



Transparency Report

For the financial year ended September 30, 2023



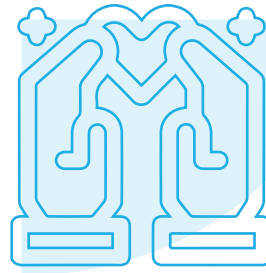
MOORE

Elsayed El Ayouty & co
Certified Public Accountants



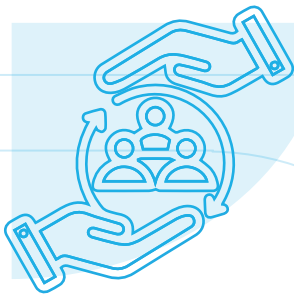
ACCESS

We're here for you whenever you need us



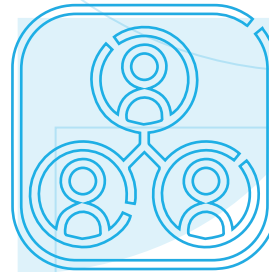
PASSION

Our drive and dedication deliver results



CARE

We'll guide and support you in a changing world



COMMUNITY

Our global family will help you realize your ambition

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Foreword

El Sayed El Ayouty & Co. Certified Public Accountants (“the firm”) was formed since 1954 in the Kingdom of Saudi Arabia, and it is one of the first accounting and auditing firms operating in the Kingdom. The company conducts its business across the main cities of Riyadh, Jeddah, and Khobar and has other branches.



One of the largest certified public accountants and consultants firms in kingdom, located in its main cities



The firm was formed since 1954

This early commitment to the Saudi market along with our unwavering focus on quality was the basis of our accumulated experience, and is reflected in our appointment by many of the Kingdom’s most prestigious companies.

The firm blend of Global expertise and local knowledge makes us as well positioned to serve the ever expanding Saudi Arabia businesses looking to join the global economy as well as international companies seeking to enter the Saudi market.

Our company includes elite partners, senior executives and distinguished professionals in various fields, all of whom contribute to providing unique and quality professional services to our clients and assist them in developing their business by providing innovative and distinctive solutions and providing advice, and realistic and logical analysis that enhances the growth and sustainability of their business and aspirations.

The firm has an advisory committee that includes both partners and senior executives. The committee sets strategic plans and objectives, verifies compliance with laws, regulations and legislation, and follows up on work progress.

The committee met during the reporting period and discussed the business plan, education and development plan, and reviewed the education and development plan, the statutory and regulatory requirements, and the committee also recommended raising the rate of Saudization in line with the firm's goals and future directions and trends.

Managing Partner's Speech

Our Firm has a long history of serving clients in the Kingdom of Saudi Arabia. We are one of the oldest public accounting firm based in Jeddah providing services in audit, zakat and tax compliance services. Our objective is to be at the leading edge of identifying and addressing the demands of local and international clients through constant innovation and service delivery. We intend to take advantage of the most recent technological advancements. Our objective is to provide our clients with an unparalleled standard of client service.

Furthermore, we aim to establish our firm as an environment that offers opportunities for professional development and personal satisfaction to all members of our staff, partners, and non-partners. We are confident that by implementing these strategies, our firm will become one of the most sought out firms in the market.



Abdullah Balamash
Managing Partner



Mohamed S.El Ayouty
Managing Partner



To be always being one of the **leading professional companies**, which is held in globally high esteem in the field of accounting and consulting, and to be the first choice in our field.



To enable our **members to succeed** by a strong and coherent leadership through a global network with a rich culture.



- *To be at the leading edge of identifying and addressing the demands of local and international clients. through constant Innovation and services.
- *To make advantage of the most recent Technological advancements.
- *To provide our clients with unparalleled standard of client services.
- *Establish our firm as an environment that offers opportunities to professional development and personal satisfaction to all members of our staff.



Our values



Seriousness in success



Quality



Innovation in what we do and how to make it a success



Supporting profitable growth of member



Credibility, ethics and openness



Show commitment to members employees and clients



Generating confidence through integrity and honesty



Readiness and responsiveness



The ability to innovate

Our services

We provide a set of integrated professional services to help our clients achieve growth and protect their wealth, and we are also working hard to ensure that our professional services add real value to our clients in a way that serves their aspirations and objectives.

Audit and assurance



Zakat and tax



Advisory



Litigations and liquidations



Legal Form

El Sayed El Ayouty & Co, Certified Public Accountants, is a Saudi professional partnership firm registered in the Kingdom of Saudi Arabia with the Ministry of Commerce under a professional registration number **4030291245**, and with the Capital Market Authority (CMA) with registration number **190600**. The Firm is also a member of Moore Global, a private UK company limited. The fiscal year is from 1 October to 30 September , every year.

Global Network

El Sayed El Ayouty & Co, Certified Public Accountants is an independent member of the Moore International Group Ltd, and Moore is considered one of the ten largest accounting and consulting firms in the world other than the Big Four. Moore International Group Limited and the member offices are independent legal entities, and there are no agreements between Moore and the member offices indicating the existence of an agency or partnership relationship. Moore provides its services to clients through the member offices, and the member offices are committed to adhering to the application of more methodology and policies. Furthermore, Moore applies the Quality Management of member offices periodically to verify their commitments.



More than 112 countries



More than 522 offices



More than 228 compines



More than 34,000 Specialized Employee



Ranked among top 10 companies in the world



Revenue is billion 3.9\$

Governance

We exert and harness our efforts to fulfill the legal and regulatory requirements related to governance, and our firm applies strict and stringent policies to ensure the compliance of the firm and all its employees, including partners and employees, in implementing our corporate governance policies, and the person responsible for compliance and compliance undertakes this role, and we continuously follow our governance policy and work on Updating it according to economic variables, legal and organizational requirements, and improving quality control, as our advisory committee reviews and discusses the policy and makes certain recommendations, if any, then it is submitted to the Council of Partners for approval.

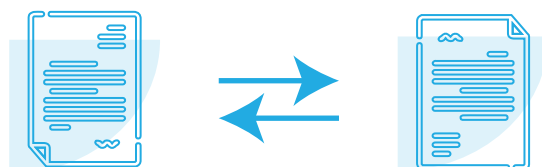
Independence policies

→ The independence of the company, partners and employees from clients

The company, including the partners and employees, shall comply with the professional standards and requirements of the code of conduct and ethics issued by the Saudi Organization for Certified Public Accountants, the International Professional Ethics Standards Board issued by the Council of International Standards for Professional Ethics for Accountants and all relevant regulations and requirements. We also follow a policy of rotating professional staff with audit clients specifically to ensure compliance with the requirements of independence in the best possible way. Moreover, we have assigned a responsible person to provide advice related to independence and verify that their requirements are met.

→ Independence of other auditors from clients

Our company carries out audits with other companies and offices in accordance with the requirements of the relevant local regulations, and accordingly we do our part to verify the commitment of other auditors to fulfill the requirements of independence.

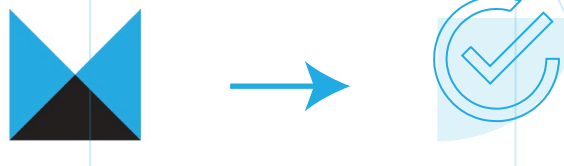


—> **Conflict of interests and threats to independence**

We periodically verify that there is no conflict of interest by advising our employees of the list of audit clients and services that require providing assurances. This includes the relevant parties and senior executives in the entity. We also verify the threats to independence during the client acceptance process and the continuation of dealing with it. This includes without limitation asserting independence in engagement letters as well as assessing continuity with clients who have fees owed in our favor to ensure that they do not affect our independence.

—> **Moore Global Independence and its member's offices**

Moore International owns a database that enables members to verify and assess the non-existence of a conflict of interest, and Moore manages the database in an integrated manner and works to update it periodically to ensure that there is no conflict of interest during the client acceptance process and the continuation of dealing with it. Moore International, in accordance with its relevant policies, obliges member offices to enter all services provided to their clients from listed companies for trading in the financial markets and their clients with public interest, including their clients related to listed companies for trading in the financial markets or those with public interest.



—> **Documenting independence**

Within our adopted policy related to independence, all members of our staff, including partners and employees, commit to submitting a set of forms and disclosures on an annual basis, in addition to reaffirming independence with each audit process or services that require providing assurances. El Sayed El Ayouty & Co. – Certified Public Accountants and Auditors - declares that the Firm's independence policies are well-established and effectively implemented. This fact is documented as part of the working papers.

Partner membership in establishments subject to the supervision of the Capital Market Authority:

The registered Partners do not have any membership in the Board of Directors of any of the establishments subject to the supervision of the Authority or in any of the committees of the establishments subject to the supervision of the Authority.

→ Basis for calculating partner`s remunerations

The calculation is made according to the followings:

7 % for the engagement partner

93% for shareholders in the share capital according to the shareholding % in the Company`s Articles of Association

93%

Shareholders in the share capital

7%

Engagement partner

Quality Management

International Standard for Quality Management

Moore Global Developed a Quality Management software platform to support network offices worldwide in conducting effective Quality Management on their audit practices and compliance with the new requirements of International Standards for Quality Management (ISQM 1 & 2) which effective on December 15,2022. This comes in response to the decision of the International Standards Board for Auditing and Assurance to issue a quality management standard that includes fundamental changes in the way professional accounting firms manage quality, which requires a risk-based and more proactive approach to quality management at the level of accounting firms.

We apply ISQC (1) in parallel with relevant ethical requirements to all audit and review engagements of financial statements and other assurance and related engagements.

Furthermore, connections that satisfy the application conditions are subject to Quality Assessment in accordance with the criteria outlined in International Quality Control Standard 2.

Quality Management process takes place through many points that are carefully studied, starting with identifying risks at the company level and leadership responsibility within the company, through client's acceptance policies, continuing engagement with them, and appropriate supervision of the implementation of engagements, with an effective mechanism for follow-up, evaluation, and exchange of information and communications, as follows:

1. Firm's Risk Assessment Process

In order to assist businesses in establishing their own Quality Management system, Moore's Global platform for Quality Management provides pre-designed templates for the standard's mandatory requirements as well as a guide to common objectives, risks, and responses.

Participants have the ability to alter the layout of these templates and manuals in a manner that aligns with the specifications of the Firm and is suitable for the professional setting. By utilizing the information provided on the Global Office Network platform, we have successfully identified the Firm's objectives, hazards, and fit responses.

Establishing quality objectives and identifying the following company-specific risks, the Firm has developed and executed a risk assessment procedure:

- Identify Quality Objectives & related sub-objectives.
- Identify Risks and Conducting Risk Assessments over these risks (based on Significance and Likelihood).
- Identify the appropriate Responses.

These are the policies and procedures the firm has implemented to address those risks..

2. Leadership and Governance

We have a full commitment to Quality Management and we have complied with and adhered to the application of the International Standard for Quality Management (1), in order to emphasize the significance and necessity of this when performing and implementing assurance and other related engagements.

We work periodically to allocate the necessary resources to develop and update the control policies and procedures related to quality to ensure our continuous commitment to maintaining the appropriate level when carrying out our work.

Our quality-related policies include strengthening the internal culture of the engagement team, including the partners, and taking into account the contracts, training and related professional development. We also specify a number of training hours to develop and maintain appropriate competence for engagement responsibilities and we also conduct a periodic evaluation on thereof.

We select candidates to work for us based on specific criteria related to the level of competence, performance, and educational and professional attainment, and not based on any other considerations.



Total compliance with quality control



Allocate the necessary resources



Strengthening the internal culture



Select candidates based on specific criteria



Firm's Risk Assessment

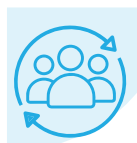
3. Relevant ethical requirements

We work to establish and implement the rules of professional conduct and ethical requirements among our employees, including partners, which must be adhered to when dealing with clients and colleagues, including the following:

- Organizing the professional relationship between all our employees.
- Organizing the contractual relationship between our staff and our clients.
- Maintaining objectivity, independence and confidentiality.
- Constant urge to show professional integrity.



Urging Professional integrity



Maintaining objectivity independence and confidentiality



Organizing the contractual relationship between our staff and our clients



Organizing the relationship between the employee of the company

4. Acceptance and continuity of relationships with the client and specified engagements

The firm relies in its policies regarding the acceptance of clients and the continuation of the relationship with them or the termination of that relationship on a set of standards and controls that are applied to ensure that clients meet the conditions of the firm to join or continue within clientele list. The process of accepting clients or continuing with them is based on the information that is collected about clients, whether before the engagement with them or during or after the implementation of the engagements, to ensure mainly the integrity and experience of the management, and the most important sources of that information are the following:

- ▬ Clients approved financial statements and official documents.
- ▬ Customers, suppliers and banks.
- ▬ Previous Public Accountant.
- ▬ Performed engagements.

Moreover, we implement annual evaluation procedures objective of which is to ensure that clients continue to fulfill the firms policies regarding client acceptance and the continuation of the relationship with them. Such procedures are properly documented, and we also review and evaluate periodically those related policies to ensure their efficiency and development if required.



Clients fulfil the firm`s conditions



gathering information about clients



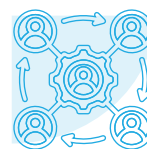
Annual procedures to ensure that clients are sati

5. Engagements' performance

The firm's policy is to provide a reasonable degree of satisfaction that the audit work has been carried out in a manner consistent with the quality levels approved by the firm. Also, our firm takes into account that its responsibility to develop appropriate policies and procedures for planning, implementing and supervising operations is an independent responsibility from the responsibilities of the engagement team responsible for planning. The implementation and supervision of the review process for our clients, and that matter is related to international auditing standards endorsed for application in the Kingdom of Saudi Arabia. The process of controlling and supervising the engagement process is carried out through preparing an estimated budget for the time required to implement the process, and the progress of work is constantly monitored during implementation, as well as the use of an index and model forms for the audit file that includes all the procedures to be implemented during the audit process.



Provide a reasonable degree of satisfaction



Control and supervision of field work

6. Human Resources

- An effective employee planning system is developed and implemented to ensure that the firm has a sufficient number of employees at the required levels and at the right time to perform the assignments through several factors, such as
- Employment, professional development and training for our staff, providing the opportunity for Saudi candidates to work for us, in addition to adhering to the requirements of the regulatory authorities with regard to continuing professional education.
- Appraising the performance of employees and promoting them in line with the technical capabilities and professional knowledge for each job level, in addition to fulfilling the requirements of the Saudi Organization of Certified Public Accountants (SOCPA) related to the evaluation of performance and promotions.
- The existence of a job description to determine the responsibilities at each level, the expected performance, the required qualifications and the experience. The standards or determinants that are taken into consideration in evaluating the performance of individuals according to the job level are specified.
- Discussing the performance of employees and informing them of the results of the evaluation periodically. The development and training plan is reviewed according to the job level.
- Reviewing the performance appraisal system periodically, and determining the job levels responsible for nominating promotions and the task of making promotion and termination of service decisions.



Job description to define responsibilities



Employee's evaluation



Employment



Review the performance appraisal periodically



Discussing employee performance periodically



Professional development and training

7. Monitoring and Remediation process

The planning, supervision and audit of all assignments undertaken by the Firm are appropriately carried out in accordance with the professional standards endorsed for application in the Kingdom of Saudi Arabia. The partner responsible for the engagement fully performs his responsibilities for the engagement, regardless of any authorization that may be made in order to perform the work necessary to issue the report. We have a policy for following up the implementation of the engagements periodically and continuously, through the responsible partner to ensure that the engagement is carried out in accordance with the relevant professional requirements. El Sayed El Ayouty & Co. – Certified Public Accountants and Auditors - declares that the Firm's system of Quality Control Management is well-established and effectively implemented



Follow up on the implementation
the engagements periodically and continuously



Planning, supervision
and audit of all assignments

8. Information and Communication

We follow a top-down approach in Information and Communication. We start with the Governance and Leadership team and adoption of policies and procedures. Information and communication are required to enable other components of the (System of Quality Management) SoQM to operate. This includes obtaining, generating and using information and communicating the information within the firm, for example, communicating policies to personnel, communication of information obtained during an audit with an engagement quality reviewer, or communication between group and component auditors. It also includes external communications such as to (Those Charged With Governance) TCWG or a regulators.

9. Quality Management inspection

The Quality of engagements is examined under the International Standard on Quality Management (2) for high-risk audit engagements, such as Public Interest Companies, and the quality review examiner has the following characteristics:

- Competence and ability to carry out the examination including sufficient time and appropriate authority.
- Complies with relevant professional conduct and ethics requirements.

The office network underwent its most recent inspection by the Quality Department. Subsequently, the Executive Director of Quality Management at Moore International-London conducted an additional inspection, Two engagements have been reviewed by the Quality Management and one engagement has been classified into the second category and also another one into the third category out of the five evaluation categories applied, which are:

- 1- There is no need for remedial action.
- 2- Simple remedial steps must be taken.
- 3- significant remedial action is necessary.
- 4- Immediate remedial action is essential.
- 5- Urgent remedial steps are necessary.

The root causes of these observations were also identified and an action plan was prepared that contains appropriate remedial measures, such as workshops/training courses/guidance manuals...etc., which are usually implemented during the period of November/December of each year to achieve the required development and to avoid the effects of the review results during the implementation of the work. Subsequent review, as well as improving documentation of review procedures and emphasis on the engagement team to avoid repetition of these observations.

Sanctions and Penalties



1-Penalties and violations

Our organization did not incur any penalties or violations throughout the preceding fiscal year.

2-Cases and claims

No litigation, claim, or investigation had been filed against the organization during the preceding fiscal year in a manner that could have an impact on its operations.

Saudization

We strive to empower Saudi youth energies, as we have developed a program that supports obtaining professional certificates, and the program is characterized by high flexibility and through which we provide material support, flexible working hours and paid study leave, in order to provide all possible means that assist our youth adequately prepare to reach their aspirations and their goals.

We also participate in providing cooperative training programs with Saudi universities according to flexible and appropriate training plans that are commensurate with the interests, desires and aspirations of the trainees.

The percentage of Saudi professionals reached 45 % and the percentage of Saudi Audit professionals reached 37 % and we have worked on developing a strategic plan with a clear objective to reach a rate of more than 50 % during the coming period.

Continuing Professional Education

We always strive to provide all possible means that would develop the knowledge and skills of our employees, and we are always working with care and diligence to enable our employees to obtain continuous vocational education and training, and we are adhered to providing continuous education according to a clear training strategy based on scientific and professional basis taking into account the suitability of the training programs according to the needs of both the individual and the collective levels. Many training programs were conducted during the reporting period, including some of the international accounting standards, anti-money laundering programs, commercial arbitration, zakat and taxes, liquidation, bankruptcy and financial reorganization



Zakat and tax softwares



Anti-money laundering and terrorist financing softwares



International standards IFRS -softwares



Liquidation, bankruptcy and financial reorganization softwares



International Standards for auditing Programs



International standards programs for Public sector



Governance, Risk management and compliance

Statement of the average hours of vocational education and training for each job level

Title	Average hours
Partner	100
Director	23
Manager	22
Professional employee	18

Financial Information

The total revenues, including auditing services for the financial year ended 30 September 2023 amounted to SR47.8 Million Saudi Riyals (unaudited) and the following are the details of the entities Subject to the Authority's supervision.

		47,8	SR Million
Total revenue from auditing processes for the entities subject to the authority's supervision			4,5
Total revenues from other operations of the *entities subject to the authority's supervision	Revenues from other operations of the entities subject to supervision of the organization for which audit services are provided		0,2
	other operations of the e entities subject to the authority's supervision for which audit services are not		-

Appendix 1



Partners



Managing Partner
Abdullah balamsh



Managing Partner
Mohamed S.El-Ayouty



Partner
Abdullah Alfaddaghi



Quality Mangement
Elsayed Hany



Logistics services manager
Abdulrahman Batarfi



Advisory committee
Partners Senior executives



Business Development
Krishna Moorthy



Audit and Assurance
services
Mahmoud Elsayed



Zakat and Tax
services
Saeed El heraiika



Litigations and
Liquidation services
Ehab Salmin

Appendix 2

Name of client

Partner responsible for the engagement

Saudi Enaya Cooperative Insurance Company	Abdullah Balamash
Walaa Cooperative Insurance Company	Abdullah Balamash
Al Etihad Cooperative Insurance Company	Abdullah Balamash
Buruj Cooperative Insurance Company	Abdullah Balamash
Naseej International Trading Company	Abdullah Balamash
Amana Cooperative Insurance Company	Abdullah Balamash
Makkah Construction and Development Company	Abdullah Balamash
National Gypsum Company	Abdullah Balamash
Al-Abdullatif Industrial Investment Company	Abdullah Balamash
Hail Cement Company	Abdullah Balamash
Saudi Arabian Refineries Company	Abdullah Balamash
Al Rajhi for Cooperative Insurance	Abdullah Balamash
Ladun Investment Company	Abdullah Balamash
Rawasi Al Bina Investment Company	Abdullah Balamash
Waja Company	Abdullah Balamash

Appendix 2

Name of client

Partner responsible for the engagement

Saudi Real Estate Company	Abdullah Balamash
Saudi Industrial Export Company	Abdullah Balamash
Munawala Cargo Company	Abdullah Balamash
Almuneef Company for Trade, Industry, Agriculture and Contracting	Abdullah Balamash
Watheeq Capital	Abdullah Balamash
Areeb Capital	Abdullah Balamash
Areeb Al Khara'an Multi Real Estate Opportunities Fund	Abdullah Balamash
Areeb Multi Real Estate Opportunities Fund	Abdullah Balamash
Areeb Multi Real Estate Opportunities Fund 2	Abdullah Balamash
Areeb Multi Real Estate Opportunities Fund 3	Abdullah Balamash
Areeb Al Oliya Walk	Abdullah Balamash
Areeb Development 1	Abdullah Balamash
Areeb Logistics Services 1	Abdullah Balamash
Areeb Hospitality Jeddah 1	Abdullah Balamash



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