

(PREVIOUSLY KNOWN AS BH Mubasher Financial Services PSC)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION Six-month period ended

30 June 2021



(PREVIOUSLY KNOWN AS BH Mubasher Financial Services PSC)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

For the six-month period ended 30 June 2021

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Shareholders

BHM Capital Financial Services PSC (previously known as BH Mubasher Financial Services PSC)

We have reviewed the accompanying condensed consolidated interim financial information of BHM Capital Financial Services PSC ("the Company") (previously known as BH Mubasher Financial Services PSC) and its subsidiary (collectively referred to as "the Group) as at 30 June 2021, comprising of the condensed consolidated interim statement of financial position as at 30 June 2021 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes, prepared for interim reporting purposes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not give a true and fair view of the financial position of the Group as at 30 June 2021, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards.

RSM Dahman

Ahmed Mohamed Salem Bamadhaf

Registration No.: 459

Dubai, United Arab Emirates

4 August 2021

بالمبون و بدفقون و استشاريون المبرية على ١١٨٥٥ - ديس اعبر P.O.Box: 11855, Dubai - U.A.E. RSM Dahman Accountants - Auditors - Consultants

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION 30 June 2021

ASSETS	Note	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
NON-CURRENT ASSETS			
Goodwill and other intangible assets Property and equipment Investment properties Financial assets at F.V through other comprehensive	4 5	42,724,586 11,174,334 5,250,000	43,122,735 11,401,822 5,250,000
income	6	3,753,946	3,753,946
Total non-current assets		62,902,866	63,528,503
CURRENT ASSETS			
Short term deposit under lien Prepayments and other receivables Financial assets at F.V through profit and loss Cash and bank balances	7 6 9	13,101,000 179,409,994 10,136,318 212,014,032	13,101,000 170,798,795 8,848,421 220,933,543
Total current assets		414,661,344	413,681,759
Total assets		477,564,210	477,210,262
EQUITY AND LIABILITIES CAPITAL AND RESERVES			
Share capital Treasury shares Legal reserve Fair value through OCI reserve Retained earnings Merger reserve	10 10(a) 10(b)	563,841,748 (2,000,000) 4,241,735 (115,793) 7,516,856 (390,410,680)	563,841,748 (2,000,000) 4,241,735 (115,793) 2,401,109 (390,410,680)
Total equity		183,073,866	177,958,119
NON-CURRENT LIABILITIES			
Bank borrowings Employees' end of service benefits	11	3,884,482 2,256,221	4,243,050 1,766,165
Total non-current liabilities		6,140,703	6,009,215
CURRENT LIABILITIES			
Trade and other payables Bank borrowings	12 11	287,632,505 717,136	292,525,792 717,136
Total current liabilities		288,349,641	293,242,928
Total equity and liabilities Independent auditors' review report on page 1.		477,564,210	477,210,262

Abdel Hadi AL Sadi CEO

The attached notes 1 to 19 form an integral part of the condensed interim financial integral part of the condense integra

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Six Months Ended 30 June 2021

		Six months ended		Three mont	hs ended
INCOME	Note	30 June 2021 AED (Un-audited)	30 June 2020 AED (Un-audited)	30 June 2021	30 June 2020
Commission income Income from margin trading Finance income Other Income		15,822,286 7,962,575 22,890 2,211,753	9,972,084 5,579,843 1,164,423 922,230	7,582,145 4,270,504 5,841 1,040,881	5,893,083 2,929,652 785,829 547,768
		26,019,504	17,638,580	12,899,371	10,156,333
EXPENSES					
General and administrative expenses Financial charges Net gain (loss) on the investment	15	(21,363,945) (304,614)	(15,570,374) (588,158)	(10,110,320) (165,311)	(7,879,959) (225,423)
at the fair value		764,802	215,449	227,725	1,052,708
		(20,903,757)	(15,943,083)	(10,047,906)	(7,052,674)
PROFIT FOR THE PERIOD		5,115,747	1,695,497	2,851,465	3,103,659
STATEMENT OF COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss:					
Other comprehensive income Net other comprehensive income not to be reclassified subsequently to profit or loss		<u>-</u>	<u>-</u>		
Items that will be reclassified subsequently to profit or loss:					
Net other comprehensive (loss) to be reclassified subsequently to profit or loss					
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		5,115,747	1,695,497	2,851,465	3,103,659
Basic and diluted earnings per share (AED per share)	,	0.009	0.003	0.005	0.005

The attached notes 1 to 19 form an integral part of the condensed interim financial information.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

Six Months Ended 30 June 2021

	Share capital AED	Treasury reserve AED	Legal shares AED	Merger reserve AED	Fair value through OCI AED	(Accumulated losses) / Retained earnings AED	Total AED
	Note 10	Note 10(a)	Note 10(b)	Note 10(c)			
Balance at 1 January 2020	563,841,748	(2,000,000)	3,664,641	(390,410,680)	(115,793)	(2,792,736)	172,187,180
Total comprehensive profit for the period							
Profit for the period	-	-	-	-	-	1,695,497	1,695,497
Other comprehensive income for the period							
Total comprehensive profit for the period	-	-	-	-	-	1,695,497	1,695,497
Balance at 30 June 2020	563,841,748	(2,000,000)	3,664,641	(390,410,680)	(115,793)	(1,097,239)	173,882,677
Balance at 1 January 2021	563,841,748	(2,000,000)	4,241,735	(390,410,680)	(115,793)	2,401,109	177,958,119
Total comprehensive profit for the period Profit for the period Other comprehensive income for the period	-	-	-	-	-	5,115,747	5,115,747
Total comprehensive profit for the period	-	-	-	-	-	5,115,747	5,115,747
Balance at 30 June 2021	563,841,748	(2,000,000)	4,241,735	(390,410,680)	(115,793)	7,516,856	183,073,866

The attached notes 1 to 19 form an integral part of the condensed interim financial information

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

Six Months Ended 30 June 2021

	Six month	s ended
	30 June 2021	30 June 2020
	AED (Un-audited)	AED (Un-audited)
OPERATING ACTIVITIES	(On-addited)	(On-addited)
Profit for the period Adjustment for:	5,115,747	1,695,497
Depreciation on property and equipment Amortization of intangible assets Unrealized gain on investment Interest on bank borrowings Interest income on deposits Exchange gain Provision for employees' end of service benefits	942,805 398,150 218,081 69,760 (22,890) (783,814) 493,406	887,913 408,208 711,097 229,756 (1,163,922) (213,891) 340,962
Operating profit before working capital changes	6,431,246	2,895,620
Change in short term deposit under lien Change in prepayments and other receivables Change in due from related parties	- (8,611,201) -	25,000,000 (4,855,125) (37,238,545)
Change in trade and other payables	(1,377,802)	50,471,558
Interest received on deposits Payment of gratuity	(3,557,757) 22,890 (3,350)	36,273,507 1,163,922 (302,257)
Cash flow from operating activities	(3,538,217)	37,135,172
INVESTING ACTIVITIES		
Purchase of furniture and equipment Purchase of financial assets through profit and loss Gain on disposal of property, plant and equipment	(715,316) (1,505,978)	(139,224) (7,368,182) 25,727
Cash flow from investing activities	(2,221,294)	(7,481,679)
FINANCING ACTIVITIES		
Repayment of bank borrowings Repayment of short term loan	(358,568)	(358,568) (24,000,000)
Interest paid on bank borrowings	(69,760)	(229,756)
Cash used in financing activities	(428,328)	(24,588,324)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS Exchange Gain	(6,187,838) 783,814	5,065,170 213,891
Net (Decrease)/Increase in cash and cash equivalents after exchange loss Cash and cash equivalents at 1 January	(5,404,024) 20,307,515	5,279,061 3,975,326
CASH AND CASH EQUIVALENTS AT 30 JUNE	14,903,491	9,254,387

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASHFLOWS

Six Months Ended 30 June 2021

	30 June 2021 AED	30 June 2020 AED
Represented by: Cash and bank balances Client deposits	212,014,032 (197,110,541)	156,726,760 (147,472,373)
Cash and cash equivalents at the end of period	14,903,491	9,254,387

The attached notes 1 to 19 form an integral part of the condensed interim financial information

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION 30 June 2021

1 Legal status and principal activities

BHM Capital Financial Services PSC ("the Company") (previously known as BH Mubasher Financial Services PSC), was incorporated on 11 March 2006 in accordance with the provisions of UAE Federal Law No. 2 of 2015. The name of the Company has been changed to BHM Capital Financial Services PSC ("the Company") from quarter 2nd 2021.

On 14 July 2009, Al Safwa Islamic Financial Services established a subsidiary by subscribing to 10,000,000 shares of AED 1 each representing 100% equity shares in Al Safwa Capital LLC (the "subsidiary") incorporated in the Emirates of Sharjah in accordance with the provision of the UAE Federal Companies Law no. 2 of 2015. The principal activity of the subsidiary is to hold investment properties and investment securities.

On 26 November 2015 Al Safwa was listed on Dubai Financial Market ("DFM") as Private Joint Stock Company (PrJSC).

As further explained in note 4, on 8 December 2016, the operations of Mubasher Financial Services LLC ("MFS") merged with Al Safwa and the combined entity was renamed as Al Safwa Mubasher Financial Services PrJSC. The Company continues to be listed on the DFM as a Private Joint Stock Company.

The condensed consolidated financial information comprise of the Company and its wholly owned subsidiary, Al Safwa Capital LLC (collectively referred to as "the Group").

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and other securities including margin trading.

The registered office of the Company is P.O. Box 26730, Dubai, United Arab Emirates.

The consolidated financial information have been approved by Board of Directors on 4 August 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

This condensed consolidated interim financial information for the three-months period ended 30 June 2021 has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

a) New and amended standards adopted by the Group:

The following revised new and amended standards are adopted in condensed consolidated interim financial information.

- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16)

The amendments provide temporary reliefs which address the temporary financial effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free profit rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a profit rate, equivalent to a movement in the market rate.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

These amendments had no impact on the condensed consolidated interim financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

b) New and amended standards not effective and not yet adopted by the Group

At the date of the condensed consolidated interim financial information, the following other standards, amendments, and Interpretations have not been effective and have not been early adopted by the Group:

New and amended standards not effective and not yet adopted by the Group	Effective date
IFRS 17 Insurance Contracts	1 January 2023

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) New and amended standards not effective and not yet adopted by the Group (continued)

The Group is currently evaluating the impact of this new standard. The Group will adopt this new standard on the effective date.

3 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2020.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Pursuant to a merger agreement between Al Safwa and MFS and shareholder resolutions of respective entities dated 21 January 2016, Ministerial Resolution number (499)/2016 issued by Ministry of Economy on 19 September 2016, and Emirates Securities and Commodities Authority ("ESCA") approval dated 11 October 2016 approving the merger, the Company commenced operations and traded as a combined entity under the revised name of BH Mubasher Financial Services PSC with effect from 8 December 2016, on completion of the formalities of the UAE exchanges which has now been updated to BHM Capital Financial Services PSC from quarter 2nd 2021. As a result of the merger goodwill and client relationship arose, goodwill is tested annually for the impairment and client relationship is being amortised over its useful life.

The movement in goodwill and other intangible assets during the year is as follows:

Coodwill

	Goodwill AED	Client relationships AED	Software AED	i otal AED
As at 1 January 2021 Amortisation for the period	38,379,061	4,740,000 (395,000)	3,674 (3,149)	43,122,735 (398,649)
As at 30 June 2021 (Un-audited)	38,379,061	4,345,000	525	42,724,586
As at 31 December 2020 (Audited)	38,379,061	4,740,000	3,674	43,122,735
5 INVESTMENT PROPERTIES				
			Property under	
			construction	Total
			AED	AED
As at 1 January 2020			5,250,000	5,250,000
As at 31 December 2020 (Audited)			5,250,000	5,250,000
As at 31 June 2021 (Unaudited)			5,250,000	5,250,000

Client relationships

Coffwore

Total

The investment property was under construction during the year that is why the Group did not yet started the depreciation on investments properties.

The fair value of Group's investment properties as at 30 June 2021 is AED 5.2 million (31 December 2020: 5.2 million based on unobservable market inputs (i.e. level 3).

The above investment property is on the name of chairman, Alhur Mohammed Hamad Alsuwaidi. He has confirmed that Group is the beneficial owner of this property.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

6 FINANCIAL ASSETS AT FAIR VALUE

The Group have the following financial assets:

FINANCIAL ASSETS AT F.V THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2021	31 December 2020
	AED	AED
	(Un-audited)	(Audited
	AED	AED
Investment in National Mass Housing Company	3,753,946	3,753,946

This investment represents 2.5% of interest held in National Mass Housing Company ("NMHC"), a private joint stock company incorporated in the sultanate of Oman and primarily involved in real estate development.

FINANCIAL ASSETS AT F.V THROUGH PROFIT AND LOSS

	30 June 2021	31 December 2020
	AED	AED
	(Un-audited)	(Audited)
Investments in local and foreign quoted shares	AED	AED
As at 1 January	8,848,421	1,034,613
Additions during the year	1,505,978	7,544,319
Fair value change during the period / year	(218,081)	269,489
As at 30 June / 31 December	10,136,318	8,848,421

Investment in securities classified as fair value through profit and loss (FVTPL) represent a portfolio of investments in local and foreign quoted shares.

7 PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2021 AED	31 December 2020 AED
	(Un-audited)	(Audited)
Receivable from customers (note 7.1)	158,119,253	159,705,288
Allowances for expected credit losses (note 7.2)	(47,358)	(47,358)
	158,071,895	159,657,930
Prepayments	1,143,655	931,521
Other receivables:		
- Net settlement due from:		
- Abu Dhabi Securities Exchange (ADX)	9,608,622	-
- NASDAQ	-	101,385
Deposits	6,201,898	5,811,751
Receivable from broker	3,001,729	3,250,886
Others	1,382,195	1,045,322
	179,409,994	170,798,795

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

7 PREPAYMENTS AND OTHER RECEIVABLES (continued)

- **7.1** As at 30 June 2021, market value of securities held as collateral amounted to AED 4.3 billion (31 December 2020: AED 3.8 billion) against receivables from customers.
- **7.2** Movement in allowance for expected credit losses:

	30 June 2021	31 December 2020
	AED	AED
	(Un-audited)	(Audited)
At 1 January	47,358	48,003
Reversal of provision	<u> </u>	(645)
At 30 June / 31 December	47,358	47,358

8 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include, parent, subsidiaries, key management personnel or their close family members.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, executive or otherwise, of the Group. Transactions with related parties are conducted on terms agreed mutually between the parties.

Significant transactions with related parties during the period are as follows:

8(a) Transactions during the period

	<u>Six month</u>	Six months ended		
	30 June 2021	30 June 2020		
	AED	AED		
	(Un-audited)	(Un-audited)		
Salary and benefits provided to key management personnels	2,121,723	1,323,726		
9 CASH AND BANK BALANCES				
	30 June 2021	31 December 2020		
	AED	AED		
	(Un-audited)	(Audited)		
Cash and bank				
- Group's deposits	14,903,425	20,305,391		
- Petty cash	66	2,124		
- Customers' deposits (note 9.1)	197,110,541	200,626,028		
Cash and bank	212,014,032	220,933,543		
Customer deposits	(197,110,541)	(200,626,028)		
Cash and cash equivalents	14,903,491	20,307,515		

9.1 In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("SCA"), the Group maintains separate bank accounts for amounts received from its customers ("customer deposits") which are not available to the Group other than to settle transactions executed on behalf of such customers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

10 SHARE CAPITAL

	30 June 2021 Number of shares AED (Un-audited)	31 December 2020 Number of shares AED (Audited)
In issue at 1 January	563,841,748	563,841,748
In issue at 30 June / 31 December	563,841,748	563,841,748
Total paid in capital (AED)	563,841,748	563,841,748

10(a) Treasury shares

The treasury shares represent 2,000,000 shares of the Group held by Al Safwa Capital LLC, which is a 100% subsidiary of the Company.

10(b) Legal reserve

The legal reserve of the current and comparative year is those of Safwa, which is the legal acquirer. In accordance with UAE Federal Law (2) of 2015, a minimum of 10% of the annual profit is to be transferred to this non-distributable statutory reserve. Such transfers may cease when the statutory reserve becomes equal to half of the paid up share capital.

10(c) Merger reserve

The amount recognised as issued equity instruments in the condensed consolidated financial statements are determined by adding the issued equity of the legal acquiree (Mubasher Financial Services) outstanding immediately before the business combination to the fair value of the legal acquirer (Al Safwa Islamic Financial Services). However, the equity structure (i.e. the number and type of equity instruments issued) reflects the equity structure of Al Safwa Islamic Financial Services, including the ordinary shares issued by Al Safwa Islamic Financial Services to effect the merger. The difference between the share capital and statutory reserve of Al Safwa Islamic Financial Services and the equity value of the Group as per IFRS 3 was transferred to a merger reserve.

The calculation for balances outstanding on the merger reserve as at 30 June 2021 and 31 December 2020 is shown in the table below.

	30 June 2021 AED	31 December 2020 AED
	(Un-audited)	(Audited)
Share capital of MFS transferred to merger reserve	31,000,000	31,000,000
Less: share capital of Safwa outstanding	(563,841,748)	(563,841,748)
Add: statutory reserve of MFS	14,221,038	14,221,038
Less: statutory reserve of Safwa	(3,631,718)	(3,631,718)
Add: Purchase consideration in business combination	129,841,748	129,841,748
Add: treasury shares of Safwa	2,000,000	2,000,000
Total	(390,410,680)	(390,410,680)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

11 BANK BORROWINGS

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Bank borrowings (note 11.1)	4,601,618	4,960,186
Disclosed under statement of financial position as follows:		
Non-current portion of bank borrowings Current portion of bank borrowings	3,884,482 717,136	4,243,050 717,136
	4,601,618	4,960,186

11.1 In 2008, the Group was granted a forward Ijarah facility from the Islamic Bank to purchase an office space in the Emirate of Dubai. On 8 November 2012, the Group obtained the possession of office premises and the Ijarah facility of AED 24,051,620 was rescheduled to be repayable in 180 equal monthly instalments commencing from 8 December 2012. The Ijarah facility bears a profit rate of EIBOR plus 1.75% p.a. and is secured by a first degree registered mortgage over the property.

12 TRADE AND OTHER PAYABLES

	30 June 2021	31 December 2020
	AED	AED
	(Un-audited)	(Audited)
Customers' deposits	197,110,541	200,626,028
Customers' deposits with foreign markets	18,555,881	19,117,050
Net settlement due to:		
- Dubai Financial Market	11,602,695	9,375,706
- NASDAQ Dubai	30,456	-
- Abu Dhabi Securities Exchange	-	14,395,755
Short term advances	44,515,587	38,753,969
Other payables and accruals	15,817,345	10,257,284
Total trade and other payables	287,632,505	292,525,792

Trade payables mainly represent deposits from customers for the purpose of trading by the Group on their behalf.

13 CONTINGENT LIABILITIES

	30 June 2021 AED (Un-audited)	31 December 2020 AED (Audited)
Abu Dhabi Securities Exchange (ADX) Dubai Financial Markets (DFM) NASDAQ Dubai Limited (NASDAQ) Securities and Commodities Authority (SCA)	23,000,000 11,000,000 5,527,500 1,000,000	23,000,000 11,000,000 5,527,500 1,000,000
	40,527,500	40,527,500

The guarantees issued are secured by fixed deposits of AED 13,101,000 (31 December 2020: AED 13,101,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

14 COMMITMENTS

	30 June 2021	31 December 2020
	AED	AED
	(Un-audited)	(Audited)
Development expenditure on investment property	281,507	281,507

The Group has a commitment of development expenditure on investment properties amounting to AED 281,507 (31 December 2020: AED 281,507). The Group has signed an agreement with a contractor on 2 February 2014 to construct six sheds on land which is classified as investment property in the Group's condensed consolidated interim financial information. The total value of the contract is AED 2.6 million and as at the reporting date the Group has paid AED 2.38 million as per the agreement.

15 GENERAL AND ADMINISTRATIVE EXPENSES

	Six month	<u>Six months ended</u>		Three months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	
	AED	AED	AED	AED	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	
Staff cost	12,550,006	10,037,107	6,046,591	5,075,994	
Trading cost	2,792,287	2,332,449	1,389,194	1,193,995	
Depreciation	942,805	887,913	484,455	445,717	
Amortization	398,150	408,208	199,074	204,104	
Rent	213,027	237,850	106,515	118,965	
Legal and Professional	291,615	166,775	135,365	140,725	
Registration and licensing	425,437	420,247	220,534	210,814	
Communication	166,386	322,351	84,464	146,380	
Other expenses	3,584,232	757,474	1,444,128	343,265	
	21,363,945	15,570,374	10,110,320	7,879,959	

16 FAIR VALUE HIERARCHY OF ASSETS MEASURED AT FAIR VALUE

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 June 2021 (Un-audited)				
Financial assets – Investment at fair value through P&L	10,136,318	-	-	10,136,318
Financial assets – Investment at fair value through OCI		-	3,753,946	3,753,946
31 December 2020 (Audited)				
Financial assets – Investment at fair value through P&L	8,848,421	-	-	8,848,421
Financial assets – Investment at fair value through OCI		-	3,753,946	3,753,946

There is no movement in Investment at fair value through OCI and hence, a level 3 reconciliation is not presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 30 June 2021

17 OPERATING SEGMENTS

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group has two segments, one segment as its primary activity is to act as an intermediary in dealings in shares, stocks, debentures and other securities in the UAE and second segment is to provide advisory services to customers.

18 BASIS AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit or loss for the period attributable to owners of the Group by the weighted average number of shares outstanding during the period as follows:

	30 June 2021	30 June 2020
	AED	AED
	(Un-audited)	(Un-audited)
Profit for the period attributable to shareholders of the Group	5,115,747	1,695,497
Weighted average number of shares outstanding during the period	563,841,748	563,841,748
Basic and diluted earning per share (AED per share)	0.009	0.003

19 COMPARATIVES

Certain comparative figures have been reclassified, wherever necessary, to conform to the presentation adopted in these condensed interim financial statements.