



شركة رافعات الخليج للتأجير التمويلي
Gulf Lifting Financial Leasing Co.

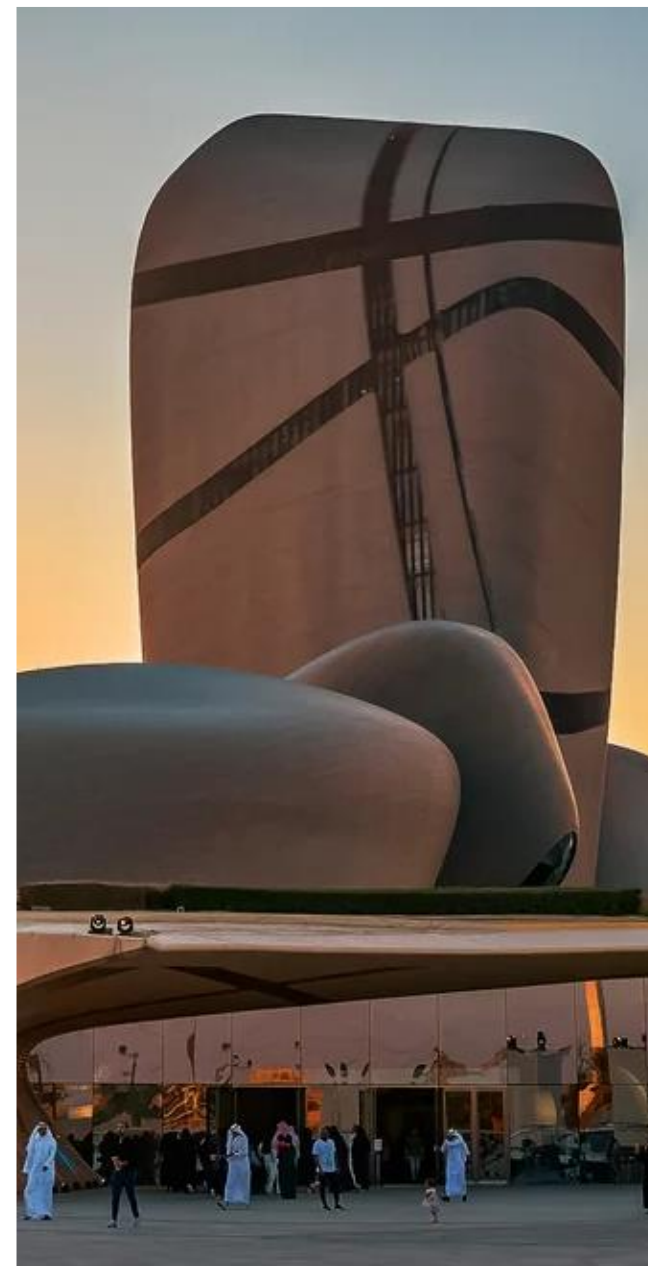


Gulf Lifting Financial Leasing Company (GLFL) Annual Board Report for the year 2022

31 DECEMBER 2022

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1. Chairman Letter



I am pleased to extend my and all Board of Directors member's greeting to you. I want to present the Board of Directors' annual report, which includes the results and achievements of the Gulf Lifting Financial Leasing Co (GLFL) for 2022, in which the company continued to be aligned with the growth of the Saudi economy. In addition, an update about the company's strategy in facing the financial and economic changes and challenges that affected the customers' purchasing power and financial solvency; the company implemented appropriate plans and initiatives to get in line with the government's directions in the field of economic transformation, especially in the digital and technical transformation as well as support the Kingdom of Saudi Arabia Vision 2030.

During 2022, the company accomplished substantial progress by increasing the company's capital from 100 million SAR to 165.8 million SAR by end of 2021. Furthermore, the company's executive management developed and implemented a new system that served its business and contributed to launching its services for more segments across the Kingdom of Saudi Arabia. As a result, the company is looking forward to more growth and development by achieving its medium and long-term goals, especially those related to facilitating the delivery of its services and expanding its network of customers looking to benefit from financing services. In conclusion, we assure you that the Board of Directors is eager to complete the journey of achievement and transformation through its continuous support, management, and teamwork to achieve the strategic objectives of GLFL.

Dr. FAISAL BIN KHALID KANOO – CHAIRMAN

2. Chief Executive Officer Letter



At Gulf Lifting Financial Leasing Company (GLFL), we have built our strategy to cope with the rapid development in the Financial Sector. We have worked to position ourselves as one of the leaders and influencers in Financing Houses.

Post-Covid19 was certainly a challenging year, which has required allocating extensive resources and initiatives to compensate and accomplish our growth plan, starting from updating the company's policies and procedures to align with the requirements of all regulators, Implementing New ERP System to automate all GLFL functions, Developing a recruitment and succession plan to support the company, Placing proper Service Level Agreement between Departments (SLA), Expanding the business Geographically.

All mentioned above have been properly assigned and monitored under a well-structured corporate governance level framework to ensure transparency with stakeholders throughout fulfilling SAMA guidelines and introducing CEO Committees for further efficient supervision.

To continue following up assertively with our strategic plan and company's objectives, we have already started working on diversifying our business portfolio by primarily planning to enter the Financing Consumers Market in 2023.

It's worth mentioning that the trust and respect of our shareholders, employees, customers, and business partners have greatly contributed to GLFL's progress and success. Lastly, I thank all our stakeholders for their continued support and encouragement.

NAIR BAYAN ALSULAMI - CHIEF EXECUTIVE OFFICER

3. Introduction

Gulf Lifting Financial Leasing Company (GLFL) is a Saudi Closed Joint Stock Company operating under the commercial registration number 2050030896 and licensed by Saudi Central Bank (SAMA) number 201708/اش/47 obtained in August 2017 to undertake lease financing activities with head office in Dammam. Here we are presenting the board report for the year 2022.

VISION, MISSION AND VALUE PROPOSITION:

VISION



Complying and excellence by delivering financial leasing services in Saudi Arabia by term medium-term asset financing to all productive sectors in Saudi Economy thereby assisting in extending the mechanism of credit delivery in Saudi Arabia.

MISSION



Provide innovative financial services to contribute to Saudi Economy growth and achieve success in business. We are committed, transparency and trust towards our customers by delivering Sustain excellence in financial services

VALUE PROPOSITION

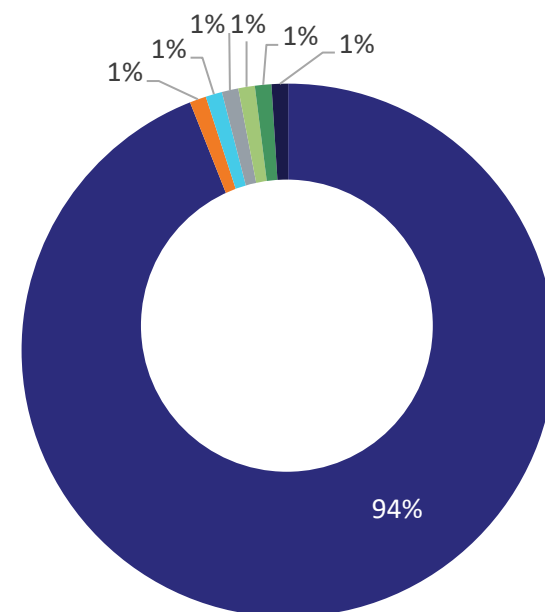


GLFL's value proposition is driven by its differentiated core competencies in relation to other competitors in the market. The value proposition is defined for the various stakeholders, namely customers, employees, shareholders, and other industry stakeholders.

4. Shareholders Structure

The shareholders structures as follow:

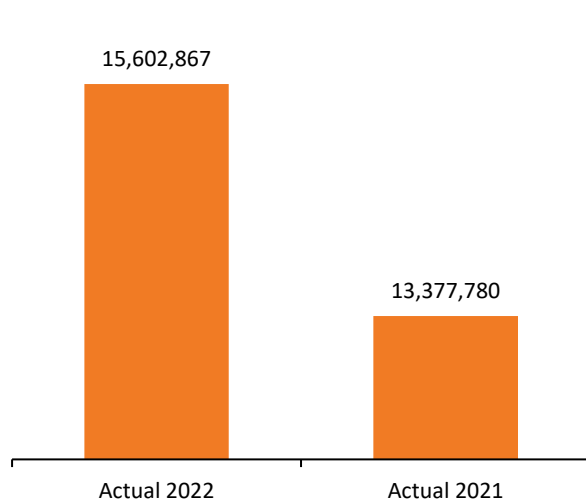
Shareholder	Percentage %	No of shares	Share Value (SAR)	Total Shares Value (SAR)
Yusuf Bin Ahmed Kanoo W.L. L	94%	15,585,200	10	155,852,000
Ali Abdulla Kanoo	1%	165,800	10	1,658,000
Ali Abdulaziz Kanoo	1%	165,800	10	1,658,000
Saud Abdulaziz Kanoo	1%	165,800	10	1,658,000
Bader Abdulaziz Kanoo	1%	165,800	10	1,658,000
Ahmed Fawzi Kanoo	1%	165,800	10	1,658,000
Faisal Khalid Kanoo	1%	165,800	10	1,658,000
Total	100%	16,580,000	-	165,800,000



- Yusuf Bin Ahmed Kanoo Co. Ltd
- Ali Abdulla Kanoo
- Ali Abdulaziz Kanoo
- Saud Abdulaziz Kanoo
- Bader Abdulaziz Kanoo
- Ahmed Fawzi Kanoo
- Faisal Khalid Kanoo

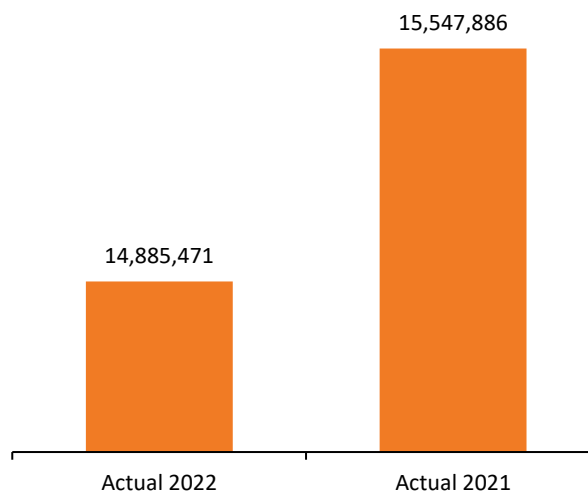
5. Financial Highlights – 31 December 2022

Total Operating Income



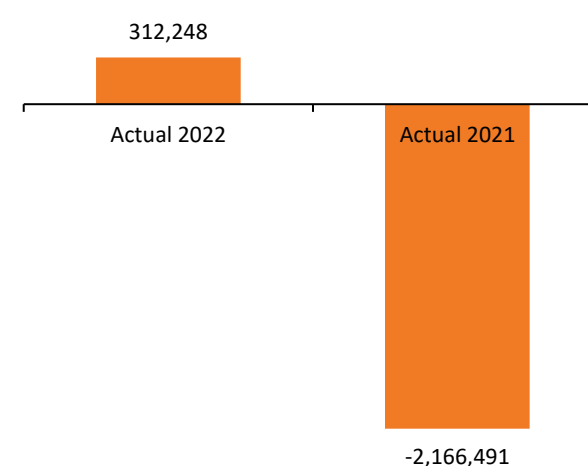
- Total Operating Income increased by 17% compared to last year due to higher financing leases during 2022.
- Total Operating Income lower than budgeted as the company was budgeting to borrow from Banks to increase its Financing portfolio, which was not reflected in the actual performance.

Total Expenses



- Total Operating Expenses decreased by 4% compared to last year mainly due to decrease in lower participation to SAMA deferred payment program and general admin expenses.
- Total Expenses decreased by 26% compared to the budget mainly due to lower staff cost and IT expenses.

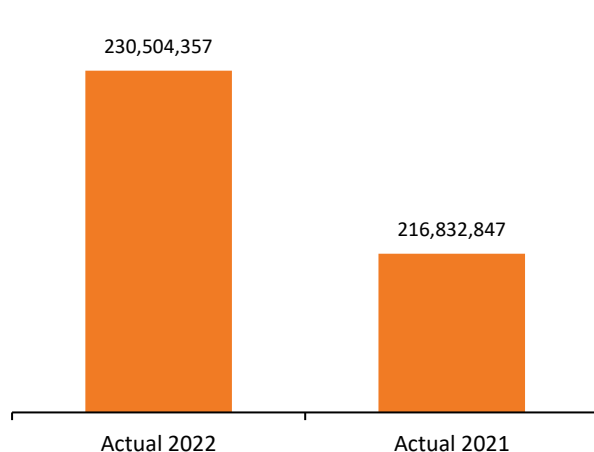
Net Income (loss)



- The company turned from loss making in 2021 to profit making in 2022, net income reached to SAR 312 K compared to net loss of 5.2m.

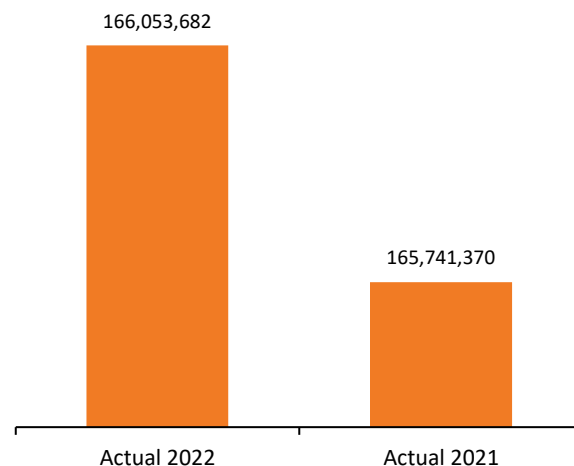
5. Financial Highlights – 31 December 2022

Total Assets



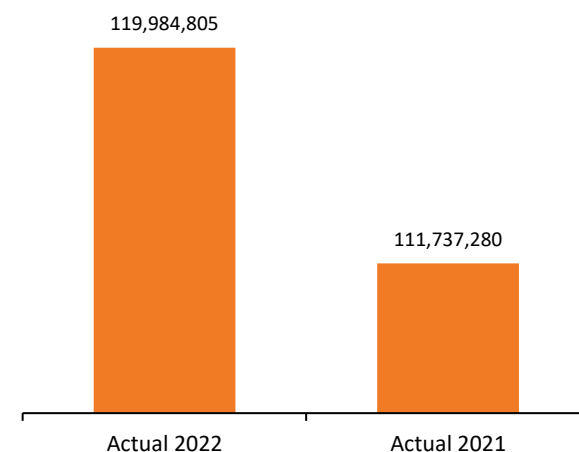
- Total assets increased by 6% to reach to SAR 230m compared to SAR 216m in 2021, this increase is mainly due to increase in finance leases which increased by SAR 8m compared to last year.

Total Equity



- Total equity remain the same compared to last year, it worth to mentioned that due to the income this year, the company showing a positive retained earnings.

Financing Assets



- Financing assets increased by 7% compared to last year to reach to SAR 120m which reflect the company plan to improve the financing portfolio steadily.

6. Business Review

The company disbursed business of SR 51 Million for the year 2022 as compared to SR 39 Million for 2021

KEY HIGHLIGHTS:

HIGHLIGHTS	2022	2021
New Business Disbursed	51 Million	39 Million
Weighted Average Profit Rate (Flat)	6.74 %	5.66 %
Financing Portfolio Size*	122 Million	116 Million

**Excluding ECL amount of SAR 2.2MM.*

- **NEW BUSINESS IN 2022 INCREASED BY 30% FROM 2021.**
- **AVERAGE PROFIT RATE INCREASED BY 19% FROM 2021.**
- **FINANCING PORTFOLIO SIZE INCREASED BY 5% FROM 2021.**



7. Risk Management

STRATEGIC & BUSINESS RISK

ECONOMY GROWTH AND PROMISING BUSINESS OPPORTUNITIES

Post-shock of the COVID-19 outbreak, today businesses have recovered and resumed normality to approximately adjacent levels at the same pace as before the pandemic since the government has removed all restrictions. However, the current universal impacts between the western world and eastern Europe, coupled with some unhealthy practices by the previous US government in which they printed notes, have caused systemic, worldwide inflation that is being witnessed globally. Additionally, the Saudi market benefited from the incident in which they relied on crude oil manufacturing and trading, and the prices increased by approximately 50% due to causes.

Moreover, 2 out of the 10 clients affected by the pandemic successfully finalized and were approved for the rescheduling process during Q4-22. In conclusion, GLFL is undergoing a strategic approach to reach desirable objectives, including higher diversity in the market portfolio with various sectors focusing on promising sectors as per the 2030 vision, as well as higher sales turnover compared to previous periods to be in line with the systemic economy growth and expansion.

REPUTATIONAL RISK

Reputational risk, often called reputation risk, is the potential loss of financial capital, social capital, and/or market share resulting from damages to a company's reputation. This is often measured in lost revenue, increased operating, capital, regulatory costs, or destruction of shareholder value.

GLFL is concerned with Kanoo Group, which has been in the business since 1890 and has a solid reputation. But moreover, as GLFL employees, we should not take this into guarantee because, with the contributed hard work and effort, this solid reputation will diminish once it vanishes completely. Furthermore, to maintain this enormous responsibility, the management should consider any rise in complexity or difficulty that will make the client or prospective client unsatisfied.

Some of the issues that face finance companies can be the slow process of finance, many requirements required, and delays in response to client inquiries. The previous points have been discussed with top management to eliminate them as much as possible.

7. Risk Management

CONCENTRATION RISK

Concentration risk can be defined as the risk of losses arising due to a lack of diversification in a portfolio. Concentration risk may also occur due to concentrations in a financial institution's investment portfolio, trading portfolio, and funding profile. Concentration risk for GLFL arises from positions lease investment in a specific sector. GLFL has a concentration risk in the contracting sector with a ratio of 51.80%.

INTEREST RATE RISK

GLFL would implement an interest rate sensitivity analysis to determine the impact of changes to interest rates on its borrowings and deposits. The interest rate sensitivity analysis will be carried out for interest payments or receivables of various time frames. For deposits, GLFL would analyze the potential losses through reinvestment risk analysis. However, it is worth noting that GLFL does rely on low-risk, short-term deposits that yield aggregately 4% as of Q4-22.

FOREIGN CURRENCY RISK

Foreign Currency Risk describes the risk faced by a company arising from volatility in foreign currency exposures.

GLFL used to have assets in the form of deposits valued at USD 21.38 million, equivalent to SAR 80.18 million. To minimize this risk, GLFL has converted all the deposits in USD that have matured into SAR. GLFL has no exposure to other foreign currencies in terms of assets or liabilities. SAMA tightly pegs SAR/USD rate at 3.75 rate.

LIQUIDITY RISK

Liquidity risk stems from the lack of marketability of an investment. It is the risk that the company cannot meet short-term demands/liabilities. And since GLFL only has SAMA deferral program deposits, which the company's assets and equity can cover, GLFL's liquidity risk is minimal. Moreover, GLFL expects to conclude and fully repay SAMA deposits by Nov 2023.

REPUTATIONAL RISK

Reputational risk, often called reputation risk, is the potential loss of financial capital, social capital, and/or market share resulting from damages to a company's reputation. This is often measured in lost revenue, increased operating, capital, regulatory costs, or destruction of shareholder value.

7. Risk Management

FRAUD RISK

Fraud risk can be internal or external fraudulent actions that result in unexpected financial or material loss. Such risk can be monitored through continuous seminars and sessions from GLFL to train the employees to maintain sensitive information and the consequences of not doing so. Moreover, an external fraud risk can be eliminated by increasing the level of security in the building and devices' s system security currently applied in GLFL.

COMPLIANCE RISK

Compliance risks may arise due to inefficient regulatory reporting & notification processes within the organization resulting in inaccurate or delayed reporting to the concerned regulator. Compliance risk may also occur due to inadequate controls mechanism for operational compliance, which requires ongoing monitoring. The Compliance department maintains a regulatory circular to monitor the risk of non-compliance.

COUNTERPARTY RISK

Counterparty risk arises due to core business activities in GLFL. The sales team and the Credit & Risk Department do a detailed review of the client before entering into a lease agreement. GLFL has set various limits to ensure the exposure to a type of client or equipment is within manageable limits. Moreover, GLFL ensures that all assets are insured, and GLFL has the right to confiscate the asset.

CONCENTRATION RISK

Concentration risk can be defined as the risk of losses arising due to a lack of diversification in a portfolio. Concentration risk may also occur due to concentrations in a financial institution's investment portfolio, trading portfolio, and funding profile. Concentration risk for GLFL arises from positions lease investment in a specific sector. GLFL has maintained to lower the contracting concentration for the sub-sectors (public and private) at a cap of < 55% per each sub-sector by financing non-contracting clients, which diversified the portfolio in more promising sectors such as manufacturing and transportation & storage. Also, GLFL aims to reduce this rate and diversify the investment portfolio to mitigate the concentration risk by engaging in promising sectors to comply with the 2030 vision.

INTEREST RATE RISK

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7. Risk Management

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LIQUIDITY RISK

Liquidity risk stems from the lack of marketability of an investment. Therefore, it is a risk that the company cannot meet short-term demands/liabilities. And since GLFL only has SAMA deferral program deposits, which the company's assets and equity can cover, GLFL's liquidity risk is minimal. Moreover, as per the new rules and regulations, GLFL has approved and placed the liquidity risk policy developed by a third party and submitted it on time by January 1st, 2023. Moreover, CRD has developed a stress testing program and writeup that will complement the policy and has been reviewed by CFO and CRM.

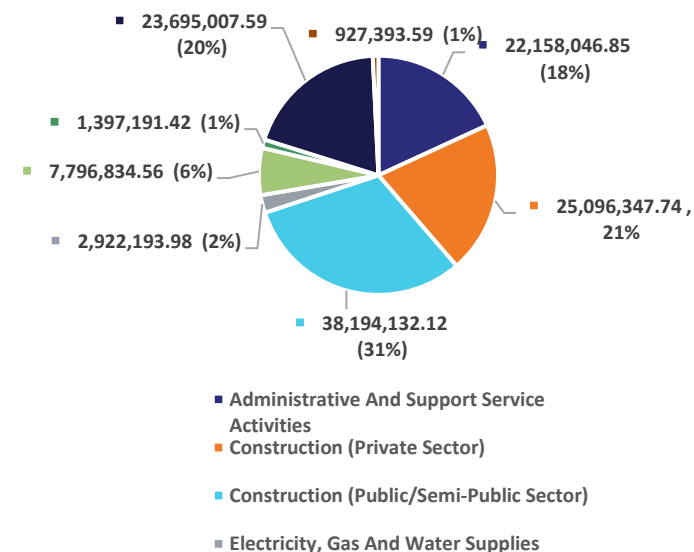
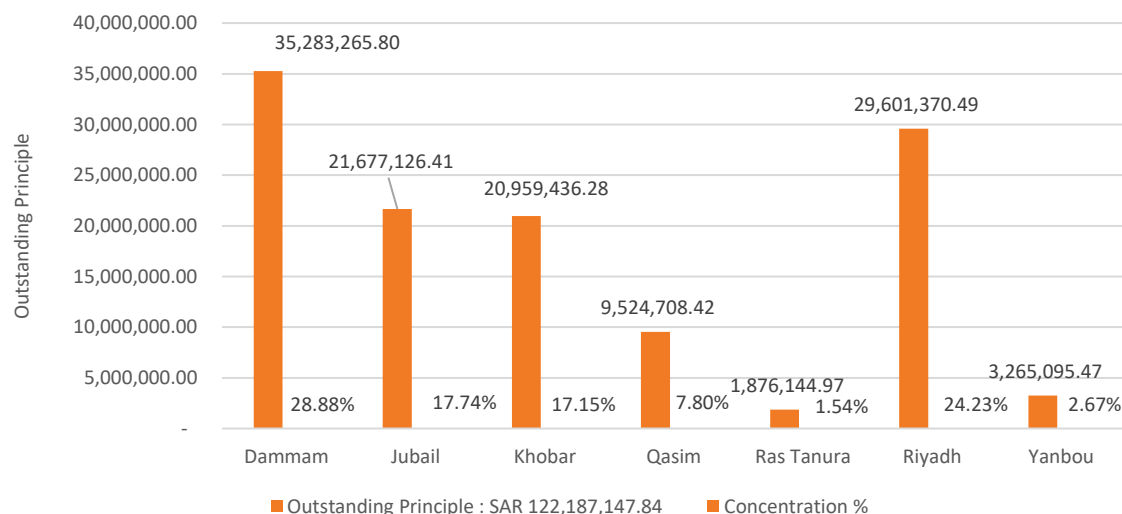
7. Risk Management

A. SECTOR ANALYSIS

SECTORS	OUTSTANDING PRINCIPLE	CUSTOMERS	CONTRACTS	PERCENTAGE
Administrative And Support Service Activities	22,158,046.85	5	9	18.13%
Construction (Private Sector)	25,096,347.74	12	25	20.54%
Construction (Public/Semi-Public Sector)	38,194,132.12	7	37	31.26%
Electricity, Gas And Water Supplies	2,922,193.98	2	3	2.39%
Manufacturing	7,796,834.56	4	4	6.38%
Professional, Scientific And Technical Activities	1,397,191.42	4	6	1.14%
Transportation And Storage	23,695,007.59	5	11	19.39%
Wholesale And Retail Trade	927,393.59	2	3	0.76%
	122,187,147.84	41.00	98.00	100.00%

*Excluding ECL amount of SAR 2.2MM.

2022 Outstanding Principle : SAR 122,187,147.84



7. Risk Management

B. IMPACT OF POST-COVID-19 & GLOBAL SYSTEMIC RISK

Post-shock of the COVID-19 outbreak, today businesses have recovered and resumed normality to approximately adjacent levels to the same pace as before the pandemic since the government has removed all restrictions. However, the current universal impacts between the western world and eastern Europe, coupled with some unhealthy practices by the previous US government in which they printed notes, have caused systemic, worldwide inflation that is being witnessed globally. Additionally, the Saudi market benefited from the incident in which they relied on crude oil manufacturing and trading. However, its prices increased by approximately 50% due to the abovementioned causes.

C. SAMA DEFERMENT PROGRAM

- As part of the deferred payments program, the Company was required to defer payments on lease contracts to customers that qualify as SMEs. SAMA introduced the program for an initial period of six months from 14 March 2020 and then later extended until 31 March 2022.
- Financial impact of the program on GLFL P&L Statement

	For the year ended 31 Dec 2021	For the year ended 31 Dec 2022
Gain on account of fair value adjustments for interest free SAMA deposits	(2,016,439)	(944,001)
Unwinding of initial gain accounted on interest free SAMA deposits	1,781,093	2,117,289
Loss on account of modification of lease contracts payment terms	4,842,863	1,551,597
	4,607,517	2,724,885

8. Internal Control Systems – Internal Audit Plan

GLFL has outsourced the services of Grant Thornton to carry out internal audits of all departments of the company. The company issue report for each department and present the final reports to Audit and Compliance Committee. GLFL obtained SAMA no objection to Appoint in-house Internal Audit Manger to ensure best practice practices, control , manual procedure are in place and implemented.

NO.	DEPARTMENT	AUG-21	SEP-21	OCT-21	NOV-21	DEC-21	JAN-22	FEB-22	MAR-22	APR-22	MAY-22	JUN-22	JUL-22
1	IT	●	●										
2	Compliance			●									
3	Finance				●	●							
4	Credit & Risk					●							
5	Operations						●	●					
6	Sales								●	●			
7	Customer Service										●		
8	HR											●	●

8. Internal Control Systems – Compliance



As part of Gulf Lifting Financial Leasing Co. (GLFL) ongoing efforts to address SAMA rules and regulations and enhance sound practices in the organizations, the compliance department identifies, assesses, advises on, monitors, and reports on the compliance risk, that is, the risk of legal or regulatory sanctions, financial loss, or loss to reputation a company may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice.



The compliance function envisages strict observance of all statutory provisions of SAMA contained in various legislations such as finance companies control law, prevention of money laundering, etc. As well as to ensure observance of other regulatory guidelines issued occasionally, in addition to the company's internal policies and procedures.



Compliance laws, rules, and standards generally cover matters such as observing proper standards of market conduct, managing conflicts of interest, treating customers fairly, and ensuring the suitability of customer advice. They also include specific areas such as the prevention of money laundering and terrorist financing and may extend to tax laws relevant to structuring products.

THE COMPLIANCE FUNCTION IN GLFL IS RESPONSIBLE FOR:

- Advisory & communication
- Monitoring & reporting
- Corporate governance
- Whistleblowing & anti-financial crime
- Anti-fraud
- AML
- Policies & procedures

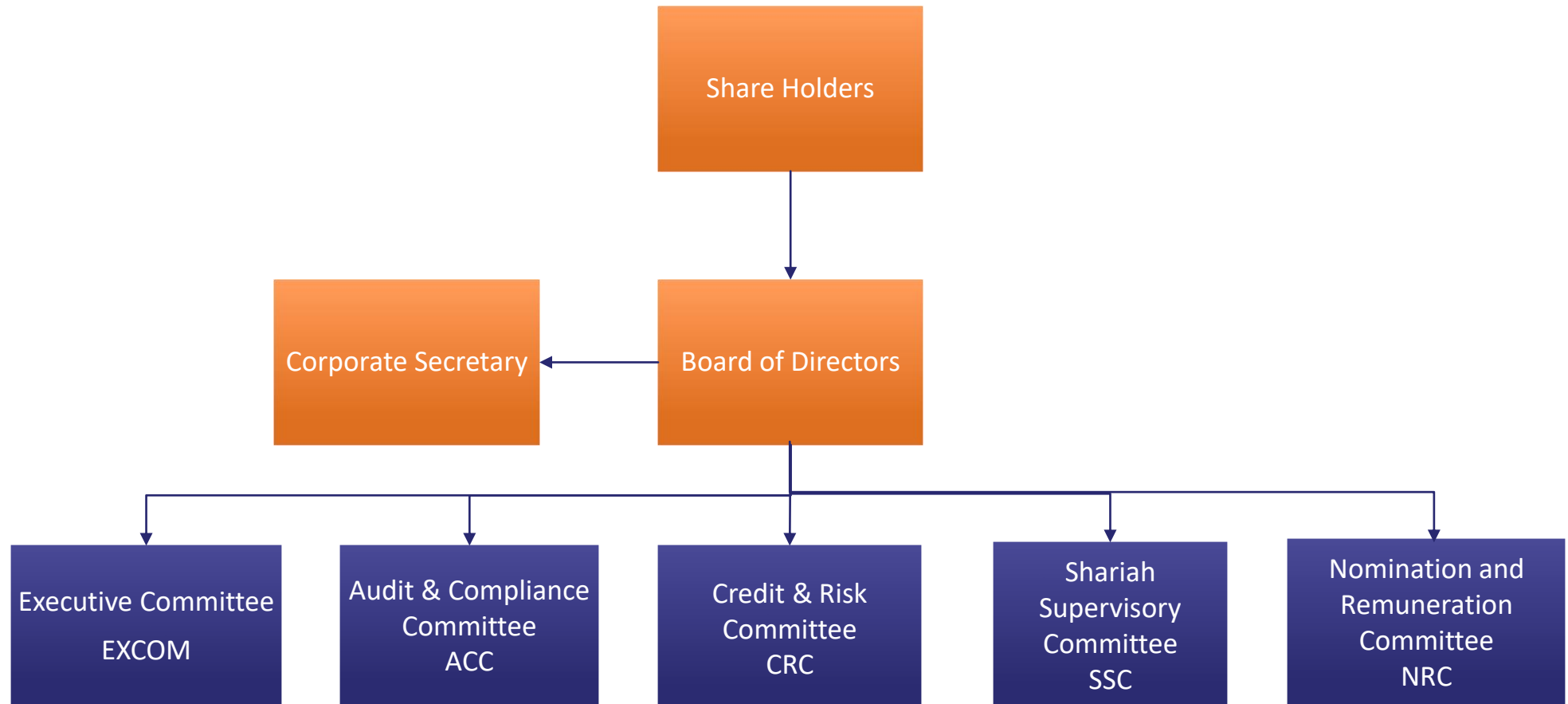
9. Corporate Governance – Meetings of the Year 2022

Gulf Lifting Financial Leasing Company has a strong corporate governance structure and assures to maintain its high standard throughout the years.

IN 2022 THE FOLLOWING MEETINGS WERE HELD:



9. Corporate Governance – Structure



9. Corporate Governance – Board Members for the Year 2022

Ali Abdullah Kanoo (Ex-Chairman)*
(Not Executive)

* Resigned in 22/05/2022

Mr. Ali Abdulla Kanoo is the Deputy Chairman of Yusuf Bin Ahmed Kanoo Company Ltd., Saudi Arabia and has a strong active role as the President of its Industrial & Energy Division, which covers the GCC region. Mr. Kanoo and his team lead the turnaround of the industrial & Energy unit which is YBA Kanoo largest trading and services unit. Oil & Gas, Power & industrial Power, Chemicals, and Machinery. He is Vice President of Kanoo Logistics and Kanoo Shipping. He holds board positions in Hapag-Lloyd Saudi Limited, Inspectorate International (Saudi Arabia) Limited, Baroid Saudi Arabia Limited and Kanoo Tank Services (Shareej). He is a Member of Eastern Province Tourism Development Council and Saudi Indian Joint Business Council. He started his undergraduate education in KFUPM in the Kingdom of Saudi Arabia, but graduated from American University in Washington D.C. After working in YBA Kanoo Shipping Division for a short while he joined SAUDI AMERICAN BANK Treasury Unit as a money market trader. He returned to YBA Kanoo to join the Joint Ventures, then Finance Division and Kanoo Commercial.

Dr. Faisal Khalid Kanoo
(Chairman)
(Not Executive)

Faisal Khalid Kanoo represents the sixth generation of the Yusuf Bin Ahmed Kanoo (YBA Kanoo) family, with a heritage that dates back more than a century. As a serial entrepreneur, Faisal established various businesses in industries ranging from restaurants, manufacturing, construction, lifestyle services, logistics, and hospitality. In 2015, one of his startups became the first hotel in the Kingdom to receive five international quality certifications, with Faisal personally receiving a prestigious Award for Entrepreneurship. His companies have grown organically and now include some of the most successful and innovative local brands, with a track record of high profitability, sustained growth, expansion and extensive franchising. This includes a series of green projects that not only add value to the country economically, but they are also environmentally friendly, which is groundbreaking in the GCC region.

Ahmed Fawzi Kanoo
(Vice - Chairman)
(Not Executive)

Ahmed Fawzi Kanoo is based in Jeddah where he previously served as the Western Province of Saudi Arabia Area Manager responsible for leading the Group's growth and expanding the business. He now combines that role with supporting the Group Managing Director.

Ahmed started his career in Finance in 2004 and moved into Business Advisory with Ernst & Young in 2007, following which he joined YBA Kanoo Bahrain where he underwent extensive training across all Business Divisions. In 2010, Ahmed moved to Saudi Arabia as Manager of Kanoo Machinery; within two years and following several successful business accomplishments, he moved to heading the Group's growth in the Western Province of Saudi Arabia. Now, Ahmed looks at growing the business across the group's business groups on a global level.

In addition to his role within the business, Ahmed is actively involved in many local and regional companies and holds prominent posts, including being Chairman for Power & Integrated Projects Co. in KSA, Director of United Insurance Company (Bahrain) and Travel Choice Limited (Egypt and Lebanon), and is also a Member in multiple YBA Kanoo Boards.

Ahmed Fawzi Kanoo holds a degree from Suffolk University in Boston, United States.

Thonoor Ashok Nair
(Board Member)
(Not Executive)

A competent and diligent Chartered Accountant with over 30 years experience in finance & accounts, direct taxation matters relating to Project Finance, Accounts, MIS, planning and quantitative thinker with strong technical qualifications, and strong understanding of advanced financial analytics, including risk-management principles. Working closely with YBA Kanoo board of directors, shareholders, senior management, and joint ventures management to monitor existing portfolio performance, sourcing and identify new ventures in line with parameters laid down by shareholders. Professional Experience:

- YUSUF BIN AHMED Kanoo - Manama, Bahrain- Acting Divisional CEO – Kanoo Capital Ventures (Since May 2017)
- YUSUF BIN AHMED KANOO CO. LTD, Dammam, KSA - Executive General Manager – Finance, Accounts & Investments (1989-2017)
- INDIAN OIL CORPORATION, Mumbai, India - Accounts Officer (1988 – 1989)

Fahad Elfawz
(Board Member)
(Independent)

- Earned extensive and diversified extended experience with prominent Industrial, Banking and Real Estate organizations in senior strategic capacities including:
- Deeply Experienced in Board of Directors & Audit Committees Memberships in various Leading Public Joint Stock and Limited Liability Companies. Currently Audit Committee member in three Public listed companies including GASCO, Taiba Holding (Board Member & Audit), AL Ahlia Insurance Co.
- Deep Experience in Industrial & Banking sectors via working for Saudi Industrial Development Fund (SIDF) where he was trained and worked extensively in the fields of: Industrial projects, Finance, Investment, Accounting and Financial Statement Analysis with various prominent Banks & Financial Institutions in the USA, UK & Saudi Arabia .
- Co-founded and was Vice-Chairman and Founding Committee Member and MD for a large industrial venture for Raw Glass Fiber capitalized at SR 350 million Capital.
- Served in various leading and senior corporate positions over 20 years' career including: Director of Accounting & Finance, Director of Business Development & Investment, Director of Marketing, GM of Procurement, GM of operations, CEO and MD in various Industrial & Real Estate Joint Stock companies.

Mr. Ghassan Nassief
(Board Member)
(Independent)

- Ghassan has spent over 21 years in the Kingdom, working across all regions in various corporate and investment banking roles. He has held senior roles in various local and international banks advising corporate clients on debt restructuring, project finance, working capital requirements, trade finance and most recently on M&A transactions as head of business development and placement at Swicorp. Ghassan has also held several C-level operational roles, including in challenging turnaround situations for complex businesses.
- Ghassan holds a bachelor's degree in Electrical Engineering from King Fahad University of Petroleum and Minerals, Saudi Arabia. Furthermore, Ghassan has acquired the International Certificate in Wealth & Investment Management by CISI of London and completed the Executive Leadership Program by Jack Welch Management Institute and Exponential Thinking by Singularity University in the United States

9. Corporate Governance – Board Member Meeting Attendance

BOARD MEETING ATTENDANCE IN 2022					
Director of 2022	Position	3 March	26 April	1 Aug	24Oct
Ali Abdullah Kanoo (Non-Executive) *	Previous Chairman	✓	✓	N/A	N/A
Dr. Faisal Khalid Kanoo* (Non-Executive)	Current Chairman	✓	✓	✓	✓
Ahmed Fawzi Kanoo (Non-Executive)	Vice Chairman	✓	✓	✓	✓
Thonoor Ashok Nair (Non-Executive)	Board Member	✓	✓	✓	✓
Fahad EL-Fawaz (Independent)	Board Member	✓	✓	✓	✓
Ghassan Nassief (Independent)	Board Member	✓	✓	✓	✓



* Mr. Ali Abdullah Kanoo resigned in 22/05/2022

9. Corporate Governance – Audit and Compliance Committee – ACC

ACC MEMBERS AND ATTENDANCE IN 2022					
Name of the Members	Position	2 March	25 April	27 July	23 Oct
Fahad EL-Fawaz (Independent)	Chairman	✓	✓	✓	✓
Salah Alhuzami (Independent)	Member	✓	✓	✓	✓
Alexander Wallace (Non-Executive)	Member	✓	✓	✓	✓

9. Corporate Governance – Credit and Risk Committee – CRC

CRC MEMBERS AND ATTENDANCE IN 2022					
Name of the Members	Position	2 March	25 April	27 July	23 Oct
Faisal Khalid Kanoo (Non-Executive)	Chairman	✓	✓	✓	✓
Thonoor Ashok Nair (Non-Executive)	Member	✓	✓	✓	✓
Vikrant Mahajan (Non-Executive)	Member	✓	✓	✓	✓
Tom O'Reilly	Member	✓	✓	✓	✓

9. Corporate Governance – Executive Committee – EXCOM

EXCOM MEMBERS AND ATTENDANCE IN 2022 – SAMA no objection received on 15 th of September 2022					
Name of the Members	Position	18 Oct	27 Nov	6 Dec	
Thonoor Ashok Nair (Non-Executive)	Chairman	✓	✓	✓	
Nair Alsulami (CEO)	Member	✓	✓	✓	
Alexander Wallace (Non-Executive)	Member	✓	✓	✓	

9. Corporate Governance – Nomination and Remuneration Committee– NRC

NRC MEMBERS AND ATTENDANCE IN 2022 – SAMA no Objection received on 5th of April 2022

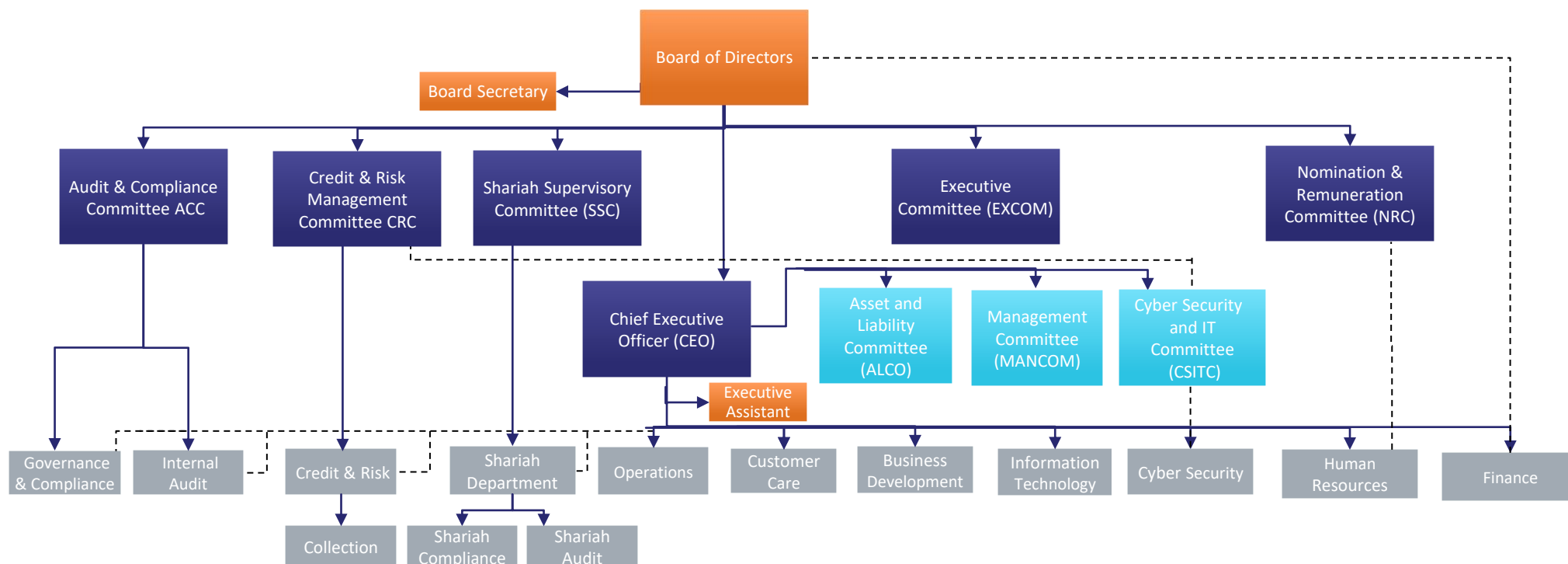
Name of the Members	Position	31 Dec
Ghassan Nassief (Independent Member)	Chairman	✓
Fahad EL-Fawaz (Independent Member)	Member	✓
Alan Phin (Non-Executive)	Member	-

9. Corporate Governance – Shariah Supervisory Committee – SSC

SHARIAH MEMBERS AND ATTENDANCE IN 2022

Name of the Members	Position	31 March	30 June	29 Sept.	31 Dec
Shaikh Dr. Naji Alarabi	Chairman	✓	✓	✓	✓
Shaikh. Mohammed AlKooheji.	Member	✓	✓	✓	✓

10. Human Resources – Organization Chart



10. Human Resources – Key Management Profile

NAIR BAYAN ALSULAMI - CHIEF EXECUTIVE OFFICER

Board and C- Level Operations Executive with a demonstrated record of exceeding profitability goals, turning around underperforming units, increasing revenues, and driving business development. Recognized for working with leading firms in KSA and transforming business operations. Broad experience in establishing profitable start-up divisions, growth business lines, and deal transactions.

MOHAMED JASSIM ALEBRAHIM– CHIEF FINANCIAL OFFICER

Mr. Mohamed Alebrahim comes with an experience of over 14 years in the Finance and Accounting discipline, of which he has been in the Islamic Banking sector in the Kingdom of Bahrain. He contributed as a member of several working groups of Accounting Standards issued by AAOIFI. He joined GLFL as Chief Financial Officer in 2022; before this, he was Deputy Head of Finance of Al Baraka Group in Bahrain. Mr. Mohamed reports to GLFL CEO on budgetary aspects and performance. He is also responsible for regulatory matters, including writing to SAMA. His other responsibilities include financial statements of the Company as well.

ADIL SIDDIQI – HEAD OF CREDIT AND RISK

Mr. Adil is a seasoned banking professional with over 20 years of experience in the banking and financial sector. He succeeded in developing and managing large portfolios in many banks and financing companies. Mr. Adil holds a Bachelor's degree in Financial Management and another Bachelor's degree in Accounting.

MR. ABDULWAHAB ALHARBI – HEAD OF INFORMATION TECHNOLOGY

Mr. Abdulwahab has 18 years of experience implementing technology projects, developing product requirements, and analyzing support strategies and processes to improve operations and efficiency. Before joining GLFL, he was IT Director and IT Manager of several companies in various industries such as Financial Services, Manufactory, Dairy, and Medical. His qualifications include a bachelor's degree in Engineering Technology from the College of Telecom and Electronics in Jeddah and a Diploma in Computer Science from Alamiyah Institute in Jeddah.

FAHAD ALBALAWI – CYBER SECURITY MANAGER

Fahad is Cyber Security professional who has experience in many sectors, such as private, semi-Government, and Government, to enable and develop Cyber Security. He has served on noticed Banking, Insurance, and Telecommunication Saudi Companies as cyber security for over 9 years of experience. Mr. Fahad Holds a bachelor's degree in Informatics from Trine University in the USA with other Professional Cyber certifications related to Cyber Security.

MOHAMMED HENISHI– HUMAN RESOURCE MANAGER

Mr. Mohamad Henishi has held various HR Professional positions for over 5 years. He started his journey as an HR Officer at Alemies Medical Company, then as Human Resources Business Partner at Mohammad Al-Dossary Hospital, then as an HR Manager at Murjan Medical Company. Recently, he started working as an HR Manager at Gulf Lifting Financial Leasing Company. Mr. Mohammad holds a BSc in Healthcare Administration from Northern Illinois University in Illinois, USA.

SAEED ALMALKI – HEAD OF GOVERNANCE AND COMPLIANCE

Saeed has experience of over 19 years in the Banking Sector, where he held various positions, including Compliance Advisory Manager, Policies and Procedures Manager, and Head of the Customer Care Department. In addition, Saeed has a diploma from the Institute of Public Administration and other professional certificates from the Financial Academy in compliance.

SULTAN ALBAKER– HEAD OF THE INTERNAL AUDIT

Mr. Sultan is a self-motivated professional with more than 10 years of experience, primarily in internal functions within the financial sector; Mr. sultan got his bachelor's degree from UBT in finance and is certified in Governance, Compliance, and Risk CGRC. During his years of experience, he has a great experience with different government regulations related to financial sector compliance and corporate governance.

SALEM ALZAMANAN– CUSTOMER CARE MANAGER

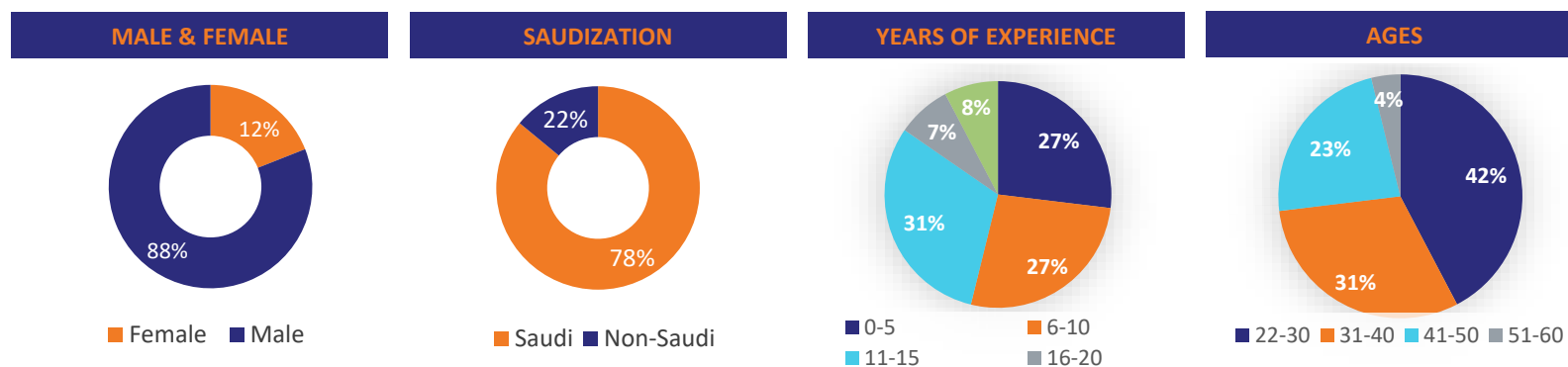
Mr. Salem has held various investment management and corporate governance positions for over 12 years. He started his career as an Investor Relations and Compliance Officer at Tawuniya Insurance Company, then held the position of Investor Relations and Compliance Officer at Najran Cement Company and recently held the position of Head of the Customer Care Department at GLFL Company for Financial Lease. Mr. Salem holds a Bachelor's degree in Business Administration from King Abdulaziz University. And a diploma in accounting from the Gulf Institute (New Horizons) and various professional courses in several fields.

HASSAN ABDULLAH AL-ZHRANI – ACTING OPERATIONS MANAGER

Mr. Hassan has over 10 years of experience in the banking sector. He held various positions, including Acting Document Preparation Manager, Compliance Specialist, Credit Limits, and Business Continuity and Systems Development Coordinator. In addition, Hassan holds a diploma from the Institute of Public Administration and other professional certificates from Moody's in accounting for credit professionals and other professional certifications.

10. Human Resources – People Analysis

AGES				YEARS OF EXPERIENCE				
22-30	31-40	41-50	51-60	0-5	6-10	11-15	16-20	21 or More
11	8	6	1	7	7	8	2	2
42%	31%	23%	4%	27%	27%	31%	8%	8%



11. Board Members and Senior Management Compensation

The following details belong to remuneration and compensation paid to Board members, committees' members, and executive management

DETAILS	BOARD MEMBERS	COMMITTEES MEMBERS	EXECUTIVE MANAGEMENT
Salaries and Compensation	Nil	Nil	2,301,500
Allowance	Nil	Nil	268,212
Annual & Periodical Remuneration	180,000	180,000	Nil
Incentives	Nil	Nil	Nil
Compensation and Benefits	30,000	52,589	Nil

12. Declaration from Board and Management

The Board Member confirms that;

- The company prepares its financial statement per international financial reporting standard ["IFRS"] as required by the finance lease laws and regulations.
- Proper books of the finance department have been maintained.
- There is no doubt about the ability of the company to continue the business as a going concern.

13. Interest of Board Members and Executive Management

The following board members own 1% of GLFL equity: Ali Abdullah Kanoo, Faisal Khalid Kanoo, and Ahmed Fawzi Kanoo.

14. Social Services Responsibilities

The company derives its activities related to its social responsibility from its commitment to contributing towards a better future by caring for the local communities. Maintaining the professional relationship and acting as a guide and advocate. Focusing on integrating health and social work services means that social workers often work in multidisciplinary teams.

15. Laws and Regulations Applicable

Gulf Lifting Financial Leasing Company adhered to the Saudi Companies law, rules, and regulations of the Saudi Central Bank. As a result, in 2022, no penalty was incurred on the company by SAMA.

16. External Financial Auditor

KPMG was appointed as an external auditor for the year ended 31 December 2022, for remuneration of SAR 263,000 for the three-quarters reviews, annual audit, SAMA annual prudential certification, and Zakat preparation.

17. Related Parties

Related parties represent shareholders, directors, and key company management personnel and entities controlled or significantly influenced by such parties. Amounts due from/to related parties are disclosed in the statement of financial position. The transaction with associated parties mainly includes collection on behalf of the company and certain expenses and services undertaken at manually agreed terms and conditions. The management and board approve these transactions of directors of the company.

DESCRIPTION	TRANSACTION			
	BEGINNING BALANCE	PAYMENT FROM GLFL	PURCHASE INVOICE FROM KANOO*	ENDING BALANCE
Yousuf Bin Ahmed Kanoo	34,037	872,192	15,876,900	15,038,978

*Invoice issued from Yousif Bin Ahmed Kanoo (Machinery Division) for a couple of GLFL clients.

18. Annual General Assembly Meeting (AGM) – 27 June 2022

During the AGM meeting, the following decisions were made by shareholders :

1. Approve the annual board of director report 2021,
2. Approve the annual financial statements for the fiscal year ending on December 31, 2021, and the external auditor's report.
3. Approve the audit & compliance committee report for the fiscal year ending on December 31, 2021.
4. Approve absolving the members of the board of directors and the executive management of liability for their management of the company during the fiscal year ending on 12/31/2021.
5. Approve the election of Dr. Faisal Kanoo to be chairman and Mr. Ahmed Kanoo, vice-chairman of the board of directors, after obtaining the central bank's no objection.
6. Approve the election of Mr. Fahad El-Fawaz and Mr. Ghassan Nassif to be members of the board of directors of gulf lifting financial leasing company.
7. Approve the reappointment of KPMG as the external auditors for the company for the year 2022.
8. Approve the related parties' transactions.
9. Approve the approval of the nominations and remunerations committee charter.
10. Approve remunerations and financial allowances for members of the board of directors and its sub-committees
11. Approve the issuance of a power of attorney that includes authorizing the board of directors and the CEO to open, close, and manage portfolios and investment funds at all authorized local banks and financial companies and end all procedures related to it.

19. Financial Reporting Standards

The annual audited financial statement for the year ended 31 December 2022 of Gulf Lifting Financial Leasing Company has been prepared in accordance with international financial reporting standards (IFRS) as issued by the international accounting standard boards (IASB). The board takes this opportunity to thank the government of Saudi Arabia, particularly the Saudi Central Bank and the Ministry of Commerce, for their support. The board also places on record appreciation for shareholders for their confidence and support and to the company employee for their effort and professionalism.

20. Audited Financials 2022



GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

For the year ended
31 December 2022



KPMG Professional Services

16th Floor, Al Barghash Tower
6189 Prince Turki Road, Al Kurnaish
P.O. Box 4803
Al Khobar, 34412 - 3146
Kingdom of Saudi Arabia
Commercial Registration No 2051062328

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب. ٤٨٠٣
الخبير ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Gulf Lifting Financial Leasing Company (A Closed Joint Stock Company)

Opinion

We have audited the financial statements of Gulf Lifting Financial Leasing Company ("the Company"), which comprise the statement of financial position as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

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 are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. 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 IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, 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, the Board of Directors, are responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report

To the Shareholders of Gulf Lifting Financial Leasing Company (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 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 judgement and maintain professional scepticism 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, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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 the internal control that we identify during our audit of Gulf Lifting Financial Leasing Company ("the Company").

KPMG Professional Services

Abdulaziz Abdullah Alnaim
License No: 394



Al Khobar, 14 February 2023
Corresponding to: 23 Rajab 1444H

GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(Expressed in Saudi Riyals)

	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Net investment in finance leases	3	63,681,962	62,367,112
Investment	4	892,850	892,850
Intangible assets	5	337,500	337,500
Property and equipment	6	538,884	309,276
Total non-current assets		65,451,196	63,906,738
Current assets			
Current portion of net investment in finance leases	3	56,303,484	49,370,168
Prepayments and other current assets	7	2,656,531	3,039,088
Cash and cash equivalents	8	106,111,321	100,516,853
Total current assets		165,071,336	152,926,109
TOTAL ASSETS		230,522,532	216,832,847
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	10	165,800,000	165,800,000
Statutory reserve		31,228	-
Retained earnings / (accumulated losses)		222,454	(58,630)
TOTAL SHAREHOLDERS' EQUITY		166,053,682	165,741,370
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	11	252,479	107,385
Deposits from Saudi Central Bank (SAMA)	20.1	-	23,761,416
Total non-current liabilities		252,479	23,868,801
Current liabilities			
Trade payables		3,892,442	25,285
Accrued expenses and other current liabilities	12	1,652,072	957,858
Provision for Zakat	13	3,006,171	1,176,429
Due to a related party	9	15,038,978	34,270
Current portion of deposits from Saudi Central Bank (SAMA)	20.1	40,487,357	24,421,409
Advance from customers		139,351	607,425
Total current liabilities		64,216,371	27,222,676
TOTAL LIABILITIES		64,468,850	51,091,477
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		230,522,532	216,832,847

Dr. Faisal Khalid Kanoo
Chairman

Nair Bayan Alsulami
Chief Executive Officer

Mohammed Jasim Alebrahim
Chief Financial Officer

The accompanying notes from 1 to 22 appearing on pages 6 to 35 form an integral part of these financial statements.

GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Saudi Riyals)

	Note	2022	2021
INCOME			
Income from operations			
Finance lease income		13,479,625	12,727,687
Income from other activities			
Other income	14	2,123,242	650,093
Total income		<u>15,602,867</u>	<u>13,377,780</u>
EXPENSES			
Loss on account of participation to SAMA deferred payment program	20.2	(2,724,885)	(4,607,517)
Salaries and other employee related expenses		(7,649,233)	(5,598,137)
Legal and professional charges		(1,961,218)	(1,723,619)
Rent and related expenses	16	(438,110)	(540,268)
Depreciation charge	6	(136,286)	(109,933)
Amortization charge	5	-	(687,962)
Reversal of provision/ (provision) for investment in finance leases	3	1,700,500	(2,819,465)
Other general and administration expenses	17	(1,311,941)	(1,510,007)
Insurance expense		(663,798)	(770,443)
Total expenses		<u>(13,184,971)</u>	<u>(18,367,351)</u>
Profit/ (loss) before Zakat		<u>2,417,896</u>	<u>(4,989,571)</u>
Zakat expense for the year	13	(2,105,612)	(275,869)
Profit / (loss) for the year		<u>312,284</u>	<u>(5,265,440)</u>
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
- Re-measurement gain on defined benefit plans-	11	28	31,993
Other comprehensive income for the year		<u>28</u>	<u>31,993</u>
Total comprehensive income/ (loss) for the year		<u>312,312</u>	<u>(5,233,447)</u>
Earnings per share – basic and diluted	15	<u>0.02</u>	<u>(0.52)</u>

Dr. Faisal Khalid Kando
Chairman

Nair Bayan Alsulami
Chief Executive Officer

Mohammed Jasim Alebrahim
Chief Financial Officer

The accompanying notes from 1 to 22 appearing on pages 6 to 35 form an integral part of these financial statements.

GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Saudi Riyals)

	Share capital	Statutory reserve	Additional equity contribution	Retained earnings/ (accumulated losses)	Total
Balance at 1 January 2021	100,000,000	-	90,644,283	(19,269,466)	171,374,817
Loss for the year	-	-	-	(5,265,440)	(5,265,440)
Other comprehensive income for the year	-	-	-	31,993	31,993
Total comprehensive loss for the year	-	-	-	(5,233,447)	(5,233,447)
Penalty paid to SAMA relating to the year 2020 (note 17.1)	-	-	-	(400,000)	(400,000)
Transfers (note 10)	65,800,000	-	(90,644,283)	24,844,283	-
Balance at 31 December 2021	165,800,000	-	-	(58,630)	165,741,370
Balance at 1 January 2022	165,800,000	-	-	(58,630)	165,741,370
Profit for the year	-	-	-	312,284	312,284
Other comprehensive income for the year	-	-	-	28	28
Total comprehensive income for the year	-	-	-	312,312	312,312
Transfer to statutory reserve	-	31,228	-	(31,228)	-
Balance at 31 December 2022	165,800,000	31,228	-	222,454	166,053,682

The accompanying notes from 1 to 22 appearing on pages 6 to 35 form an integral part of these financial statements.

GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Saudi Riyals)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities			
Profit / (loss) before Zakat		2,417,896	(4,989,571)
<i>Adjustments for:</i>			
- Provision for investment in finance leases	3	(1,700,500)	2,819,465
- Loss on account modification of lease contracts payment terms	20.2	1,551,597	4,842,863
- Loss/ (gain) on account of fair value adjustments for interest free SAMA deposits, net	20.2	1,173,288	(235,346)
- Depreciation	6	136,286	109,933
- Amortization	5	-	687,962
- Employees' end of service benefits	11	163,622	148,794
- Loss on disposal of property and equipment		-	13,421
		3,742,189	3,397,521
<i>Changes in:</i>			
- Net investment in finance leases		(8,099,263)	(28,209,559)
- Prepayments and other current assets		382,557	(32,185)
- Due to a related party		15,004,708	(160,410)
- Trade payables		3,867,157	(61,517)
- Advance from customers		(468,074)	(2,015,943)
- Accrued expenses and other current liabilities		694,214	376,961
Cash generated from/ (used in) operating activities		15,123,488	(26,705,132)
Employees' end of service benefits paid	11	(18,500)	(160,442)
Zakat paid	13(b)	(275,870)	(232,168)
Penalty paid to SAMA	17.1	-	(400,000)
Net cash generated from/ (used in) operating activities		14,829,118	(27,497,742)
Cash flows from investing activities			
Acquisition of property and equipment	6	(365,894)	(88,748)
Acquisition of intangible asset	5	-	(337,500)
Net cash used in investing activities		(365,894)	(426,248)
Cash flows from financing activities			
Deposits received from SAMA	20.1	16,236,275	18,275,016
Repayment of deposits to SAMA	20.1	(25,105,031)	(12,518,326)
Net cash flows (used in)/ from financing activities		(8,868,756)	5,756,690
Net changes in cash and cash equivalents		5,594,468	(22,167,300)
Cash and cash equivalents at beginning of the year		100,516,853	122,684,153
Cash and cash equivalent at end of the year	8	106,111,321	100,516,853

GULF LIFTING FINANCIAL LEASING COMPANY
(CLOSED JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
(Expressed in Saudi Riyals)

	<u>Note</u>	<u>2022</u>	<u>2021</u>
SUPPLIMENTARY INFORMATION			
Non-cash transactions:			
Loss/ (gain) on account of fair value adjustments for interest free SAMA deposits, net	20.2	<u>1,173,288</u>	<u>(235,346)</u>
Lease modification loss	20.2	<u>1,551,597</u>	<u>4,842,863</u>
Transfer of end of service benefits to accrued expenses and other current liabilities	11	<u>-</u>	<u>78,039</u>

The accompanying notes from 1 to 22 appearing on pages from 6 to 35 form an integral part of these financial statement.

Thank You