

**AL WASEELA FUND – “F” CLASS
(Under liquidation)**

CONDENSED INTERIM FINANCIAL STATEMENTS

15 July 2019

**AL WASEELA FUND – “F” CLASS
(Under liquidation)**

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the period from 1 January 2019 to 15 July 2019

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF AL WASEELA FUND – "F" CLASS (UNDER LIQUIDATION)

Introduction

We have reviewed the accompanying 15 July 2019 condensed interim financial statements of Al Waseela Fund – "F" Class (Under liquidation) ("the Fund"), which comprise:

- the condensed statement of financial position as at 15 July 2019;
- the condensed statement of profit and loss and other comprehensive income for the period from 1 January 2019 to 15 July 2019 and 16 April 2019 to 15 July 2019;
- the condensed statement of changes in net assets attributable to the unit holders for the period from 1 January 2019 to 15 July 2019;
- the condensed statement of cash flows for the period from 1 January 2019 to 15 July 2019; and
- notes to the condensed interim financial statements.

The Founder of the Fund is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' and the applicable provisions of the Qatar Central Bank regulations. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial statements Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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 interim financial statements as at 15 July 2019 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' and the applicable provisions of the Qatar Central Bank regulations.



Emphasis of a matter

We draw attention to Note 1 in the condensed interim financial statements, which describes that the condensed interim financial statements of the Fund have been prepared on a non-going concern basis as the Fund is under liquidation. Our conclusion is not modified in respect of this matter.

5 August 2019
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors Registry No. 251

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 15 July 2019**

In Qatari Riyals

	Note	15 July 2019 <i>(Reviewed)</i>	31 December 2018 <i>(Audited)</i>
ASSETS			
Cash and cash equivalents	3	822,293	27,757,862
Investment securities at fair value through profit or loss	4	17,535,687	18,988,720
Other receivables		7	19
TOTAL ASSETS		18,357,987	46,746,601
LIABILITIES			
Other payables and accrued expenses	5	95,466	1,248,503
Subscription pending allotment		5,500	-
Outstanding cancellations		160,831	25,800,076
TOTAL LIABILITIES		261,797	27,048,579
NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS		18,096,190	19,698,022
		Units	Units
NUMBER OF UNITS IN ISSUE		873,753	980,531
NET ASSET VALUE PER UNIT (QR)		20.7109	20.0891

05 AUG 2019


Amit Sah
EGM
Head of Retail Banking
The Commercial Bank (P.S.Q.C.)


Rehan Khan
EGM
Chief Financial Officer
The Commercial Bank (P.S.Q.C.)

The attached notes 1 to 8 form an integral part of these condensed interim financial statements.

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)**

CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 January 2019 to 15 July 2019 and 16 April 2019 to 15 July 2019

In Qatari Riyals

	Note	For the period		For the period	
		16 April 2019 to 15 July 2019 <i>(Reviewed)</i>	16 April 2018 to 15 July 2018 <i>(Reviewed)</i>	1 January 2019 to 15 July 2019 <i>(Reviewed)</i>	1 January 2018 to 15 July 2018 <i>(Reviewed)</i>
INCOME					
Dividend income		86,884	310,697	776,879	2,127,311
Gain on sale of investment securities at fair value through profit or loss		249,149	2,601,276	246,052	2,096,972
Gain / (loss) from changes in fair value on investment securities at fair value through profit or loss		76,555	(141,851)	(103,611)	2,823,020
Other income		1,085	7,395	3,441	17,795
INCOME, NET		413,673	2,777,517	922,761	7,065,098
EXPENSES					
Performance fees	7	-	(255,025)	(8,942)	(776,360)
Management fees	7	(67,486)	(185,248)	(148,594)	(395,878)
Administration fees	7	(21,840)	(21,836)	(47,320)	(47,724)
Custodian fees	7	(6,749)	(18,525)	(14,860)	(39,588)
Brokerage commissions		(3,520)	(54,904)	(12,884)	(117,071)
Other operating expenses	6	(75,808)	(70,314)	(136,003)	(115,320)
TOTAL EXPENSES		(175,403)	(605,852)	(368,603)	(1,491,941)
INCOME FOR THE PERIOD		238,270	2,171,665	554,158	5,573,157
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		238,270	2,171,665	554,158	5,573,157

The attached notes 1 to 8 form an integral part of these condensed interim financial statements.

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)**

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS
For the period from 1 January 2019 to 15 July 2019 In Qatari Riyals

	Number of units	<i>Net assets attributable to the units holders</i>
Balance at 1 January 2018 (audited)	<u>2,789,773</u>	<u>45,785,439</u>
Total comprehensive income for the period		5,573,157
<u>Contributions and redemptions by unit holders:</u>		
Issue of redeemable units during the period	3,508	61,165
Redemption of redeemable units during the period	<u>(74,932)</u>	<u>(1,304,863)</u>
Balance at 15 July 2018 (reviewed)	<u>2,718,349</u>	<u>50,114,898</u>
Balance as at 1 January 2019 (Audited)	980,531	19,698,022
Total comprehensive income for the period		554,158
<u>Contributions and redemptions by unit holders:</u>		
Issue of redeemable units during the period	2,552	51,456
Redemption of redeemable units during the period	<u>(109,330)</u>	<u>(2,207,446)</u>
Balance at 15 July 2019 (reviewed)	<u>873,753</u>	<u>18,096,190</u>

The accompanying notes 1 to 8 form an integral part of these condensed interim financial statements.

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)
CONDENSED STATEMENT OF CASH FLOWS**
For the period from 1 January 2019 to 15 July 2019

In Qatari Riyals

	Note	For the period	
		1 January 2019 to 15 July 2019 <i>(Reviewed)</i>	1 January 2018 to 15 July 2018 <i>(Reviewed)</i>
OPERATING ACTIVITIES			
Profit for the period		554,158	5,573,157
<i>Adjustments for:</i>			
Gain / (loss) from changes in fair value on investment securities at fair value through profit or loss		103,611	(2,823,020)
Operating profit before changes in operating assets and liabilities		657,769	2,750,137
<i>Changes in:</i>			
Investment securities at fair value through profit or loss		1,349,422	432,910
Other receivables		12	(150)
Outstanding cancellations		(25,639,245)	(43,718)
Other payables and accrued expenses		(1,153,037)	720,561
Net cash (used in) / from operating activities		(24,785,079)	3,859,740
FINANCING ACTIVITIES			
Proceeds from issuance of redeemable units		51,456	61,165
Subscriptions pending allotment		5,500	10,500
Payment for redemption of redeemable units		(2,207,446)	(1,304,863)
Net cash used in financing activities		(2,150,490)	(1,233,198)
Net (decrease) / increase in cash and cash equivalents		(26,935,569)	2,626,542
Cash and cash equivalents at 1 January		27,757,862	802,360
Cash and cash equivalents as at the end of period		822,293	3,428,902

The attached notes 1 to 8 form an integral part of these condensed interim financial statements.

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
For the period from 1 January 2019 to 15 July 2019

1. LEGAL STATUS AND MAIN ACTIVITIES

Al Waseela Fund – “F” Class (“the Fund”) was established on 14 November 2006, as an open ended fund and is registered in the Investment Funds Register at the Ministry of Economy and Commerce under registration certificate no. 34168 and is licensed by the Qatar Central Bank under license no. I.F/6/2006 in accordance with Law No. (25) of 2002 concerning Investment Funds, and its Implementation Regulations, promulgated by virtue of Ministerial Resolution No. (69) of 2004 of the Minister of Business and Trade.

The Fund was founded by The Commercial Bank (P.S.Q.C), (the “Founder”) with a Commercial Registration Number 150; QCB License No. BC/101/1975, licensed, supervised and regulated by Qatar Central Bank established under the laws of the State of Qatar and having its principal office at P.O. Box 3232 Doha, State of Qatar.

The Fund is managed by National Bank of Oman (“Fund Manager”) and the custodian of the Fund is HSBC Bank Middle East Limited (“Fund Custodian”), Qatar Branch with an office at P.O. Box 57 Doha, State of Qatar.

The condensed interim financial statements for the period from 1 January 2019 to 15 July 2019 were authorised for issue by the Founder on 5 August 2019.

Under the Articles of Association clause 27 (a), if the capital of the Fund falls below 2,500,000 units, the Fund shall be terminated and liquidated (“liquidation event”). During the year 2018, due to significant redemptions, the number of units fell below 2,500,000 units triggering the liquidation event. The Fund is under the process of liquidation and will make an offer to each unit holder to either redeem their units for cash or exchange with new units issued from Al Waseela Fund (formerly Al Waseela Fund – “Q” class), on an appropriate NAV valuation to be determined. Accordingly, these condensed interim financial statements have been prepared on non-going concern basis.

Objective of the Fund and Nature of its Activity

The Fund invests primarily in shares and other securities issued by companies established or operating in Qatar. The benchmark for performance is the Doha Securities Market Index.

However, the Fund Manager has the flexibility to invest up to 40% of the portfolio in shares and other securities issued by companies operating or established in other GCC countries. The exposure to GCC markets will only be increased when the Fund Manager believes opportunities in those markets are greater than available opportunities in Qatar on a short to medium term basis. It is not expected that the weighting in other GCC markets will be significant on a long term basis as the Fund’s objective is to participate in the growth of Qatar’s economy and capital markets.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The condensed interim financial statements of the Fund for the period from 1 January 2019 to 15 July 2019 have been prepared in accordance with IAS 34 – “*Interim Financial Reporting*” and the applicable provisions of the Qatar Central Bank regulations and is presented in Qatari Riyals (“QR”), which is the functional and presentation currency of the Fund.

The condensed interim financial statements do not contain all statements and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2018. In addition, results for the period from 1 January 2019 to 15 July 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

These condensed interim financial statements have not been prepared on a going concern basis because of the decision to liquidate the Fund as explained in Note 1.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

As a result the following measurement principles have been applied in the preparation of these condensed interim financial statements:

- Assets are measured at the amounts expected to be collected upon sale. The sale price normally approximates fair value, which assumes an orderly transaction; however, this may not always be the case.
- Liabilities continue to be recognised at the amount required by the relevant IFRS and are not re-measured to reflect any anticipation that the entity will be legally released from the obligation. However, estimates and provisions may need to be revised as a result of the entity’s liquidation (e.g., timing of payments).

The preparation of the condensed interim financial statements require Founder to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by Founder in applying the Fund’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2018.

Standards, amendments and interpretations issued

New standards, amendments and interpretations effective from 1 January 2019

The accounting policies applied in these condensed interim financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2018, except for the adoption of the following new standard:

- IFRS 16 Leases

The adoption of the above standard had no significant impact on these condensed interim financial statements.

New standards, amendments and interpretations issued but not yet effective

- IFRS 17 Insurance Contracts (Effective 1 January 2021 with proposal to defer to 1 January 2022)

The standard does not apply to the Fund.

3. CASH AND CASH EQUIVALENTS

	15 July 2019	31 December 2018
	<i>(Reviewed)</i>	<i>(Audited)</i>
Current account	822,293	27,757,862

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(UNDER LIQUIDATION)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
For the period from 1 January 2019 to 15 July 2019

In Qatari Riyals

4. INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	15 July 2019 (Reviewed)	31 December 2018 (Audited)
Listed equity securities – State of Qatar	15,108,530	18,404,530
Listed equity securities – Kuwait	1,898,148	1,165
Listed equity securities – UK	529,009	583,025
	<u>17,535,687</u>	<u>18,988,720</u>
Net changes in fair value during the period / year	<u>(103,611)</u>	<u>544,750</u>

5. OTHER PAYABLES AND ACCRUED EXPENSES

	15 July 2019 (Reviewed)	31 December 2018 (Audited)
Performance fees	8,942	1,186,826
Management fee	21,604	12,460
Administration fees	7,280	3,640
Custodian fees	2,160	1,246
Other accruals	55,480	44,331
	<u>95,466</u>	<u>1,248,503</u>

6. OTHER OPERATING EXPENSES

	For the period		For the period	
	16 April 2019 to 15 July 2019 (Reviewed)	16 April 2018 to 15 July 2018 (Reviewed)	1 January 2019 to 15 July 2019 (Reviewed)	1 January 2018 to 15 July 2018 (Reviewed)
Custody transaction fees	10,920	10,920	23,660	21,537
Investor transaction fees	2,190	7,446	5,256	12,264
Monthly investment plan service fee	2,184	2,184	4,732	4,772
Miscellaneous expenses	60,514	49,764	102,355	76,747
	<u>75,808</u>	<u>70,314</u>	<u>136,003</u>	<u>115,320</u>

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)
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For the period from 1 January 2019 to 15 July 2019

In Qatari Riyals

7. RELATED PARTIES TRANSACTIONS

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 or operational decisions.

Management fees

The Fund Manager receives a management fee based on the net asset value estimated based on traded values, payable quarterly in arrears using the annual rate of 1.5% which is shared equally with the Founder.

Custodian fees

The Fund Custodian charges a custodian fee based on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Fund Custodian.

The Fund Custodian, in addition to the custodian fees, is entitled to custody transaction fee of QR. 219 per investment sale or purchase and investor transaction fees of QR. 146 for each subscription and redemption into and from the Fund.

Administration fees

The Fund has engaged the services of the Fund Custodian to provide administrative services for a fee. The fees are charged on cumulative net asset value of Al Waseela Funds in accordance with the rates included in the revised agreement between the Founders and the Custodians.

Performance fees

The Fund Manager is entitled to a performance fees calculated at 20% of any incremental increases of net asset value over a 10% hurdle rate. This performance fee is shared equally with the Founder.

Investment plan service fees

The Fund pays the Fund Custodian an investment plan services fees of QR.728 per month.

Redemption fees

Redemption fees equal to 1% of the net asset value of the units being redeemed will be payable to the Fund by the relevant unit holders on the redemption proceeds of units redeemed. The redemption fee is shared equally between the Fund and the Founder. This amount will be charged at the time of redemption of units by the unit holders.

	15 July 2019 (Reviewed)	31 December 2018 (Audited)
Statement of financial position items		
Accrued performance fees	8,942	1,186,826
Accrued management fees	21,604	12,460
Accrued administration fees	7,280	3,640
Accrued custodian fees	2,160	1,246
Accrued investment plan service fees	728	364
	<u>40,714</u>	<u>1,204,536</u>

	For the period		For the period	
	16 April 2019 to 15 July 2019 (Reviewed)	16 April 2018 to 15 July 2018 (Reviewed)	1 January 2019 to 15 July 2019 (Reviewed)	1 January 2018 to 15 July 2018 (Reviewed)
Statement of comprehensive income items				
Performance fees	-	255,025	8,942	776,360
Management fees	67,486	185,248	148,594	395,878
Administration fees	21,840	21,836	47,320	47,724
Custodian fees	6,749	18,525	14,860	39,588
Investment plan service fees	2,184	2,184	4,732	4,772
	<u>98,259</u>	<u>482,818</u>	<u>224,448</u>	<u>1,264,322</u>

**AL WASEELA FUND – “F” CLASS
(UNDER LIQUIDATION)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**
For the period from 1 January 2019 to 15 July 2019

8. FAIR VALUE HIERARCHY

The Fund uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Investment securities at fair value through profit or loss – held for trading are valued as per the Level 1 valuation method.