



07/02/2023

Ref: Noor/STL/26/2023

**M/s Boursa Kuwait Company
Kuwait**

Sub: Financial Reports for Noor GCC Islamic Fund

Kindly find attached Financial Statements and Independent Auditor's Report for Noor GCC Islamic Fund as of 31 December 2022. Please note that the financials have been approved by the Fund Manager, Investment Controller/Custodian and the Auditor of the fund.


**Dr. Fahad Sulaiman Al-Khaled
Chairman**





الشركة الخليجية لحفظ الأوراق المالية
Gulf Custody Company

التاريخ: 2023/01/22
الإشارة: GCC/2023/01/0100

المحترمين

السادة / شركة نور للاستثمار المالي
مدير صندوق نور الإسلامي الخليجي
تحية طيبة وبعد ،،،

الموضوع: صندوق نور الإسلامي الخليجي

تم الاطلاع على مسودة البيانات المالية وتقرير مراقب الحسابات للفترة المالية المنتهية في 2022/12/31 الخاصة بالصندوق المذكور أعلاه، ولم يلفت انتباهنا وجود ملاحظات أو مخالفات للنظام الأساسي للصندوق، فيما عدا ما ذكر في تقرير وإيضاحات المدقق، ويمكنكم استكمال الإجراءات.

وتفضلوا بقبول وافر التقدير والاحترام ،،،

أزهر زاهير هاسوير

مساعد الرئيس التنفيذي - العمليات

ملاحظة :

يرجى إرسال نسخة من هذا الكتاب إلى هيئة أسواق المال مرفقة بالبيانات المالية.



Sharq - Mubarak Al-Kabeer Street. - United Investment Group Building, Floors 3,4,5,6
Tel: (965) 2225 0600 - Fax: (965) 2241 6289 - P.O. BOX 21109 Safat 13072 Kuwait

شرق، شارع مبارك الكبير، مبنى مجموعة يونايتد إنفستمنت، الأذوار ٣،٤،٥،٦
تليفون: ٠٦٠٠ ٢٢٢٥ (٩٦٥) - فاكس: ٢٢٤١ ٦٢٨٩ (٩٦٥) - ص.ب. ٢١١٠٩ الصفاة ١٣٠٧٢ الكويت

www.gulfcustody.com
SWIFT: GCCOKWKW



**Noor GCC Islamic Fund
State of Kuwait**

Financial Statements and Independent Auditor's Report
For the year ended 31 December 2022

**Noor GCC Islamic Fund
State of Kuwait**

Financial Statements and Independent Auditor's Report
For the year ended 31 December 2022

Contents	Page
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of changes in equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 – 22

Independent Auditor's Report
Messrs. The Unit Holders of Noor GCC Islamic Fund
State of Kuwait

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Noor GCC Islamic Fund ("the Fund"), which comprise the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial 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 Fund as at 31 December 2022, and its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with ethical requirements that are relevant to our audit of the financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the fund manager 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, the Fund Manager assess the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the general assembly of the unit holders intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Independent Auditor's Report (continued)
Messrs. The Unit Holders of Noor GCC Islamic Fund
State of Kuwait

Report on the Audit of the Financial Statements (continued)

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

- 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 those 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund Manager.
- Conclude on the appropriateness of the Fund Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements include the disclosures required by Law No. 7 of 2010 concerning Establishment of Capital Markets Authority and Organization of Security Activity and its Executive Regulations, as amended, and the Fund's Articles of Association, as amended, and we had obtained the information we required to perform our audit. According to the information available to us, there were no violations during the financial year ended 31 December 2022 of either the Law No. 7 of 2010 concerning Establishment of Capital Markets Authority and Organization of Security Activity and its Executive Regulations, as amended, or of the Fund's Articles of Association, as amended, which might have materially affected the Fund's activity or its financial position.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners


Kuwait: 25 January 2023

Noor GCC Islamic Fund
State of Kuwait

Statement of Financial Position
As at 31 December 2022

	Notes	<u>2022</u> KD	<u>2021</u> KD
Assets			
Cash and cash equivalents	6	1,392,610	1,566,499
Financial assets at fair value through profit or loss	7	5,463,473	5,833,266
Accrued revenues and other debit balances		39,016	16,822
Total assets		<u>6,895,099</u>	<u>7,416,587</u>
Liabilities			
Accrued expenses and other credit balances	8	36,017	133,422
Total Liabilities		<u>36,017</u>	<u>133,422</u>
Equity			
Capital	9	6,801,098	6,847,098
Units premium	10	291,210	295,543
(Accumulated losses) / retained earnings		(233,226)	140,524
Total equity		<u>6,859,082</u>	<u>7,283,165</u>
Total liabilities and equity		<u>6,895,099</u>	<u>7,416,587</u>
Net assets value per unit	10	<u>1.009</u>	<u>1.064</u>


The accompanying notes on pages 7 to 22 form an integral part of these financial statements.



Noor Financial Investment Company K.P.S.C.
Fund Manager



Gulf Custody Company K.S.C.C.
Fund Custodian and Investment Controller



**Noor GCC Islamic Fund
State of Kuwait**

Statement of Comprehensive Income
For the year ended 31 December 2022

	Notes	<u>2022</u> KD	<u>2021</u> KD
Revenues			
Unrealized (losses) / profits from financial assets at fair value through profit or loss	7	(312,455)	1,236,396
Realized gain on sale of financial assets at fair value through profit or loss		16,000	271,791
Dividends income		173,655	161,685
Interest income		4,872	64
Total revenues		<u>(117,928)</u>	<u>1,669,936</u>
Expenses			
Management Fees	11,14	(115,562)	(202,497)
Fund Custodian and Investment Controller fees	12,13,14	(9,630)	(8,510)
Other expenses		(6,996)	(8,505)
Profits/(losses) from foreign exchange differences		13,168	(1,780)
Total expenses		<u>(119,020)</u>	<u>(221,292)</u>
Total comprehensive (loss) /income for the year		<u>(236,948)</u>	<u>1,448,644</u>

The accompanying notes on pages 7 to 22 form an integral part of these financial statements.

Noor GCC Islamic Fund
State of Kuwait

Statement of Changes in Equity
For the year ended 31 December 2022

	Capital KD	Units premium KD	Retained earnings/ (Accumulated losses) KD	Total equity KD
At 1 January 2021	6,883,998	294,160	(1,308,120)	5,870,038
Total comprehensive income for the year	-	-	1,448,644	1,448,644
Redemption on units	(36,900)	1,383	-	(35,517)
At 31 December 2021	<u>6,847,098</u>	<u>295,543</u>	<u>140,524</u>	<u>7,283,165</u>
At 1 January 2022	6,847,098	295,543	140,524	7,283,165
Total comprehensive loss for the year	-	-	(236,948)	(236,948)
Dividends (Note 15)	-	-	(136,802)	(136,802)
Redemption on units	(46,000)	(4,333)	-	(50,333)
At 31 December 2022	<u>6,801,098</u>	<u>291,210</u>	<u>(233,226)</u>	<u>6,859,082</u>

The accompanying notes on pages 7 to 22 form an integral part of these financial statements.

**Noor GCC Islamic Fund
State of Kuwait**

**Statement of Cash Flows
For the year ended 31 December 2022**

	Notes	<u>2022</u> KD	<u>2021</u> KD
Operating activities			
Net (loss) / profit for the year		(236,948)	1,448,644
<i>Adjustments for:</i>			
Unrealized losses / (profits) from financial assets at fair value through profit or loss		312,455	(1,236,396)
Realized gain on sale of financial assets at fair value through profit or loss		(16,000)	(271,791)
Dividends income		(173,655)	(161,685)
Interest income		(4,872)	(64)
		<u>(119,020)</u>	<u>(221,292)</u>
<i>Changes in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss		73,338	627,322
Accrued revenues and other debit balances		12,754	-
Accrued expenses and other credit balances		28,279	100,517
Dividend revenues received		138,707	152,390
Interest income received		4,872	64
Paid Management, Custodian and Investment Controller fees		(125,684)	(104,344)
Net cash flows from operating activities		<u>13,246</u>	<u>554,657</u>
Financing activities			
Cash dividends paid	15	(136,802)	-
Payment for redeemed units		(50,333)	(35,517)
Net cash flows used in financing activities		<u>(187,135)</u>	<u>(35,517)</u>
Net (decrease)/increase in cash and cash equivalents		(173,889)	519,140
Cash and cash equivalents at beginning of the year		1,566,499	1,047,359
Cash and cash equivalents at end of the year	6	<u>1,392,610</u>	<u>1,566,499</u>

The accompanying notes on pages 7 to 22 form an integral part of these financial statements.

Noor GCC Islamic Fund
State of Kuwait

Notes to the Financial Statements

For the year ended 31 December 2022

1. General Information

Noor GCC Islamic Fund ("the Fund") is an open-ended investment Fund domiciled in the State of Kuwait. The Fund has been incorporated on 13 February 2007 as an open-ended investment fund with a five-year period in accordance with the Decree Law No. 31 of 1990 on the Regulation of Securities Trading and the Establishment of Investment Funds.

The term of the Fund is five years commencing from the date of establishment. This term is renewable for further similar periods subject to approval of more than 50% of the unit holders.

On 19 November 2020, the Capital Markets Authority (CMA) has approved the renewal of the Fund's license for three years renewable for similar periods effective from 5 February 2021.

The Fund aims to realize long-term capital profits, to develop returns by mainly investing in the listed shares or holding interests in the companies that will be listed in Kuwait Stock Exchange, or in the official GCC stock exchanges and to invest the surplus in investment instruments market (short and medium-term deposits that are in compliance with Islamic Sharea' principles) while considering the restrictions applicable to investment in such system.

The Fund is being managed by Noor Financial Investment Company K.P.S.C. ("the Fund's Manager") whose head office is located in Noor building, Shuwaikh, intersection of Jahra Street and International Airport Road, P.O. Box 3311, Safat 13034, the State of Kuwait.

Gulf Custody Company K.S.C.C. is the Custodian, Investment Controller and Unitholders registrar.

The Fund Manager has amended some articles of the Fund's Articles of Association in accordance with Resolution No. (1) of 2022 issued by the Capital Markets Authority regarding the amendment of some provisions of collective investment schemes. It was approved by the Capital Markets Authority latest approval dated 28 December 2022.

The annual General Assembly for Unitholders held on 31 May 2022 has approved the financial statements for the financial year ended 31 December 2021.

The financial statements for the year ended 31 December 2022 were authorized for issue by the Fund Manager on 25 January 2023.

2. Basis of preparation

The financial statements are prepared on the historical cost basis, except for financial assets at fair value through profit or loss which are stated at fair value.

The financial statements are presented in Kuwaiti Dinars ("KD") which is the Fund's functional and presentation currency.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Fund Manager to exercise judgment in applying the Fund's accounting policies. The areas of accounting estimates and assumptions and critical judgements made in preparing the financial statements and their effect are disclosed in Note 5.

2.1 Statement of compliance

The financial statements of the Fund have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”), IFRIC interpretations, Fund’s Articles of Association and the guidelines of CMA.

3. Application of new and revised international financial reporting standards (“IFRSs”)

a) New standards, interpretations and amendments effective from 1 January 2022

The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the annual financial statements of the Fund for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Fund has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments have been applied for the first time in 2022, but they do not have an impact on the financial statements of the Fund.

Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Fund cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Fund during the year.

Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB’s Conceptual Framework with a reference to the current version issued in March 2018 without making significant changes to its requirements.

The amendments added an exception to the recognition principle of IFRS 3 “Business Combinations” to avoid the issue of potential ‘day 2’ gains and losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or IFRIC 21 “Levies, if incurred separately”. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Fund as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments arisen during the year.

3. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

a) New standards, interpretations and amendments effective from 1 January 2022 (Continued)

Property, Plant and Equipment: Proceeds before Intended Use- Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

In accordance with transitional provisions, the Fund applies the amendments retrospectively only to items of property, plant and equipment that are available for use on or after the beginning of the first period presented when the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Fund as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1: First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the Fund’s financial statements, based on the Fund’s date of transition to IFRS, if no adjustments were made for procedures and effects of the business combination in which the Parent Company acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16 (a) of IFRS 1.

These amendments do not have any impact on the Fund’s financial statements as it is not the first time to apply.

IFRS 9 Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

In accordance with transitional provisions, the Fund applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application).

These amendments had no impact on the financial statements of the Fund since there are no adjustments to the Fund’s financial instruments during the year.

Notes to the Financial Statements

For the year ended 31 December 2022

3. Application of new and revised international financial reporting standards (“IFRSs”) (Continued)

b) Standards and interpretations issued but not yet effective

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

IFRS 17: Insurance Contracts

This standard will be effective for annual periods beginning on or after 1 January 2023 and replaces IFRS 4: Insurance Contracts. The new standard applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on approval of previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adoption for contracts with direct participation features (Variable fee approach).
- A simplified approach (premium allocation approach) mainly for short duration contracts.

Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not expected to have any impact on the Fund’s financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

On 23 January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify that:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retroactively. The Fund is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Annual Improvements to IFRS Standards 2018-2020 cycle

The following is the summary of the amendments from the 2018-2020 annual improvements cycle:

IFRS 16 “Leases”: Lease Incentives.

Definition of Accounting Estimates - Amendments to IAS 8.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS 2 Practice Statement.

These amendments are not expected to have a material impact on the Fund.

4. Significant accounting policies

4.1 Presenting assets and liabilities in the statement of financial position

The nature of Fund's activity, as an entity established for the purposes of investment, requires classification of assets and liabilities in descending order as per its liquidity in the statement of financial position, as the management believes that this presentation provides information more relevant and reliable to the Fund's activities. This way of presentation of assets and liabilities requires submission of other information about the maturities of all financial assets and liabilities in the notes to the financial statements. The Fund submits this information based on the length of the remaining contractual term as at the financial statements date.

The Fund's financial assets include cash and cash equivalents, financial assets at fair value through profit or loss, accrued revenues, and other debit balances.

The Fund's financial liabilities include accrued expenses and other credit balances.

The amounts expected to be collected for assets or to be paid for the liabilities are presented, at minimum, in notes as assets and liabilities due within one year from the financial statements date. However, the Fund has no assets or liabilities due within a period exceeding one year from the financial statements date.

4.2 Financial instruments

The Fund classifies its financial instruments as financial assets and financial liabilities. Financial assets and financial liabilities are recognized when the Fund becomes a party of the contractual provisions of such instruments.

The financial assets and liabilities that are stated in the statement of financial position include cash and cash equivalents, financial assets at fair value through profit or loss, accrued revenues, other debit balances, accrued expenses, and other credit balances.

Financial assets

Classification and initial recognition

To determine classification and measurement category of financial assets, IFRS 9 requires assessment of all financial assets, except for equity instruments and derivatives, based on the Fund's business model for managing the Fund's assets and the contractual cash flows characteristics of these instruments.

Financial assets classified in the financial statements within the scope of IFRS 9 are as follows:

- Financial assets at amortised cost.
- Equity assets at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met and is not designated at fair value through profit or loss:

4. Significant accounting policies (Continued)

4.2 Financial instruments (Continued)

Financial assets (continued)

Financial assets carried at amortised cost

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and yield on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortized cost using the effective yield method adjusted for impairment losses, if any. Profits and losses are recognized in the statement of comprehensive income when the asset is derecognised, adjusted or impaired.

The financial assets at amortised cost consist of cash and cash equivalents, accrued revenues and other debit balances.

Effective yield rate method

The effective yield rate method is a method of calculating the amortised cost of a financial asset. The effective yield rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Cash and cash equivalents

Cash and cash equivalents include balances with local and foreign banks, cash in investment portfolios, a short-term deposit with a local bank with a contractual maturity of less than three months from the date of deposit, and cash in investment portfolios. Cash and cash equivalents item is exposed to insignificant risks in changes in value.

Accrued revenues and other debit balances

Accrued revenues and other debit balances are amounts accrued in the normal course of business and are recognized initially at fair value and subsequently measured at amortised cost using the effective yield method, less provision for impairment.

Impairment of financial assets

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is discounted at an approximation to the asset's original effective yield rate. The expected cash flows will include cash flows from sale of collateral held or other credit enhancements that are regarded as an integral part of the contractual terms.

In terms of accrued revenues and other debit balances, the Fund adopted the standard's simplified approach and calculated ECL on the basis of ECL period. The Fund has established a provision based on the historical experience of credit losses, adjusted for the future factors of debtors and the economic environment.

4. Significant accounting policies (Continued)

4.2 Financial instruments (Continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

The Fund classifies the financial assets as held for trading primarily when purchased or issued in order to achieve short-term profits through trading activities or when they form a part of a financial instruments portfolio that are managed together, there is evidence for emerging a new pattern to achieve short-term profits. Assets held for trading are recognized and measured at fair value in the statement of financial position.

Profits or losses on the change in fair value, profits or losses on sale and dividends are recognized in the statement of income under the contract conditions or when the right to receive the profits amount is established.

Derecognition

The financial assets are derecognised (wholly or partially) when the contractual rights to receive the cash flows from the financial assets expire or when the fund transfers its right to receive cash flows from the financial assets in either of the following circumstances: (a) when the Fund transfers all risks and rewards of the financial assets ownership, or (b) when all risks and rewards of the financial assets are not transferred or retained, but the control over the financial assets is transferred. When the Fund retains control, it must continue to recognize the financial assets to the extent of its participation therein.

Financial liabilities

All financial liabilities are initially recognized at fair value and in case of loans, borrowings and creditors directly attributable transactions costs are discounted. All financial liabilities are subsequently measured at fair value through profit or loss or at amortised cost using the effective yield rate method.

Accounts payable

Accounts payable item represents a commitment to repay the amount of services that have been obtained in the ordinary course of business. Accounts payable are initially carried at fair value and subsequently measured at amortized cost using the effective yield rate method. Accounts payable are classified as current liabilities if the payment is due within one year or less (or within the natural operational cycle of the activity, whichever is longer), otherwise they shall be classified as non-current liabilities.

4.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4.4 Capital

The Fund issues redeemable units, which are redeemable in accordance with the unit holders option and are classified as equity under the amendment to IAS 32. Subject to the Articles of Association, as amended, the redeemable units can be returned to the Fund at any time against cash that is equal to a proportionate share of the net assets of the Fund.

4. Significant accounting policies (Continued)

4.5 Provisions

Provisions are recognized where the Fund has a present obligation (legal or probable) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured. At the end of each financial period, provisions are reviewed and adjusted to reflect the best current estimate. When the time value of money has material effect, the amount recognized as a provision must be the present value of the expected expenses required to settle the obligation. Provisions for operating losses are not recognized.

4.6 Revenue recognition

The Fund's income is mainly represented in net investment income that falls outside the scope of IFRS 15.

The Fund's income comprises the following:

Profits from sale of financial assets at fair value through profit or loss

Profit or loss on sale of financial assets at fair value through profit or loss are recognized when the Fund transfers the significant risks and benefits attributable to the ownership of the sold investment. Profits on sale of the financial assets at fair value through profit or loss are measured by the difference between the sale proceeds and the carrying amount of the assets at the date of sale and are recognized at the date of sale.

Dividends income

Dividend revenues are recognized when the Fund's right to receive payment is established.

Interest income

Income from interest is recognised on a time proportion basis using the effective yield method.

4.7 Foreign currency

Foreign currency transactions are recorded in Kuwaiti Dinar at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Kuwaiti Dinar at the rate of exchange prevailing on the reporting date. Resulting gains or losses on exchange are taken to the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Kuwaiti Dinar at the foreign exchange rates ruling at the date when the value was determined.

4.8 Dividends

Fund recognizes cash and non-cash dividends to the Unit Holders as liabilities when those distributions are finally approved, upon approval by the Fund Manager, as the value of such dividends is recognized in equity.

When distributing the non-cash assets, the difference between carrying value of the assets and the fair value of the assets distributed to the unit holders is recognised in the statement of comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2022

5. Critical accounting estimates, assumptions, and judgments

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date. Actual results could differ from estimates.

Accounting judgements

In the process of applying the Fund's accounting policies, management has used judgements and made estimates in determining the amounts recognized in the financial statements. The most significant use of judgments and estimates are as follows:

Classification of financial instruments

On acquisition of a financial asset, the Fund decides whether it should be classified as "at fair value through profit or loss", "at fair value through other comprehensive income" or "at amortised cost". IFRS 9 requires assessment of all financial assets - except equity instruments and derivatives - based on the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. The Fund follows the guidance of IFRS 9 on classifying its financial assets which is explained in Note No. 4.

The Fund's Status as a Principal

The Fund regularly conducts assessment to determine whether its current status is a principal or an agent has changed. The assessment includes considering any change in the overall relationship between the Fund and other parties can mean that its current status as principal or agent has been changed even though it has previously acted a principal or an agent. For example, if changes to the rights of the Fund, or of other parties, occur, the Fund reconsiders its status as a principal or agent. The initial assessment considers market conditions that originally led the Fund to act as a principal or agent. The Fund determines that it is acting as a principal if it is the main obligated party towards any contractual arrangements with other parties, and it is responsible for pricing and determining its scope, and whether it is exposed to inventory and credit risks. The Fund has concluded that it is a principal in all of its revenue arrangements since it is the primary obligor, has pricing latitude, and is also exposed to credit risks and loss of assets.

Contingent liabilities

Contingent liabilities are possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Fund's management. The Fund recognizes provisions for contingent liabilities when the loss therefrom is considered possible and can be reliably measured. In determining whether or not such provisions shall be recognized as well as the related amounts requires the exercise of significant management judgment. The Fund uses the principles and criteria established within International Financial Reporting Standards and best practices prevailing within the industry in which it operates in making such judgments.

6. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	KD	KD
Bank balances	622,131	454,717
Short-term deposit	750,000	-
Cash at investment portfolios	20,479	1,111,782
	<u>1,392,610</u>	<u>1,566,499</u>

*Short-term deposit represents a deposit with a local bank and carries an interest rate of 4.125% per annum (2021: Nil).

Noor GCC Islamic Fund
State of Kuwait

Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial assets at fair value through profit or loss

	<u>2022</u>	<u>2021</u>
	KD	KD
Investments in quoted securities - Kuwait	1,541,937	1,609,380
Investments in quoted securities - Gulf Cooperation Council Countries	3,921,536	4,223,886
	<u>5,463,473</u>	<u>5,833,266</u>

Below is the net movement on financial assets at fair value through profit or loss:

	<u>2022</u>	<u>2021</u>
	KD	KD
At 1 January	5,833,266	4,952,401
Purchases	75,830	88,476
Disposals	(133,168)	(444,007)
Unrealized (losses)/profits	(312,455)	1,236,396
At 31 December	<u>5,463,473</u>	<u>5,833,266</u>

8. Accrued expenses and other credit balances

	<u>2022</u>	<u>2021</u>
	KD	KD
Accrued management fees to the Fund Manager (Note 14)	27,097	27,551
Accrued incentive fees to the Fund Manager (Note 14)	-	100,378
Accrued fees to Fund Custodian and Investment Controller (Note 14)	2,258	2,296
Other credit balances	6,662	3,197
	<u>36,017</u>	<u>133,422</u>

9. Capital

The Fund's share capital consists of redeemable units of a par value of KD 1 each. The authorized share capital of the Fund is variable and ranging from 2,000,000 units to 50,000,000 units (2021: 5,000,000 units to 50,000,000 units) with a nominal value KD 1 per unit. As at 31 December 2022, the Fund's share capital was 6,801,098 units (2021: 6,847,098 units). In the event that the share capital of the Fund came below the minimum threshold, the Fund Manager shall notify Capital Market Authority ("CMA") within five working days of the date of capital decrease. CMA shall take the actions it deems appropriate to ensure the interests of Unitholders.

10. Net assets value per unit

	<u>2022</u>	<u>2021</u>
Net assets attributable to unit holders ("KD")	6,859,082	7,283,165
Number of outstanding units (unit)	6,801,098	6,847,098
Net asset value per unit (KD)	<u>1.009</u>	<u>1.064</u>

Noor GCC Islamic Fund
State of Kuwait

Notes to the Financial Statements
For the year ended 31 December 2022

10. Net assets value per unit (Continued)

The movement in units during the year is as follows:

	<u>No. of units</u>	<u>Unit Holders shareholding</u>	<u>Units issuance premium</u>
At 1 January 2021	6,883,998	6,883,998	294,160
Paid for units redeemed during the year	(36,900)	(36,900)	1,383
At 31 December 2021	<u>6,847,098</u>	<u>6,847,098</u>	<u>295,543</u>
At 1 January 2022	6,847,098	6,847,098	295,543
Paid for units redeemed during the year	(46,000)	(46,000)	(4,333)
At 31 December 2022	<u>6,801,098</u>	<u>6,801,098</u>	<u>291,210</u>

11. Management Fees

The Fund Manager is entitled to management fees of 1.5% of the Fund's net assets value per annum which are payable every three months within fifteen days of the operation. Where the Fund aims to realize an annual return of 15% (i.e. targeted performance standard), the Fund Manager is entitled, plus the management fees, to incentive fee of 15% of the realized value that exceeds the targeted performance standard and are payable at the end of financial year. Should an investor redeem the units during the financial year, the incentive fees will be calculated on returns that exceeds 15% relating to value of the redeemed units only. In all cases, the maximum fees paid to the Fund Manager may not exceed 5% per annum.

12. Fund Custodian fees

Gulf Custody Company K.S.C.C. undertakes the duties of the Fund Custodian against total annual fees of 0.0625% of the Fund's net asset value, which are calculated monthly and payable quarterly.

13. Investment controller fees

Gulf Custody Company K.S.C.C. undertakes the duties of the Investment Controller against total annual fees of 0.0625% of the Fund's net asset value for its duties as Investment Controller, which are calculated monthly and payable quarterly.

14. Related party balances and transactions

Represent balances and transactions with major Unitholders, the Fund Manager, Fund Custodian and Investment Controller and are subject to the provisions of the Fund's prospectus.

Related party balances and transactions during the year are as follows:

	<u>2022</u> KD	<u>2021</u> KD
Statement of financial position:		
Accrued management fees to the Fund Manager (Note 8)	<u>27,097</u>	<u>27,551</u>
Accrued incentive fees to the Fund Manager (Note 8)	<u>-</u>	<u>100,378</u>
Accrued fees to Fund Custodian and Investment Controller (Note 8)	<u>2,258</u>	<u>2,296</u>

Notes to the Financial Statements

For the year ended 31 December 2022

14. Related party balances and transactions (Continued)

	<u>2022</u>	<u>2021</u>
	KD	KD
Statement of comprehensive income:		
Management Fees	115,562	102,119
Incentive fees to the Fund Manager	-	100,378
Fund Custodian and Investment Controller fees	9,630	8,510

In accordance with the Fund's Articles of Association, participation of the Fund Manager in the Fund's units must not be less than 5% of and not exceed 95% of the total units placed for public subscription. He may not dispose of or redeem such units throughout his management period of the Fund. As at the statement of financial position date, the Fund Manager holds 4,850,000 units representing 71.31% of the Fund's subscribed units (2021: 4,850,000 units representing 70.83% of the Fund's subscribed units).

15. Cash dividends

During the financial year ended 31 December 2022 and based on the Fund Manager's decision on 27 March 2022, the Fund distributed cash dividends of 20 Kuwaiti fils per unit with a total amount of KD 136,802 for the financial year ended 31 December 2021 (2020: nil), to all unit holders of the Fund who are subscribers in the Fund's register at the end of the due date of 28 April 2022.

16. Financial risk management

Financial risk factors

The Fund's activities expose it to variety of financial risks: market risk (such as equity price risk, foreign currency risk and yield rate risk), credit risk and liquidity risk. The Fund Manager policies for reducing each of the risks are discussed below. The Fund does not use derivative financial instruments based on future speculations.

The details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 4 to the financial statements.

16.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises of equity price risk, foreign currency risk, yield rate risk.

a) Equity price risk

The Fund's shares investments are publicly traded and are listed on the Kuwait Stock Exchange (Stock Exchange), Saudi Stock Exchange (Tadawul), Dubai Financial Market, Qatar Stock Exchange and Abu Dhabi Stock Exchange. The Fund's policy requires that the comprehensive market position be monitored on a daily basis by the Fund Manager and reviewed quarterly.

Noor GCC Islamic Fund
State of Kuwait

Notes to the Financial Statements
For the year ended 31 December 2022

16. Financial risk management (Continued)

16.1 Market risk (Continued)

a) Equity price risk (continued)

The Fund's exposure to price risk as of 31 December 2022 amounted to KD 5,463,473 (2021: KD 5,833,266). The Fund's policy is to focus the investment portfolio in the shares of banks and companies listed in the GCC region, where the management believes that the Fund can achieve the maximum amount of collected returns compared to the risks' level to which the Fund is exposed. The following table shows a summary of significant sector concentrations in the stock portfolio:

	Market Share Portfolio	
	2022	2021
	KD	KD
Banks	2,407,220	2,501,259
Manufacturing	1,462,784	1,682,398
Services	727,883	879,819
Real estates	793,123	721,599
Others	72,463	48,191
	<u>5,463,473</u>	<u>5,833,266</u>

The following table shows the sensitivity of the Fund's net assets attributable to the unit holders from the movements in share prices as of 31 December. The analysis is based on the assumptions that the prices of Boursa Kuwait and the GCC market prices increased by 5% (2021: 5%) and decreased by 5% (2021: 5%), while keeping all other variables constant and that the fair value of the Fund's portfolio of equity shares moves according to historical correlation with the market. This represents management's best estimate of possible variability in Boursa Kuwait market prices and related market prices in the GCC countries given the market historical change. The effect below arises from a reasonably possible change in the fair value of the shares.

	2022	2021
	KD	KD
The impact on the net assets attributable to unit holders from the increase in market prices	<u>342,954</u>	<u>364,158</u>
The impact on the net assets attributable to unit holders from the decrease in market prices	<u>(342,954)</u>	<u>(364,158)</u>

b) Foreign currency risk

The Fund is exposed to currency risk arising from exposure to different currencies. Foreign currency risk arises when future commercial transactions or recognised assets and liabilities and net investments in foreign operations.

The Fund Manager has set policies for the management of foreign exchange risk which require the Fund Manager to manage the foreign risk against the Fund's currency of operation. The Fund tracks and manages these risks by:

- Monitoring the changes in foreign currency exchange rates on regular basis.
- Set up tide limits for dealing in foreign currencies for the basic objectives of the Fund's activities.

Noor GCC Islamic Fund
State of Kuwait

Notes to the Financial Statements
For the year ended 31 December 2022

16. Financial risk management (Continued)

16.1 Market risk (Continued)

b) Foreign currency risk (continued)

The Fund has certain investments in foreign operations and its net assets are exposed to foreign currency exchange risk. Positions are monitored on a regular basis to ensure positions are maintained within established limits.

The Fund had the following significant net assets denominated in foreign currencies:

	<u>2022</u>	<u>2021</u>
	KD	KD
SAR	1,764,589	1,900,466
AED	1,026,533	1,074,097
QAR	1,130,414	1,249,323

The following is the impact on the statement of comprehensive income and changes in the net assets attributable to the unit holders (due to the change in foreign currency) as a result of an assumed 5% change in market prices with all other variables held constant:

The following is the effect on the statement of comprehensive income and changes in equity:

	<u>2022</u>	<u>2021</u>
	KD	KD
SAR	88,229	95,023
AED	51,327	53,705
QAR	56,521	62,466

16.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Fund is not currently exposed to interest risks as it has savings account at fixed interest rate. The Fund has no variable interest bearing financial assets or financial liabilities at the reporting date.

16.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets which potentially subject the Fund to credit risk consist principally of cash and cash equivalents, accrued revenues and other debit balances. The bank balances, short-term deposit and cash in investment portfolios are placed with high credit rating institutions. The Fund has no significant debit balances as at the date of the financial statements. The Fund Manager considers that the default on bank balances, short-term deposit, cash in investment portfolios, accrued revenues and other debit balances is close to zero as those parties have a great ability to abide by their contractual obligations in the near term and accordingly, no provisions related to expected credit losses have been recorded based on the expected credit losses for a period of 12 months, as any impairment will be insignificant for the fund.

16. Financial risk management (Continued)

16.3 Credit risk (Continued)

Credit risk exposure

The book values for financial assets represent the maximum exposure to credit risks. The maximum exposure to credit risk by class of assets at the financial position date is as follows:

	<u>2022</u>	<u>2021</u>
	KD	KD
Financial assets		
Cash and cash equivalents	1,392,610	1,566,499
Accrued revenues and other debit balances	39,016	16,822
	<u>1,431,626</u>	<u>1,583,321</u>

The following is an analysis of the Fund's assets with credit risk in terms of geographical region and sector:

	<u>2022</u>	<u>2021</u>
	KD	KD
<i>Geographical region:</i>		
State of Kuwait	1,283,327	464,802
Gulf Cooperation Council Countries	148,299	1,118,519
	<u>1,431,626</u>	<u>1,583,321</u>

	<u>2022</u>	<u>2021</u>
	KD	KD
<i>Industry segment</i>		
Banks	1,372,131	454,717
Other	59,495	1,128,604
	<u>1,431,626</u>	<u>1,583,321</u>

16.4 Liquidity risk

Liquidity risk is the risk that the Fund will be unable to meet its liabilities when they fall due. To limit this risk, the Fund Manager monitors the liquidity of assets and liquidity on a daily basis.

Ultimate responsibility for liquidity risk management rests with the Fund Manager, who has built an appropriate liquidity risk management framework in addition to liquidity management requirements. The Fund Manager manages liquidity risk by maintaining adequate reserves, in addition to continuous monitoring of expected and actual cash flows and comparison of maturities records of financial assets and liabilities. The financial liabilities (accrued expenses and other credit balances) are expected to fall due within three months from the statement of financial position date.

17. Capital risk management

The Fund's financial resources represent total equity. The net asset value of the Fund is attributable to the unit holders may be significantly changed due to the subscriptions and redemptions that are implemented by the unit holders. The Fund's objective, when managing the financial resources, is to safeguard the Fund's ability to continue in order to provide returns for the unit holders and benefits for other stakeholders and to maintain financial resources that support the investment activities of the Fund.

Notes to the Financial Statements

For the year ended 31 December 2022

17. Capital risk management (Continued)

The Fund Manager monitors its financial resources based on the Fund's net asset value attributable to the unit holders that are recoverable.

18. Fair value of financial instruments

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets is based on market prices at highest bid price on the trading date at end of the year.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the basis of the degree to which the fair value for each level is supported by identifiable sources.

The hierarchy levels of fair value are set out below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (inputs relating to prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market information (unobservable inputs).

2022

	Level 1
	KD
<i>Financial assets at fair value through profit or loss</i>	
Investments in quoted securities - Kuwait	1,541,937
Investments in quoted securities - Gulf Cooperation Council Countries	3,921,536
	<u>5,463,473</u>

2021

	Level 1
	KD
<i>Financial assets at fair value through profit or loss</i>	
Investments in quoted securities - Kuwait	1,609,380
Investments in quoted securities - Gulf Cooperation Council Countries	4,223,886
	<u>5,833,266</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active 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.

The quoted market price used for the financial assets owned by the Fund is the best bid price. These instruments are included in Level 1.

The Fund has no financial instruments classified in Level 2 and Level 3 from fair value measurement category at the reporting date.

There have been no transfers between fair value hierarchy during the year.

All other financial assets and financial liabilities carried at amortised cost approximate their fair values at the reporting date.

الموافق: 2023/02/05

السادة/ صندوق نور الإسلامي الخليجي المحترمون

**الموضوع: التقرير النهائي للتدقيق الشرعي الخارجي
عن الفترة المالية 2022/01/01-2022/12/31**

السلام عليكم ورحمة الله وبركاته، وبعد:

فإن مكتب التدقيق الشرعي الخارجي، في يوم الأحد، 14 رجب، 1444 ، الموافق 2023/02/05 وبعد النظر في المعلومات الواردة إلينا بناء على طلب حصر العمليات والأنشطة المنفذة خلال الفترة المذكورة أعلاه، والقيام بالزيارات الميدانية، ودراسة الردود والمرفقات وفي ضوء ما سبق؛ يعرض المكتب لكم تقريره التالي حسب متطلبات هيئة أسواق المال:

أولاً: نطاق عمل مكتب التدقيق الشرعي الخارجي.

يقع نطاق عمل مكتب التدقيق الشرعي الخارجي في عمل إدارة صندوق نور الإسلامي الخليجي من خلال التدقيق على المعاملات والعقود والأنشطة وتعاملات الأوراق المالية طبقاً لقرارات هيئة الرقابة الشرعية والمعايير الشرعية المعتمدة وتعليمات الجهات الرقابية المتعلقة بالتدقيق الشرعي.

ثانياً: مسؤولية مكتب التدقيق الشرعي الخارجي.

تقوم مسؤولية مكتب التدقيق الشرعي الخارجي على التأكد من مدى التزام الصندوق بقرارات هيئة الرقابة الشرعية والمعايير الشرعية وتعليمات الجهات الرقابية المتعلقة بالتدقيق الشرعي.

كما تقع مسؤوليتنا في إبداء الرأي المستقل بناء على تدقيقنا وذلك فيما يتعلق بالأنشطة والعقود وتعاملات الأوراق المالية.

ثالثاً: مسؤولية الصندوق.

تقع مسؤولية الإدارة التنفيذية للصندوق على القيام بجميع إجراءات المعاملات والعقود والأنشطة وتعاملات الأوراق المالية طبقاً لقرارات هيئة الرقابة الشرعية والمعايير الشرعية وتعليمات الجهات الرقابية المتعلقة بالتدقيق الشرعي.

رابعاً: أهداف تقرير مكتب التدقيق الشرعي الخارجي:

- التأكد من الالتزام بتطبيق أحكام ومبادئ الشريعة الإسلامية وفقاً للمرجعية الشرعية المعتمدة لدى (الشخص المرخص له - أنظمة الاستثمار الجماعي) وتعليمات الجهات الرقابية المتعلقة بالتدقيق الشرعي.
- التأكد من المعاملات والعقود والأنشطة وتعاملات الأوراق المالية التي تم فحصها والاطلاع عليها بأنها متوافقة مع قرارات هيئة الرقابة الشرعية والمعايير الشرعية وتعليمات الجهات الرقابية المتعلقة بالتدقيق الشرعي.
- توفير معالجات شرعية للمخالفات - إن وجدت- في المعاملات والعقود والأنشطة وتعاملات الأوراق المالية أو طرق تنفيذها وتحديد مدة زمنية لتنفيذ هذه المعالجات وفقاً لقرارات المرجعية الشرعية المتبعة.
- القيام بالزيارات الميدانية، والتواصل مع الإدارات عن طريق البريد الإلكتروني ووسائل الاتصال السمعية والمرئية.
- تحديد إجراءات التدقيق الشرعي الخارجي للتوصل لنتائج اعمال هذا التقرير .
- الاطلاع على تقرير وحدة التدقيق الشرعي الداخلي.
- تقييم كفاءة وفعالية إجراءات إدارة المخاطر الشرعية.

- تقييم مدى التزام الشخص المرخص له بقرارات هيئة أسواق المال ذات الصلة.
- بيان المرجعية المتبعة للمعايير الشرعية لدى (الشخص المرخص له - أنظمة الاستثمار الجماعي) في حال اختلافها عن المعايير الشرعية الصادرة عن هيئة المحاسبة والمراجعة للمؤسسات المالية الإسلامية (AAOIFI).

خامسا: إجراءات ونتائج التدقيق

- 1- تم الاطلاع على الهيكل التنظيمي (الهيئة الإدارية للصندوق)
- 2- تم الاطلاع على الحسابات المصرفية.
- 3- تم الاطلاع على تقرير المدقق الشرعي الداخلي.
- 4- تم الاطلاع على البيانات المالية.
- 5- تم فحص المحافظ الاستثمارية ومكوناتها. (لا يوجد)
- 6- تم فحص توزيعات الأرباح.
- 7- تم التأكد من تطهير الأرباح خلال الفترة.
- 8- تم الاطلاع على قرارات هيئة الرقابة الشرعية. (لا يوجد)
- 9- تم الاطلاع على العقود والاتفاقيات المنفذة خلال الفترة. (لا يوجد)
- 10- تم الاطلاع على اعتماد هيئة الرقابة الشرعية للسياسات والاجراءات الجديدة او المعدلة خلال الفترة. (لا يوجد)

سادساً: تقييم كفاءة وفعالية إجراءات إدارة المخاطر الشرعية:

م	تصنيف المخاطر	تعريف المخاطر الشرعية وصورها
1	المخاطر الشرعية العالية	<p>تعريفها: يعتبر الخطر الشرعي في المعاملات المالية إذا كان يؤثر سلباً في أنشطة العميل واستثماراتها وسمعته مما يستدعي تجنب الأرباح.</p> <p>معايير التقييم:</p> <ul style="list-style-type: none"> • تجنب الإيرادات المحرمة التي حققتها المؤسسة. • مخالفة الإجراءات المعتمدة للمعاملات من الناحية الشرعية. • عدم تنفيذ قرارات هيئة الرقابة الشرعية أو تعليمات الجهات الرقابية المتعلقة بالجانب الشرعي وأن يؤثر ذلك على الجانب المالي. • الإضرار الجسيم بسمعة المؤسسة نتيجة نشاط مخالفة لأحكام الشريعة الإسلامية. • مخالفة المؤسسة لسياسة عرض العقود الجديدة أو المعدلة على هيئة الرقابة الشرعية وكان في هذه العقود مخالفات شرعية. • الاستمرار دون تصويب مخالفة ذات مخاطر متوسطة لأكثر من ستة أشهر.
2	المخاطر الشرعية المتوسطة	<p>تعريفها: وهي التي تؤثر في المعاملة ولكن لا تؤدي إلى بطلانها، بل يمكن إمضاؤها مع تخليصها مما يؤثر عليها، وقد تستدعي تقنية الأرباح المحصلة، وقد لا تستدعي، وقد تؤثر على سمعة العميل.</p> <p>معايير التقييم:</p> <ul style="list-style-type: none"> • تأثير محدود على أرباح بعض المعاملات نتيجة خطأ شرعي في تنفيذها. • مخالفة الإجراءات المعتمدة دون التأثير على النواحي الشرعية للمعاملات. • التأثير المحدود على سمعة المؤسسة نتيجة لدخولها في أنشطة مخالفة لأحكام الشريعة الإسلامية من غير تأثير مالي. • مخالفة المؤسسة لسياسة عرض العقود الجديدة أو المعدلة على هيئة الرقابة

<p>الشرعية (ولم يكن في العقود أو التعديل مخالفة شرعية)</p> <ul style="list-style-type: none"> • مخالفة سياسة تحصيل الموافقات الشرعية على المنتجات والعمولات الجديدة قبل التعامل بها (من غير وجود مخالفة للشرعية فيها) • مخالفة سياسة عرض النشرات الإعلانية على التدقيق الشرعي الداخلي مع وجود مخالفة شرعية في تلك النشرات. • الاستمرار دون تصويب مخالفة - منخفضة المخاطر - لأكثر من 6 شهور. 	
<p>تعريفها: وهي التي لا تؤدي إلى بطلان المعاملات ولا تؤثر فيها ولا تستدعي تنقية الأرباح، ولكن تعتبر خلاف الأولى والأفضل، وقد تؤثر على السمعة.</p> <p>معايير التقييم:</p> <ul style="list-style-type: none"> • مخالفة قرارات هيئة الرقابة الشرعية من غير التأثير المالي أو على سمعة المؤسسة. • مخالفة الالتزام بالتوصيات التحسينية لهيئة الرقابة الشرعية دون أثر شرعي • مخالفة سياسة عرض النشرات الإعلانية على التدقيق الشرعي الداخلي دون وجود مخالفة شرعية في تلك النشرات. • تحقق مخالفات إجرائية للمعاملات من الممكن تصويبها دون التأثير على شرعيتها. 	<p>3 المخاطر الشرعية المنخفضة</p>

- تم الاطلاع على السياسات والإجراءات لإدارة المخاطر الشرعية.
 - تم الاطلاع على تصنيف وتوصيف المخاطر الشرعية.
 - تقوم إدارة التدقيق الشرعي الداخلي بمهام التدقيق وفقاً للمخاطر الشرعية.
- تم التأكد أن إجراءات المخاطر الشرعية لدى الصندوق تقوم بكفاءة وفعالية.

سابعاً: المرجعية الشرعية المتبعة:

• اعتمد الصندوق في المرجعية المتبعة على المؤشرات التالية:

1. S & P Sharia

2. EFG HERMES

3. KFH Capital

4. بيت الزكاة.

5. ارقام كابيتال.

6. الراجحي المالية.

ثامناً: الرأي النهائي والتوصيات:

• بعد الاطلاع على المعاملات والعقود والأنشطة وتعاملات الأوراق المالية التي نفذت من قبل الجهات المسؤولة توصل مكتب التدقيق الشرعي الخارجي إلى الرأي النهائي بعدم وجود ملاحظات على العمليات المنفذة خلال الفترة المالية المذكورة طبقاً لقرارات هيئة الرقابة الشرعية والمعايير الشرعية المعتمدة وقرارات هيئة أسواق المال ذات الصلة.

المدقق الشرعي الخارجي
د/ عبدالعزيز خلف الجار الله