOCPA

4.2 MATERIAL ACCOUNTING POLICIES, ESTIMATES AND IMPACT OF CHANGES DUE TO ADOPTION OF NEW STANDARDS (continued)

4.2.2 New standards, interpretations and amendments issued but not yet effective

Standard, interpretation and amendments	***Description***	***Effective date***
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	Annual periods beginning on or after 1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	IASB amended to the requirements related to: setting financial liabilities using an electronic payment system; assessing contractual cash flow characteristics of financial assets including those with environmental, social and governance (ESG)-linked features.	Annual periods beginning on or after 1 January 2026
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences	Annual periods beginning on or after 1 January 2027
IFRS 19 - Reducing subsidiaries` disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027

5 FURNITURE AND OFFICE EQUIPMENT, NET

	Leasehold Improvement	***Motor Vehicle***	***Furniture & Office equipment***	***Total 2024***	*Total 2023*
	SR	***SR***	***SR***	***SR***	*SR*
Cost					
At the beginning of the year	**1,157,601**	**85,700**	**196,866**	**1,440,167**	1,759,049
Additions during the year	**-**	**-**	**18,775**	**18,775**	75,413
Disposals	**-**	**-**	**-**	**-**	(394,295)
At the end of the year	**1,157,601**	**85,700**	**215,641**	**1,458,942**	1,440,167
Accumulated depreciation					
At the beginning of the year	**982,968**	**85,700**	**67,018**	**1,135,686**	1,380,238
Depreciation for the year	**115,982**	**-**	**52,086**	**168,068**	149,743
Disposals during the year	**-**	**-**	**-**	**-**	(394,295)
At the end of the year	**1,098,950**	**85,700**	**119,104**	**1,303,754**	1,135,686
At 30 June 2024	**58,651**	**-**	**96,537**	**155,188**	**-**
At 30 June 2023	174,633	-	129,848	-	304,481

6 ACCOUNT RECEIVABLES

	30 June 2024	*30 June 2023*
	SR	*SR*
Management fees receivable	**31,452,176**	21,261,900
Funds under management	**1,094,347**	467,304
	32,546,523	21,729,204

7 PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2024 SR	*30 June 2023 SR*
Refundable from ZATCA	**-**	1,259,065
Prepaid expenses	**285,456**	237,399
Other current assets	**191,296**	211,551
	476,752	1,708,015

8 INVESTMENT CARRIED AT FVTPL

This represents investment in a mutual fund managed by the company

	30 June 2024 SR	*30 June 2023 SR*
Ashmore GCC Diversified Trade Fund	**25,019,531**	-
	25,019,531	-

9 CASH AND CASH EQUIVALENTS

	30 June 2024 SR	*30 June 2023 SR*
Cash at banks	**14,095,964**	7,623,867
Short term deposits*	**12,875,800**	41,376,190
Cash in hand	**5,000**	5,000
	26,976,764	49,005,057

Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest ranging from 4.50% - 6.00% per annum (2023 5.16% to 5.40%)

10 SHARE CAPITAL

The authorised share capital of the Company consists of 5.55 million shares of SAR 10 each while the issued and fully paid-up share capital of the Company consists of 5.13 million shares of SAR 10 each. During 2021, the Company increased its authorized share capital to 5.55 million shares of SAR 10 each, whereby the additional 0.55 million shares were fully subscribed by Ashmore AISA (Cayman) Limited, payment of which was to be received in four equal yearly instalments amounting to SAR 1.38 million. During 2022, the Company received the second yearly instalment. However, the Company is in the process of updating its Commercial Registration reflecting the increase.

10 SHARE CAPITAL (continued)

As at 30 June 2024 and 2023, the Company is owned by the following shareholders in the proportion set out below.

Shareholders	***No. of Shares***	***Value per share***	***Total***	***No. of shares***	***Value per share***	***Total***
Ashmore Investment (UK) Limited.	**5,000,000**	**10**	**50,000,000**	5,000,000	10	50,000,000
Ashmore AISA (Cayman) Limited	**138,888**	**10**	**1,388,888**	138,888	10	1,388,888
Total	**5,138,888**		**51,388,888**	5,138,888		51,388,888

11 EMPLOYEES' DEFINED BENEFIT OBLIGATION

The benefit liability recognized in the statement of financial position in respect of defined benefit end-of-service plan is the present value of the defined benefit obligation ("DBO") at the reporting date. The DBO is calculated periodically by qualified actuaries using the projected unit credit method.

The movement of the employee benefits obligation is as follows:

	30 June 2024	*30 June 2023*
Balance at the beginning of the year	**1,378,846**	1,752,986
Current service cost	**404,631**	534,962
Interest cost	**56,208**	49,181
Re-measurement loss/ (gain) on employees' defined benefit obligation	**685,601**	(184,597)
Benefits paid	**(15,826)**	(773,686)
Balance at the end of the year	**2,509,460**	1,378,846

11.1 Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	30 June 2024	*30 June 2023*
Discount rate	**5.25%**	4.10%
Salary increases rate (long term)	**6.00%**	5.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with the published statistics and experience in the region. Attrition rates have been determined using benchmarks and adjusted for Company's own experience.

11 EMPLOYEES' DEFINED BENEFIT OBLIGATION (continued)

11.2 Sensitivity of actuarial assumptions

The table below illustrates the sensitivity of the defined benefit obligation valuation as at 30 June 2024 and 30 June 2023 to the key assumptions mentioned in 10.2 above.

	30 June 2024 SR		*30 June 2023 SR*	
	Impact on defined benefit obligation – Increase / (Decrease)			
	Increase in assumption	***Decrease in assumption***	*Increase in assumption*	*Decrease in assumption*
Discount rate (+/- 1.00%)	**(198,672)**	**231,933**	(88,955)	103,161
Long Term Salary (+/- 1.00%)	**234,268**	**(204,579)**	105,138	92,116

12 RELATED PARTIES TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Company transacts business with related parties.

Transactions with related parties are carried out on mutually agreed terms approved by management of the Company.

Related parties include:

- Shareholders and its affiliated companies
- Funds managed by the Company
- Board of Directors; and
- Key management personnel.

The following are the details of the Company's Shareholders and their affiliated companies

Name of related parties	***Nature of Relationship***
Ashmore Investment (UK) Limited	Shareholder
Ashmore AISA (Cayman) Limited	Shareholder
Ashmore Group Plc	Ultimate Parent
Ashmore Investment Advisors limited	Affiliate
Ashmore Investment Management (UK) Limited.	Affiliate

12 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

The significant transactions for the year ended are as follows:

Related parties	***Nature of transaction***	*Notes*	***Amount of transaction*** ***2024*** ***SR***	*2023* *SR*
Funds managed by the Company	Asset management fee income		**43,306,971**	41,479,065
Ashmore Investment Management (UK) Limited.	Asset management fee expense	12.1	**9,571,277**	10,767,813
and Funds managed by the company	Advisory and service fee income	12.2	**1,660,589**	2,084,781
Ashmore Company Plc	IT related expense	12.3	**1,780,945**	1,332,668
	Miscellaneous expense		**755,589**	-
Ashmore Cayman Limited	Share based Payment Plan		**881,608**	589,823
	Second yearly instalment of Share purchase		**-**	1,388,888
Ashmore Investment Advisors Limited	Advisory fee income		**497,881**	-
Board of Directors	Directors' remuneration		**480,945**	432,500
Key management personal of the company	Short term benefits	12.4	**9,985,000**	11,315,826
	Post employment benefits		**282,525**	270,500
	Share-based payment expense		**1,251,558**	589,823

Amounts due to related parties

	30 June 2024	*30 June 2023*
Ashmore Investment Management limited	**2,736,543**	3,309,111
Ashmore Company Plc	**1,220,305**	514,962
Ashmore Cayman Limited	**2,860,873**	1,978,673
	6,817,721	5,802,746

Amounts due from related parties

	30 June 2024	*30 June 2023*
Ashmore Investment Advisors limited	**132,459**	263,502
	132,459	263,502

12.1 Based on agreements between the Company and Ashmore Investment Management (UK) Limited, the Company pays fund management fee to Ashmore Investment Management (UK) Limited for receiving professional advice in the management of the funds it manages.

12.2 Based on the agreement between the Company, Ashmore Investment Management (UK) Limited and Ashmore Investment Advisors (UK) Limited, the Company receives service / referral fee for introducing its clients to Ashmore Investment Management (UK) Limited / Ashmore Investment Advisors (UK) Limited.

12.3 The Company has outsourced its complete IT operations to Ashmore Company Plc and signed service level agreement based on which the Company receives invoices on a quarterly basis for the IT services provided.

12 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

12.4 Key management personnel includes executives and heads of departments.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	30 June 2024 SR	*30 June 2023 SR*
Rebate payable	**2,658,119**	1,546,826
Accrued staff bonus	**2,458,545**	-
VAT payable -net	**1,139,246**	1,442,162
WHT payable	**538,802**	-
Board remuneration payable	**442,349**	412,500
Accrued professional fees	**240,808**	214,725
Others	**148,498**	284,259
	7,626,367	3,900,472

14 PROVISION FOR TAXATION

The Company is 100% owned by non-GCC shareholders and subject to taxation in accordance with the regulation of the Zakat, Tax and Customs Authority ("ZATCA") as applicable in the Kingdom of Saudi Arabia.

The movement in income tax provision is as follows:

	30 June 2024 SR	*30 June 2023 SR*
Balance at beginning of the year	**196,613**	2,331,338
Provision for income taxes for the year	**2,590,637**	1,945,117
Payments during the year	**(196,613)**	(4,079,842)
Balance at end of the year	**2,590,637**	196,613

The movement in the deferred tax asset for the year as follows:

	30 June 2024 SR	*30 June 2023 SR*
Balance at beginning of the year	**2,145,335**	2,863,678
Deferred tax expense during the year	**(123,850)**	(718,343)
Balance at end of the year	**2,021,485**	2,145,335

14 PROVISION FOR TAXATION (continued)

Deferred tax relates to the followings:

	Statement of financial position		*Statement of comprehensive income*	
	30 June		*30 June*	
	2024	*2023*	***2024***	*2023*
Property and equipment	**114,346**	92,482	**21,864**	-
Employees' defined benefits liabilities	**501,892**	275,769	**226,123**	4,857
Provision for bonus	**491,709**	-	**491,709**	(74,828)
Brought forward loss	**913,538**	1,777,084	**(863,546)**	(648,372)
Deferred tax expense			**(123,850)**	(718,343)
Deferred tax asset	**2,021,485**	2,145,335		

The management reassessed future profitability of the Company on 30 June 2023. In line with the Company's business plan, the management expects that there will be sufficient future taxable profit in the subsequent years to which these deferred tax assets will be utilized. Thus, the Company recognised deferred tax assets on temporary differences amounting to SAR 2.02 million as at 30 June 2024 (30 June 2023: SAR 2.14 million).

Income tax charge for the year
The income tax charge comprises of the followings,

	30 June 2024 SR	*30 June 2023 SR*
Current income tax for the year	**2,590,637**	1,945,117
Deferred tax expense for the year	**123,850**	718,343
Total income tax expense	**2,714,487**	2,663,460

Status of assessment
The Company has filed its income tax returns up to the year ended 30 June 2023 with Zakat, Tax and Customs Authority ("ZATCA").

15 ASSET MANAGEMENT FEE INCOME- NET

	For the year ended	
	30 June 2024 SR	*30 June 2023 SR*
Asset Management fee	**43,306,971**	4,1479,065
Asset Management expense	**(8,186,444)**	(9,831,147)
Rebates	**(1,384,833)**	(936,666)
	33,735,694	30,711,252

16 SALARIES AND EMPLOYEE RELATED EXPENSES

	Note	*For the year ended* **30 June 2024 SR**	*30 June 2023 SR*
Employee salaries		**11,036,454**	9,614,421
Staff bonus		**8,999,145**	6,470,000
Share- based payment expense	16.1	**881,608**	589,823
Employees' end of service benefits expense		**460,839**	539,441
Directors fees		**480,945**	476,781
Medical insurance		**252,721**	298,788
Others		**1,110,801**	990,395
		23,222,513	18,979,649

16.1 SHARE-BASED PAYMENT ARRANGEMENT

On 30 September 2019, the Company introduced equity-settled share-based payment plan ("the Plan") that entitles employees to receive Class B shares (each with grant date fair value of SAR 10) of Ashmore AISA (Cayman) Limited ("Ashmore Cayman") established for the purpose of owning a share of the Company.

In accordance with the Plan, the Company has issued shares representing 10% of the Company's share capital outstanding as of 30 June 2022 to Ashmore Cayman. Class B shares to be granted to employees shall correspond to the equity interest to be owned by Ashmore Cayman in the Company. All of the above shares are awarded to eligible employees. Vesting condition is service of 5 years.

Equity settled share based payment arrangement
Awards outstanding under the plan are as follows:

	Number of shares subject to awards	***Fair value at grant date***	***Number of shares subject to awards***	***Fair value at grant date***
	2024		*2023*	
Balance as at beginning of the year	**211,720**	**10.15**	166,667	-
Granted	**117,778**	**12.80**	211,720	10.15
Vested	**-**	**-**	(166,667)	10
Lapsed	**-**	**-**	-	-
Award outstanding at year end	**329,498**		211,720	

During the year 117,778 new shares were granted at a weighted average value of SAR 12.80.

During the year the Company recognised total share-based payment expense of SAR 0.88 million (2023: SAR 0.59 million) in relation to the equity-settled share plan.

17 GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended	
	30 June 2024 SR	*30 June 2023 SR*
IT-related services fee	**1,739,275**	1,332,668
Rent and related	**1,033,791**	905,799
Legal professional fee	**1,018,020**	672,172
Communication expense	**824,392**	648,404
Depreciation	**168,068**	149,743
Insurance expense	**167,849**	247,270
Travelling and entertaining expense	**74,332**	240,118
Others	**73,057**	71,925
	5,098,784	4,268,099

18 RISK MANAGEMENT

The Company’s objective in managing risk is the creation and protection of shareholder value. Risk management is an ongoing process which requires continuous identification, analysis, mitigation and monitoring of risks and controls.

The Company’s Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. These risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has dedicated Risk and Compliance function. Day-to-day risk management activities are managed within each respective business unit. The Board of Directors meets on a quarterly basis and is updated on all relevant aspects of the business, including risk management matters.

The Company's financial operations are subject to the following risks:

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and may cause the other party to incur a financial loss. The Company is exposed to credit risk mainly arising from cash and cash equivalents, due from related parties, investments and other current assets.

The Company’s risk management policies and processes are designed to identify and analyse risk, to set appropriate limits and controls, and to monitor the risks and adherence to limits by means of timely and reliable management information data.

The Company’s maximum exposure to credit risk is as follows:

	30 June 2024 SR	*30 June 2023 SR*
Account receivable	**32,546,523**	21,729,204
Due from a related party	**132,459**	263,502
Investments	**25,019,531**	-
Bank balances	**26,976,764**	49,005,057
	84,675,277	70,997,763

18 RISK MANAGEMENT (continued)

Credit risk(continued)

Account receivable
The Company's account receivable mainly consists of management fee. Management believes that these receivables as low credit risk since these are receivable from the funds managed by the company.

Due from related party
Company's credit risk on due from a related party is limited as these are settled by the Ashmore Company Plc on behalf of its subsidiaries.

Bank balances
Credit risk on bank balances is limited as same are held with banks with sound credit ratings.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company has access to credit facilities.

The table below summarizes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

			Contractual cash flows		
30 June 2024	***Carrying Amount SR***	***Total SR***	***Less than one year SR***	***One to five years SR***	***More than five years SR***
Amounts due to related parties	**6,817,721**	**6,817,721**	**6,817,721**	**-**	**-**
Accounts payables	**7,626,365**	**7,626,365**	**7,626,365**	**-**	**-**
	14,444,086	**14,444,086**	**14,444,086**	**-**	**-**

			Contractual cash flows		
30 June 2023	*Carrying Amount SR*	*Total SR*	*Less than one year SR*	*One to five years SR*	*More than five years SR*
Amounts due to related parties	5,539,244	5,539,244	5,539,244	-	-
Accounts payables	3,900,271	3,900,271	3,900,271	-	-
	9,439,515	9,439,515	9,439,515	-	-

Market risk
Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Company's income or cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The Company's only commission bearing assets are short-term deposits placements maintained with a local bank carrying fixed rates. Hence, the Company is not exposed to special commission rate fluctuations.

18 RISK MANAGEMENT (continued)

Foreign currency risk
Currency risk is the risk that the value of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company's transactions are principally denominated in Saudi Riyals, United States Dollars and Pound Sterling. Other transactions in foreign currencies are not material. Currency risk is managed on a regular basis by monitoring movements in currency exchange rates. Management believes that there is insignificant risk of losses due to exchange rate fluctuation as most of the Company's monetary assets and liabilities are primarily in US dollars which is pegged with the Saudi Riyal.

19 ASSETS HELD UNDER MANAGEMENT

Assets under management ("AUM") represent investment funds and discretionary and non- discretionary portfolio assets managed by the Company in its capacity as the Fund Manager. As at 30 June 2024, AUM amounted to SAR 8.17 billion (30 June 2023 SAR 7.35 billion).

The funds under management of the Company are as follows:

- Ashmore Saudi Equity Fund
- Ashmore GCC Diversified Trade Fund
- Ashmore GCC Education Fund
- Ashmore Saudi Food Fund
- Ashmore Short Duration Fund
- Ashmore Investment Fund 3
- Ashmore Health Care Fund 1
- Ashmore Health Care Fund 2
- Ashmore Saudi Equity Sharia Fund
- Ashmore Active Emerging Market Sharia Equity Fund

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

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. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value for financial instruments traded in active markets is based on quoted market prices at the close of trading on the financial reporting date. Instruments for which no sales was reported on the valuation day are valued at the most recent bid price. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. When measuring the fair value the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

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).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2024 and 30 June 2023, no financial assets or liabilities were measured at FVTPL or FVOCI. The fair values of financial assets and liabilities are not materially different from their carrying values at the statement of financial position as at 30 June 2024 and 30 June 2023 as these are carried at amortized cost.

21 CONTINGENCIES AND COMMITEMENTS

During the year 2021, the Authority issued assessments amounting to SAR 0.7 million as under paid VAT for the financial years of 2019 & 2020 which was duly paid by the Company. The management had already contested the disputed amount at the relevant Appeal Committee at ZATCA. Further, during the year, the decision was announced in Company's favor and subsequently, the Company recovered the amount paid to the Authority.

22 SUBSEQUENT EVENTS

There are no material events subsequent to the reporting date that requires adjustment or disclosure in these financial statements.

23 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors on 2 September 2024 (corresponding to 29 Safar, 1446H).