

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**15 October 2020**

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
As at and for the period from 1 January 2020 to 15 October 2020

---

<b>CONTENTS</b>	<b>Page(s)</b>
Independent auditor’s review report	1 – 2
<b>Condensed interim financial statements</b>	
Condensed statement of financial position	3
Condensed statement of profit or loss and other comprehensive income	4
Condensed statement of changes in net assets attributable to the unit holders	5
Condensed statement of cash flows	6
Notes to the condensed interim financial statements	7 - 11



KPMG  
25 C Ring Road  
P.O Box 4473, Doha  
State of Qatar  
Telephone: +974 4457 6444  
Fax: +974 4442 5626  
Website: home.kpmg/qa

## **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 October 2020 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 October 2020;
- the condensed statement of profit or loss and other comprehensive income for the period from 1 January 2020 to 15 October 2020 and 16 July 2020 to 15 October 2020;
- the condensed statement of changes in net assets attributable to the unit holders for the period from 1 January 2020 to 15 October 2020;
- the condensed statement of cash flows for the period from 1 January 2020 to 15 October 2020; 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 October 2020 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.

12 November 2020  
Doha  
State of Qatar

A handwritten signature in blue ink, appearing to read 'Gopal Balasubramaniam', written over a faint, light blue grid pattern.

Gopal Balasubramaniam  
KPMG  
Qatar Auditors Registry No. 251

**AL WASEELA FUND – “F” CLASS  
(UNDER LIQUIDATION)  
CONDENSED STATEMENT OF FINANCIAL POSITION**  
As at 15 October 2020

In Qatari Riyals

	Note	15 October 2020 (Reviewed)	31 December 2019 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	3	805,308	1,074,838
Investment securities at fair value through profit or loss	4	9,156,161	11,696,004
Other receivables		94	1
<b>TOTAL ASSETS</b>		<b>9,961,563</b>	<b>12,770,843</b>
<b>LIABILITIES</b>			
Other payables and accrued expenses	5	82,163	105,094
Outstanding cancellations		-	-
<b>TOTAL LIABILITIES</b>		<b>82,163</b>	<b>105,094</b>
<b>NET ASSETS ATTRIBUTABLE TO THE UNIT HOLDERS</b>		<b>9,879,400</b>	<b>12,665,749</b>
		Units	Units
<b>NUMBER OF UNITS IN ISSUE</b>		<b>523,395</b>	<b>640,716</b>
<b>NET ASSET VALUE PER UNIT (QR)</b>		<b>18.8756</b>	<b>19.7681</b>

Fuad Abdul Karim  
Liquidator

*(Handwritten signature)*  
C.A. / 11/10/20



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 2020 to 15 October 2020 and 16 July 2020 to 15 October 2020

In Qatari Riyals

	Note	For the period		For the period	
		16 July 2020 to 15 October 2020 <i>(Reviewed)</i>	16 July 2019 to 15 October 2019 <i>(Reviewed)</i>	1 January 2020 to 15 October 2020 <i>(Reviewed)</i>	1 January 2019 to 15 October 2019 <i>(Reviewed)</i>
<b>INCOME</b>					
Dividend income		-	-	418,328	776,879
Gain on sale of investment securities at fair value through profit or loss loss from changes in fair value on investment securities at fair value through profit or loss		183,292	454,332	87,081	700,384
Other income		267,301	(740,863)	(799,841)	(844,474)
		61	135	374	3,576
<b>INCOME, NET</b>		<b>450,654</b>	<b>(286,396)</b>	<b>(294,058)</b>	<b>636,365</b>
<b>EXPENSES</b>					
Performance fees	7	-	-	-	(8,942)
Management fees	7	(39,078)	(48,946)	(132,116)	(197,540)
Administration fees	7	(21,840)	(21,840)	(69,043)	(69,160)
Custodian fees	7	(3,908)	(4,894)	(13,212)	(19,754)
Brokerage commissions		(3,841)	(16,222)	(19,054)	(29,106)
Other operating expenses	6	(44,073)	(78,545)	(130,495)	(214,548)
<b>TOTAL EXPENSES</b>		<b>(112,740)</b>	<b>(170,447)</b>	<b>(363,920)</b>	<b>(539,050)</b>
<b>INCOME FOR THE PERIOD</b>		<b>337,914</b>	<b>(456,843)</b>	<b>(657,978)</b>	<b>97,315</b>
Other comprehensive income for the period		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>337,914</b>	<b>(456,843)</b>	<b>(657,978)</b>	<b>97,315</b>



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 2020 to 15 October 2020

In Qatari Riyals

	<b>Number of units</b>	<b>Net assets attributable to the unit's holders</b>
Balance at 1 January 2019 (audited)	<u>980,531</u>	<u>19,698,022</u>
Total comprehensive income for the period		97,315
<u>Contributions and redemptions by unit holders:</u>		
Issue of redeemable units during the period	3,161	63,593
Redemption of redeemable units during the period	<u>(326,621)</u>	<u>(6,654,120)</u>
Balance at 15 October 2019 (reviewed)	<u>657,071</u>	<u>13,204,810</u>
<b>Balance as at 1 January 2020 (audited)</b>	640,716	12,665,749
Total comprehensive loss for the period		(657,978)
<u>Contributions and redemptions by unit holders:</u>		
Issue of redeemable units during the period	-	-
Redemption of redeemable units during the period	<u>(117,321)</u>	<u>(2,128,371)</u>
<b>Balance at 15 October 2020 (reviewed)</b>	<u><b>523,395</b></u>	<u><b>9,879,400</b></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 2020 to 15 October 2020

In Qatari Riyals

	Note	For the period	
		1 January 2020 to 15 October 2020 <i>(Reviewed)</i>	1 January 2019 to 15 October 2019 <i>(Reviewed)</i>
<b>OPERATING ACTIVITIES</b>			
(Loss) / profit for the period		(657,978)	97,315
<i>Adjustments for:</i>			
Loss from changes in fair value on investment securities at fair value through profit or loss		799,841	844,474
Operating profit before changes in operating assets and liabilities		141,863	941,789
<i>Changes in:</i>			
Investment securities at fair value through profit or loss		1,740,002	5,303,161
Other receivables		(93)	(112)
Outstanding cancellations		-	(25,800,076)
Other payables and accrued expenses		(22,931)	(1,123,209)
<b>Net cash from / (used in) operating activities</b>		<b>1,858,841</b>	<b>(20,678,447)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issuance of redeemable units		-	63,593
Subscriptions pending allotment		-	3,500
Payment for redemption of redeemable units		(2,128,371)	(6,654,120)
<b>Net cash used in financing activities</b>		<b>(2,128,371)</b>	<b>(6,587,027)</b>
Net decrease in cash and cash equivalents		(269,530)	(27,265,474)
Cash and cash equivalents at 1 January		1,074,838	27,757,862
<b>Cash and cash equivalents as at the end of period</b>	3	<b>805,308</b>	<b>492,388</b>

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



## **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 2020 to 15 October 2020 were authorised for issue by the Founder on 12 November 2020.

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 QE Index – Qatar Stock Exchange.

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 2020 to 15 October 2020 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 2019. In addition, results for the period from 1 January 2020 to 15 October 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

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 2019.

The financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2019.

### Standards, amendments and interpretations issued

#### *New IFRS Standards, amendments and interpretations issued and effective on or after 1 January 2020*

- Definition of Material – Amendments to IAS 1 and IAS 8 (Effective 1 January 2020)
- Definition of a Business – Amendments to IFRS 3 (Effective 1 January 2020)
- Amendments to References to Conceptual Framework in IFRS Standards (Effective 1 January 2020)

The adoption of these new IFRS Standards and amendments had no significant impact on the financial statements of the Fund.

#### *IFRS Standards, amendments and interpretations issued but not yet effective*

The new IFRS Standards, amendments to IFRS Standards and interpretations which have been issued but are not yet effective for the period ended 15 July 2020 and have not been applied in preparing this interim condensed financial statements were as follows:

- IFRS 17 – “Insurance Contracts” (Effective on 1 January 2023)
- Amendments to IFRS 10 – “Consolidated Financial Statements” and IAS 28 – “Investments in Associates and Joint Ventures” on sale or contribution of assets between an investor and its associate or joint venture (Effective date deferred indefinitely / available for optional adoption)

The Fund does not plan to early adopt these IFRS Standards.

## 3. CASH AND CASH EQUIVALENTS

	<b>15 October 2020</b>	31 December 2019
	<i>(Reviewed)</i>	<i>(Audited)</i>
Current account	<b><u>805,308</u></b>	<u>1,074,838</u>

**4. INVESTMENT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>15 October 2020 (Reviewed)</b>	31 December 2019 (Audited)
Listed equity securities – State of Qatar	8,318,998	10,610,200
Listed equity securities – Kuwait	837,163	1,085,804
Listed equity securities – UK <sup>1</sup>	-	-
Investments at FVTPL	<u><b>9,156,161</b></u>	<u>11,696,004</u>
Net changes in fair value during the period / year <sup>1</sup>	<u><b>(799,841)</b></u>	<u>(1,028,437)</u>

(1) During the period, the Fund invested QAR 244,942 in the shares of NMC Health PLC (the “Company”). Pursuant to the identification of financial irregularities in the Company’s financial statements and suspension of trading of the Company’s shares from 27 February 2020, followed by the delisting of the Company on 27 April 2020 from London Stock Exchange, the Fund has assessed the fair value of its investment in the shares of the Company as zero and the related loss has been recognised in the income statement.

**5. OTHER PAYABLES AND ACCRUED EXPENSES**

	<b>15 October 2020 (Reviewed)</b>	31 December 2019 (Audited)
Performance fees	8,942	8,942
Management fee	12,172	8,337
Administration fees	7,280	3,757
Custodian fees	1,217	833
Other accruals	37,552	38,225
Liquidation fees	<u>15,000</u>	<u>45,000</u>
	<u><b>82,163</b></u>	<u>105,094</u>

**6. OTHER OPERATING EXPENSES**

	<b>For the period</b>		<b>For the period</b>	
	<b>16 July 2020 to 15 October 2020 (Reviewed)</b>	16 July 2019 to 15 October 2019 (Reviewed)	<b>1 January 2020 to 15 October 2020 (Reviewed)</b>	1 January 2019 to 15 October 2019 (Reviewed)
Custody transaction fees	10,920	10,920	34,521	34,580
Investor transaction fees	2,190	2,628	5,475	7,884
Monthly investment plan service fee	2,184	2,184	6,904	6,916
Miscellaneous expenses	<u>28,779</u>	<u>62,813</u>	<u>83,595</u>	<u>165,168</u>
	<u><b>44,073</b></u>	<u>78,545</u>	<u><b>130,495</b></u>	<u>214,548</u>

**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 AI 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 AI 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.

	<b>15 October 2020 (Reviewed)</b>	31 December 2019 (Audited)
<b>Statement of financial position items</b>		
Accrued performance fees	8,942	8,942
Accrued management fees	12,172	8,337
Accrued administration fees	7,280	3,757
Accrued custodian fees	1,217	833
Accrued investment plan service fees	728	376
	<b><u>30,339</u></b>	<b><u>22,245</u></b>

	<b>For the period</b>		<b>For the period</b>	
	<b>16 July 2020 to 15 October 2020 (Reviewed)</b>	16 July 2019 to 15 October 2019 (Reviewed)	<b>1 January 2020 to 15 October 2020 (Reviewed)</b>	1 January 2019 to 15 October 2019 (Reviewed)
<b>Statement of comprehensive income items</b>				
Performance fees	-	-	-	8,942
Management fees	39,078	48,946	132,116	197,540
Administration fees	21,840	21,840	69,043	69,160
Custodian fees	3,908	4,894	13,212	19,754
Investment plan service fees	2,184	2,184	6,904	6,916
	<b><u>67,010</u></b>	<b><u>77,864</u></b>	<b><u>221,275</u></b>	<b><u>302,312</u></b>

**AL WASEELA FUND – “F” CLASS  
(UNDER LIQUIDATION)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
As at and for the period from 1 January 2020 to 15 October 2020

---

**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, except for the Fund’s investment on the shares of NMC Health PLC which have been valued at zero, using the level 3 fair value techniques. Reconciliation of level 3 investments is below:

	<i>Amount in QAR</i>
Opening	-
Purchases	244,942
Fair value adjustment	(244,942)
Closing	-