

Mawaddah Association

Registered with the National Center for the Development of the Non-Profit Sector No. (492)

Statement of financial position

For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

Mawaddah Association

Registered with the National Center for the Development of the Non-Profit Sector No. (492)

Riyadh Region - Kingdom of Saudi Arabia

Financial statements for the financial year ending on December 31, 2025 AD

And the report of the independent auditor



Mawaddah Association

Registered with the National Center for the Development of the Non-Profit Sector No. (492)

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// there is a stamp of Mawaddah - a charitable developmental organization specialized in family stability - registered with the Ministry of Labor and Social Development //

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Statement of financial position

For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

AHC PROFESSIONAL CONSULTING

Independent reviewer report

To Mrs./ members of the General Assembly - The Respected,
Mawaddah Charity Association
Riyadh, Saudi Arabia

The opinion

We have reviewed the financial statements of the Mawaddah Charity Association, a non-profit entity, registered with the National Center for the Development of the Non-Profit Sector under No. (492). which include the statement of financial position as of December 31, 2025, the statement of activities, the statement of changes in net assets, and the statement of cash flows for the year then ended, as well as the notes to the financial statements, including material information about accounting policies. In our opinion, the attached financial statements of the Association fairly present in all material aspects the financial position as of December 31, 2025 AD, its financial performance and its cash flows for the fiscal year ending on December 31, 2025 AD, According to the standard of non-quarter-oriented establishments issued by the Saudi Environment for Auditors and Accountants, in addition to the requirements of the International Financial Reporting Standard for Small and Medium-sized Enterprises approved in the Kingdom of Saudi Arabia, and other standards and versions approved by the Saudi Organization for Auditors and Accountants.

The basis of opinion

We conducted the audit in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further detailed in the "Auditor's Responsibilities for the Audit of Financial Statements" section of our report. We are independent of the association in accordance with the rules of conduct and ethics of the Authority approved in the Kingdom of Saudi Arabia relevant to our audit of the financial statements,, and we have also fulfilled our other professional responsibilities under that Code. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

That the management is responsible for preparing and presenting the financial statements in accordance with the standard for non-profit organizations issued by the Saudi Organization for Certified Public Accountants , as well as the requirements of the International Financial Reporting Standard for Small and Medium Enterprises adopted in the Kingdom of Saudi Arabia, and other standards and publications approved by SOCPA, and in accordance with the Association's bylaws. It is the internal control that management deems necessary to prepare financial statements that are free from material misstatement resulting from fraud or error.

When preparing the financial statements, the management is responsible for evaluating the Association's ability to continue as a going concern and for disclosing, as appropriate, matters related to going concern principle, and for using the going concern basis of accounting, unless there is an intention to liquidate the association or stop its operations, or there is no appropriate option. . On the contrary. Those charged with governance are responsible for supervising the financial reporting process in the association.

The Auditor's responsibilities for the audit of the financial statements:

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit performed in accordance with International Standards on Auditing as adopted in the Kingdom of Saudi Arabia will always detect every material misstatement when it exists. Misstatements can arise from fraud or error. and are considered material, on their own or in the aggregate, if they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit, in accordance with the International Standards on Auditing adopted in the Kingdom of Saudi Arabia, we exercise visual judgment and maintain the breeding skepticism during the audit as we do the following:



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- Identifying and assessing the risks of material misstatement in financial statements, whether due to fraud or error, designing and implementing audit procedures to address those risks. and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Having the risk of not detecting a material misstatement resulting from error is higher than for one resulting from error, since fraud may involve collusion, forgery, willful omission, misrepresentation, or the override of the Association's internal control procedures.
- Obtain internal control values relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures prepared by management.
- Conclusion on the appropriateness of management's application of the going concern principle of accounting, and whether there is a material uncertainty related to events or circumstances that could cause significant doubts about the ability of the association to continue to operate in accordance with the going concern principle, If we find out that there is a material uncertainty, we must draw attention in our report to the relevant disclosures in the financial statements. Or, if those disclosures are insufficient, then our opinion is modified and our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue its business as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements express the transactions and events they represent in a manner that achieves fair presentation
- You communicate to management, among other things, for governance regarding a number of matters, including the scope and planned timing of the audit and the significant findings of the audit, including any significant deficiencies in internal control that we identify during the audit.

Report on other legal and regulatory requirements:

In our opinion, the attached financial statements of Mawaddah Charitable Association are consistent with the requirements of the system of charitable associations and institutions approved by the Ministry of Human Resources and Social Development and the association's articles of association with regard to preparing and presenting financial statements.

Riyadh: Shaaban 22, 1447 AH

Corresponding to February 10, 2025 AD

The Chartered accountant

Yazeed Abdullah Abdulaziz Al-Badiwi

// there is a signature //

License No. (565)

On Jumada al-Thani 10, 1438 AH.



Mawaddah Association

Registered with the National Center for the Development of the Non-Profit Sector No. (492)

Statement of financial position

For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

	The Clarification	2025 AD	2024 AD
		Saudi riyal	Saudi riyal
The findings			
Current assets			
Cash and its equivalent	(4)	7,588,296	1,405,933
Other debit balances	(5)	167,082	410,867
The Inventory	(6)	56,547	56,957
Total current assets		7,811,925	1,873,757
Non-current assets			
Property, plant and equipment - net	(7)	7,571,939	7,802,017
Intangible assets - net	(8)	41,634	92,000
Investment properties - at fair value	(9)	21,806,513	23,846,631
Total non-current assets		29,420,086	31,740,648
Total assets		37,232,011	33,614,405
liabilities and net assets			
Current liabilities			
Other credit balances	(10)	368,123	723,285
Total current liabilities		368,123	723,285
Non-current liabilities			
Provision for employee benefits	(11)	1,834,136	1,554,412
Total non-current liabilities		1,834,136	1,554,412
Total liabilities		2,202,259	2,277,697
Net assets			
Unrestricted net assets		34,890,987	30,412,243
Restricted net assets	(12)	138,765	924,465
Total net assets		35,029,752	31,336,708
Total liabilities and net assets		37,232,011	33,614,405



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For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

The accompanying notes are an integral part of the financial statements

	The Clarification	Restricted	Unrestricted	31 December 2025 AD	31 December 2024 AD
Revenue and donations					
Zakat donations	(13)	575,087	-	575,087	243,092
Restricted cash donations		20,114	-	20,114	-
In kind donations		-	32,200	32,200	228,217
Ehsan platform donations	(14)	523,672	-	523,672	701,699
Restricted revenue	(15)	4,348,975	-	4,348,975	4,475,384
In kind Ehsan platform donations		64,600	-	64,600	-
General cash donations		-	1,335,492	1,335,492	1,495,557
Voluntary services donations		-	187,429	187,429	196,594
Subscription revenue		-	244,200	244,200	173,300
rental income		-	1,871,000	1,871,000	1,791,000
Other income		-	15,930	15,930	-
Investment Returns		-	217,733	217,733	-
Text messenger donations		-	-	-	324,512
Sales revenue		-	-	-	400,466
Net assets freed from restrictions					
Reclassification to check in use		(6,318,148)	6,318,148	-	-
Total revenue and donations		(785,700)	10,222,132	9,436,432	10,299,821
Expenses and aid					
Activities revenue	(16)	-	(11,397,463)	(11,397,463)	(13,187,705)
Governance expenses	(17)	-	(711,432)	(711,432)	(709,110)
General and administrative expenses	(18)	-	(1,823,280)	(1,823,280)	(2,196,826)
Depreciation of property, plant and equipment	(7)	-	(197,697)	(197,697)	(216,987)
Amortization of intangible assets	(8)	-	(53,766)	(53,766)	(63,435)
Total expenses and aid		-	(14,183,638)	(14,183,638)	(16,374,063)
Change in net assets from continuing activities		(785,700)	(3,961,506)	(4,747,206)	(6,074,242)
Exceptional items					
Profits from the revaluation of assets at fair value		-	6,157,710	6,157,710	-
Profits related to investment property at fair value		-	2,303,167	2,303,167	21,000
Loss on disposal of Property, Plant and Equipment		-	(20,627)	(20,627)	-
Prior years adjustments are owed		-	-	-	(183,490)
The change in net assets is one of the exceptional items		-	8,440,250	8,440,250	(162,490)
Change in net assets during the year		(785,700)	4,478,744	3,693,044	(6,236,732)

The accompanying notes are an integral part of the financial statements



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	Unrestricted net assets	Restricted net assets	total
Balance as of December 31, 2023 AD	34,752,210	2,821,229	37,573,439
Total Comprehensive Loss	(4,339,967)	(1,896,764)	(6,236,732)
Balance as of December 31, 2024 AD	30,412,243	924,465	31,336,708
total comprehensive income	4,478,744	(785,700)	3,693,044
Balance as of December 31, 2025 AD	34,890,987	138,765	35,029,752

The accompanying notes are an integral part of the financial statements

- **The association did not create reserves during the fiscal year 2025 AD and up to the date of issuance of the financial statements.**



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	December 31, 2025 AD	December 31, 2024 AD
Cash flows from operating activities		
Change in net assets	3,693,044	(6,236,732)
Adjustments to the change in net assets		
Consumption of property, machinery and equipment	216,448	216,987
Consumption of property, machinery and equipment	(9,691)	-
Profit from revaluation of investment properties	(6,157,710)	-
Dispose of intangible assets	53,766	63,434
Employee Benefits Provision	468,945	515,366
Change in net assets after adjustments	(1,735,198)	(5,440,945)
Changes in current assets and liabilities		
Inventory	410	1,687
Other Debit Balances	243,785	41,496
Other Credit Balances	(355,162)	402,820
Paid from Employee Benefits Provision	(189,221)	(3,984)
Net cash flows used in operating activities	(2,035,386)	(4,998,926)
Cash flow from investing activities		
Purchase of property, machinery and equipment	(16,003)	(71,235)
Purchase of intangible assets	(3,400)	-
Profit from exclusions of investment properties	(2,302,172)	
Proceeds from the sale of property and equipment	10,500,000	
Disposals of Property, Plant and Equipment	39,324	-
Net cash flows from investing activities	8,217,749	(71,235)
Net change in cash and its equivalent	6,182,363	(5,070,161)
balance of Cash and its equivalent at the beginning of the year	1,405,933	6,476,094
balance of Cash and its equivalent at the end of the year	7,588,296	1,405,933

The accompanying notes are an integral part of the financial statements



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1) **Composition and activity**

Mawaddah Charity Association - a civil society - registered with the National Center for the Development of the Non-Profit Sector No. (492) on 10 Jammad Awwal 1430 AH corresponding to May 5, 2009 AD - its headquarters - Riyadh - Kingdom of Saudi Arabia.

The objectives of the association, according to its statute, are as follows:

- Preparing studies and research in the family field
- Motivating the concerned authorities to complete the system of legislation and procedures related to the family.
- Holding specialized courses to raise awareness of the causes of family cohesion, its contradictions, and the rights of its members in all circumstances.
- Educating women and men about their legal and civil rights.
- Holding specialized courses and programs to educate those about to get married
- Providing rehabilitation programs to enhance the ability of divorced women and those in judgment and two children to face the negative effects of divorce.
- Providing social assistance, psychological and legal advice by specialists, and preparing rehabilitation programs for family members.

The fiscal year:

The fiscal year begins on the first of January of the fiscal year 2025 AD and ends at the end of December of the fiscal year 2025 AD.

2) **Basis for preparing financial statements:**

The accompanying financial statements have been prepared in accordance with the accounting standards for non-profit organizations approved in the Kingdom of Saudi Arabia. And other requirements and issuances issued by the Saudi Organization for Auditors and Accountants, and the requirements for evidence, measurement and disclosure contained in the international standard for small and medium-sized enterprises.

The measurement bases

The accompanying financial statements have been prepared on the historical cost basis in accordance with the accrual accounting principle and the going concern concept, except as stipulated in the accounting policies below (note (3)).

The Functional and presentation currency

The financial statements were presented in Saudi riyals and in the functional and presentation currency of the association.

3) **The significant accounting policies**

3-1 Use of judgments and estimates

The preparation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-Sized Entities endorsed in the Kingdom of Saudi Arabia requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. These estimates and associated assumptions are based on historical experience and many other factors that are believed to be reasonable under the circumstances. The results of which form the basis for making judgments related to the book value of assets and liabilities that are not readily apparent from its sources. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.



3-1 Use of judgments and estimates (continued)

Information about assumptions and estimates that have a significant effect on the amounts recognized in the financial statements is provided below:

The continuity

The association's management has conducted an assessment of the association's ability to continue in accordance with the continuity principle, and is convinced that the association has sufficient resources to continue its business in the near future. In addition, the management does not have any material doubts about the ability of the association to continue as a going concern. Therefore, the financial statements are still being prepared on the basis of the going concern principle.

The Estimating the useful lives of property, equipment and intangible assets

The management estimates the useful lives of property, machinery, equipment and intangible assets for the purpose of calculating depreciation and amortization on a straight-line basis over their estimated useful lives. These estimates are determined after taking into account the expected use of assets, obsolescence and damage. The management reviews the residual value and useful lives annually, and changes in depreciation expense in the current and future periods, if any, are adjusted.

Impairment of non-financial assets

A non-financial asset is impaired when the carrying amount of the asset or cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit, which is the asset's fair value less costs to sell or its use value, whichever is greater. The fair value of an asset is estimated from sales that are made on an arm's length basis if the asset is identical or market prices are similar for the asset, it can be observed minus the additional costs of selling the asset. As for the value in use, we calculate based on the present value of the expected cash flows of the asset during the next five years. These expected cash flows do not include restructuring activities that the association is not committed to recovering. It is the most sensitive to the discount rate used to calculate the cash flows. As well as the expected future cash flows and the growth rate used for the purposes of estimating the value in use.

3-2 Cash and its equivalent

It includes cash on hand and at banks and short-term deposits with maturities of three months or less and which are subject to an insignificant risk of changes in value.

3-3 Classification of assets and liabilities from "current" to "non-current"

The association shows the assets and liabilities in the statement of financial position on a current / non-current basis

Assets are considered current because:

- When it is expected to be realized or intends to sell or exhaust it during the normal operations cycle.
- In the event that it is acquired primarily for trading purposes.
- When it is expected to be realized within twelve months after the financial year.
- When it is cash or cash equivalent unless there are restrictions on its exchange or use to pay off any liabilities for a period of not less than twelve months after the fiscal year, all other assets are classified as non-current.

3-3 Classification of assets and liabilities from "current" to "non-current" (continued)

All liabilities are current

- When it is expected to be paid during the normal operating cycle.
- if it is acquired primarily for trading purposes.

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- c- when due for repayment within twelve months after the fiscal year
- d- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the fiscal year, all other liabilities are classified as “non-current”.

3-4 Accounts receivable

Receivables are recognized at the transaction price All transactions are conducted on normal credit terms on behalf of each reporting period The carrying amounts of trade receivables are reviewed, to determine whether there is any objective evidence that the amounts are non-refundable. In that case, an allowance for doubtful debts is set aside based on the best estimates of the association.

3-5 the inventory

The inventory of donated goods is recognized until the date of the financial statements. They are recorded at their evaluation price upon receipt. The inventory of the purchased goods is recognized on the basis of the actual cost. The cost is determined on the basis of the average reference method.

3-6 Property, plant and equipment

Property and equipment are shown at cost after deducting accumulated depreciation and any impairment losses (if any). Repair and maintenance expenses are considered revenue expenses, but improvements expenses, they are considered capital expenditures, and no depreciation is calculated

The statement	The ratio
The buildings	3 %
The cars	25 %
The Furniture and decorations	10 %
The Devices, machinery and equipment	10 % - 25 %
The Equipment	10 %
The computers	25 %
Improvements to leased buildings	%40-%25

land. Depreciation is calculated on it based on its estimated useful life, using the straight-line method using the following annual depreciation ratios:

Rease productivity or the operational life of the assets. Direct costs are also capitalized. Non-major repairs and improvements are charged as expenses when they occur. The profit or loss resulting from the disposal of property and equipment, which represents the difference between the proceeds from the sale and the net book value of these assets at the date of sale, is recorded in the statement of activities.

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3-7 Intangible assets

Intangible assets represent purchased computer software, and are stated at cost less accumulated amortization and any accumulated losses in value. It is amortized over the estimated useful life of four years using the straight-line method, and if there is an indication of a significant change in the amortization rate, useful life, or residual value, the amortization is adjusted in the future.

3-8 Real estate investments - at fair value

Investment properties represent land or properties that are kept and are initially measured at cost and subsequently measured at fair value at the end of each financial period unless the association incurs unjustified costs and efforts.

3-9 commercial creditors

Financial liabilities are initially recognized at the transaction price (including transaction costs) Trade payables, amortized calculated liabilities are liabilities based on normal credit terms measured using the effective interest method.

3-10 The Allocations

The provision is recognized when the association has a current obligation (legal or constructive) as a result of past events and it is expected that the settlement of that obligation will result in an outflow from the association in the form of resources that include economic benefits and that the estimated costs facing these obligations are likely to occur and it is possible to estimate the value of the obligation in a reliable manner.

The value recognized as a provision represents the best available estimate of the consideration required to settle the present obligation at the balance sheet date, given the risks and uncertainties surrounding that obligation.

3-11 Long-term employee benefits.

The end of service reward for the employees of the association is calculated according to the requirements of the Saudi labor system based on the period spent by the employee in the service of the association. The association does not use the expected unit credit method when measuring the obligations of the service's remuneration, as the management of the association believes that there is an unjustified cost and benefit of measuring these obligations in this way.

3-12 Restricted and unrestricted assets and endowment assets

Restricted assets are part of the association's assets and are subject to restrictions, and those restrictions may be related to the use of assets for specific purposes (use restrictions) or the timing of this use (time restrictions) or restrictions related to both use and time. Restricted assets may be current assets, investments, financial assets, fixed assets or intangible assets

Unrestricted assets are part of the association's assets and are not subject to restrictions. They are under the full control of the association's management. Unrestricted assets may be current assets, investments, financial assets, fixed assets, or intangible assets.

Endowment assets are part of the association's assets that are subject to permanent restrictions on the part of the donor, and those restrictions may be related to the use of those assets for specific purposes, while preserving and investing them to provide a permanent source of income.

3-13 Transfers and Reclassification Policy

When restrictions imposed on a specific asset are lifted, including usage and time restrictions, restrictions imposed on restricted assets, endowment assets, and self-imposed restrictions, the association's management verifies that these restrictions are not continuous and that the donor's



restrictions have been fully implemented. Accordingly, the transfer of the activity list is made from the classifications of restricted income items and endowment income items to unrestricted income items under the name of reclassification to achieve the right of use.

3-14 The Revenue recognition

The association's resources are represented in membership fees, returns of the association's activities, alms, gifts and donations that the association receives from donors, investment returns from the association's funds, government grants decided for it, and subsidies allocated to it to support programs.

- A. The association should have the authority to manage the donation or dispose of it in any way, allowing it to determine how it will be used in the future.
- B. The association expects to receive the donation with a reasonable degree of confidence.
- C. The donation must be measurable with a reasonable degree of objectivity.

Other revenue

Other revenues that are considered incidental to the association's activity model are included as revenues as soon as they are earned or incurred. Revenues from Murabaha time deposits with banks are included on the basis of the actual return. (If any), donation revenues are recognized upon collection.

3-15 In-kind donations

In-kind donations are recognized with the assets received by the association, and are kept as inventory for the purpose of resale, or distribution as revenue in the list of activities and when reselling or distributing them, they are included as cost of goods sold or as expenses under the appropriate classification in the list of activities in a way that reflects the purpose of distributive. Assets received for the purpose of use, such as a building intended to be used as a facility for the facility, must be recognized as donation revenue in the activities list, and within the appropriate asset groups in the statement of financial position.

3-16 Expenses

Expenses are classified on a functional basis, and the association follows the accrual basis in recording expenses. Expenses vary in the association and can be distributed into major groups:

- A. Administrative expenses are the expenses incurred for the operation of the association
- B. Expenses of programs and activities, which are the expenses incurred by the association to manage its activities.
- C. Expenses and returns of endowments, which are the expenses of endowments to reach the net returns that should be distributed to the beneficiaries of the endowment.
- D. Investment expenses, which are administrative expenses related to investment-related divisions and units.
- E. Governance expenses, which are administrative expenses spent on the Board of Directors
- F. Fundraising expenses, which are the administrative expenses that are spent to develop the financial resources of the association and the marketing departments.

3-17 Foreign currency conversion

Transactions in foreign currency are converted into Saudi riyals at the conversion rates prevailing when the transaction is conducted, and financial assets and liabilities in foreign currencies as at the date of the statement of financial position are converted into Saudi riyals at the rates prevailing on that date. Gains and losses resulting from settlements or conversion of foreign currencies are included in the list of activities.

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3-18 lease contracts

Lease contracts are classified as a finance lease if they transfer all the risks and benefits related to ownership, and lease contracts are classified as an operating lease if they do not transfer nearly all of the economic risks and benefits of ownership. Determining whether it is a finance lease or an operating lease depends on the content of the transaction and not on the form of the contract.

3-19 clearing

An offset is made between the amounts of financial assets and financial liabilities and the net amount is included in the statement of financial position only when there is a binding statutory right to offset those amounts included, as well as when the association has the intention to settle them on a net basis or sell the assets to settle the liabilities at the same time.

4) Cash and its equivalent	December 31, 2025 AD	December 31, 2024 AD
Al Rajhi Sadaqah	7,091,126	161,173
Riyadh Sadaqah	388,443	37,150
Bank Al Rajhi	44,297	-
Riyadh donations	23,256	11,841
Bank Al jazira	18,211	1,953
Alinma Sadaqah	8,333	2,061
Saudi National Bank Charity	4,099	88,907
Bank Alinma	3,833	1,041,236
Alinma Zakat	2,574	13,274
Riyadh Zakat	1,798	46
Saudi National Bank Membership	1,584	47,834
Saudi National Bank Zakat	557	457
Al Rajhi Zakat	185	1
	7,588,296	1,405,933
5) Other debit balances	December 31, 2025 AD	December 31, 2024 AD
Value added tax	81,002	-
Prepaid expenses	62,134	71,777
Advance payments to suppliers	23,946	5,015
Employee Advances Cash\ Custodies	-	334,075
	167,082	410,867
6) Inventory	December 31, 2025 AD	December 31, 2024 AD
"House Between Two Hearts Stories" Inventory	38,918	41,611
Inventory Purchased for Distribution	9,841	9,841
Jarir Library Custody Inventory	7,547	5,097
Nada Hariri Custody Inventory	241	408
	56,547	56,957

The accompanying notes are an integral part of the financial statements

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7) Property, plant and equipment - net

	Ground	buildings	The cars	Furniture	Devices and equipment	Computers	Total
<u>the cost</u>							
Balance as on December 31, 2024 AD	5,425,965	2,062,298	223,755	256,971	374,064	407,503	8,750,557
additions during the year	-	-	-	-	5,173	10,830	16,003
exclusions during the year	-	-	-	(39,324)	-	-	(39,324)
The balance as of December 31, 2025 AD	5,425,965	2,062,298	223,755	217,647	379,237	418,334	8,727,236
<u>consumption complex</u>							
Balance as of December 31, 2024 AD	-	202,505	180,805	76,294	245,506	243,430	948,540
Annual Consumption	-	61,913	18,314	23,963	41,815	70,443	216,448
exclusions during the year	-	-	-	(9,691)	-	-	(9,691)
The balance as of December 31, 2025 AD	-	264,418	199,119	90,566	287,321	313,873	1,155,297
<u>Book value</u>							
The balance as of December 31, 2025 AD	5,425,965	1,797,880	24,636	127,081	91,916	104,461	7,571,939
Balance as on December 31, 2024 AD	5,425,965	1,859,794	42,950	180,677	128,558	164,073	7,802,017

The accompanying notes are an integral part of the financial statements



Mawaddah Association

Registered with the National Center for the Development of the Non-Profit Sector No. (492)

Statement of financial position

For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

8) Net Intangible Assets

	Website	Composing stories	Program and activity licenses	Total
The cost				
Balance as on December 31, 2024 AD	293,650	200,000	9,125	502,775
additions during the year	3,400	-	-	3,400
The balance as of December 31, 2025 AD	297,050	200,000	9,125	506,175
Compound complex				
The balance as of December 31, 2024 AD	201,965	199,999	8,811	410,775
Accumulated depreciation exclusions	53,454	-	312	53,766
The balance as of December 31, 2025 AD	255,419	199,999	9,123	464,541
Book value				
The balance as of December 31, 2025 AD	41,631	1	2	41,634
The balance as of December 31, 2024 AD	91,685	1	314	92,000

The accompanying notes are an integral part of the financial statements

9) Investment properties - at fair value

The statement	Net fair value as on December 31, 2024 AD	Gain on fair value re-measurement	Loss on fair value re-measurement	Exclusions during the year	Net fair value as of December 31, 2025
Lands	18,046,732	6,700,204	-	(7,786,328)	16,960,608
Buildings	5,799,899	-	(542,494)	(411,500)	4,845,905
	23,846,631	6,700,204	(542,494)	(8,197,828)	21,806,513

The accompanying notes are an integral part of the financial statements

10) Other credit balances	December 31, 2025 AD	December 31, 2024 AD
Accrued Expenses	327,413	510,715
Third-party Insurance	25,000	-
Checks not cashed	11,210	11,210
Revenue received in advance	4,500	5,250
Value added tax	-	196,110
	368,123	723,285

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Mawaddah Association

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11) Provision for employee benefits	December 31, 2025 AD	December 31, 2024 AD
Balance at the beginning of the year	1,554,412	1,043,030
component during the year	468,945	515,366
Paid during the year	(189,221)	(3,984)
	1,834,136	1,554,412

The accompanying notes are an integral part of the financial statements

12) Net restricted assets

The statement	Balance as of December 31, 2024 AD	registered during the year	Released from restrictions during the year	The balance as of December 31, 2025 AD
Zakat donations	623,366	575,088	(1,122,689)	75,765
Ehsan Platform support - Workforce Rehabilitation Program	208,699	20,000	(228,699)	-
Ehsan Platform support - The Future Leaders Development Program	84,160	-	(84,160)	-
Newlyweds program	8,240	43,800	(8,240)	43,800
Ehsan Platform - Food Baskets Project	-	64,600	(64,600)	-
Ehsan Platform - Rent Payment Project	-	440,000	(440,000)	-
Ehsan Platform - My Skills Program for Technical Training	-	63,672	(63,672)	-
Technical Training Project	-	2,305	(2,305)	-
Workforce Rehabilitation	-	2,115	(2,115)	-
Food Baskets	-	913	(913)	-
Clothing assistance project	-	19,200	-	19,200
Human Resources Development Fund	-	280,175	(280,175)	-
Protection centers	-	4,020,580	(4,020,580)	-
	924,465	5,532,448	(6,318,148)	138,765

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13) Zakat donations	December 31, 2025 AD	December 31, 2024 AD
General Zakat donations	529,807	198,092
Conditional zakat donations	45,280	45,000
	575,087	243,092

The accompanying notes are an integral part of the financial statements

14) Ihsan platform donations	December 31, 2025 AD	December 31, 2024 AD
Rent payment project	440,000	167,500
My Skills Program for Technical Training	63,672	-
Labor market rehabilitation project	20,000	208,699
Operating expenses Project	-	200,000
Food Baskets Project	-	50,000
Clothing assistance project	-	50,000
Together Program for the Localization of the Tourism and Hotel Sector	-	25,500
	523,672	701,699

The accompanying notes are an integral part of the financial statements

15) Restricted revenue	December 31, 2025 AD	December 31, 2024 AD
social protection center	4,020,580	3,854,312
Support for the Human Resources Development Fund	280,175	881,345
Rehabilitation program for newlyweds	43,800	9,178
Technical Training Program	2,305	-
Labor Market Rehabilitation Program	2,115	-
Legal Incubator Revenue	-	549
	4,348,975	4,745,384

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For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

16) <u>Activities and programs expenses</u>	December 31, 2025 AD	December 31, 2024 AD
<u>Restricted programs and activities expenses</u>		
social protection center	3,704,966	4,512,402
Ehsan Platform - Rent Payment Project	440,000	167,500
Support expenses for the Financial Resources Development Fund	280,175	808,885
Ehsan Platform support - Rehabilitation program for the labor market	185,387	-
Ehsan Platform support - The Future Leaders Development Program	75,512	115,840
In kind donations - Ehsan platform - Food Baskets	64,600	50,000
Restricted programs expenses – Ehsan platform - Technical Training Program	57,411	-
Conditional Zakat aid	45,280	45,000
Newlywed program expenses	5,400	-
Zakat aid	-	392,693
operating expenses – Ehsan platform	-	200,000
Expenses of the cladding project program - Ehsan platform	-	50,000
<u>Unrestricted programs and activities expenses</u>		
Association projects expenses	2,551,707	2,391,077
Financial sustainability and investment expenses	1,630,422	673,695
Social program expenses	1,080,472	1,250,219
Corporate Communications Management expenses	1,056,202	1,778,169
Unrestricted programs and activities expenses - service	184,311	-
In kind aid	32,500	215,555
Volunteer service expenses	3,118	196,594
Sales expenses	-	15,688
Legal projects expenses	-	324,388
	11,397,463	13,187,705

The accompanying notes are an integral part of the financial statements

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For the fiscal year ending on December 31, 2025 AD (all amounts mentioned are in Saudi Riyals)

17) Governance Expenses	December 31, 2025 AD	December 31, 2024 AD
Salaries, Wages, and Allowances	409,995	575,857
Benefits and incentives	153,424	88,617
Professional and Consulting expenses	139,608	-
Subscriptions and Certifications	3,934	-
Printing and Consumables	2,728	26,569
Training and Development	1743	-
Operating Expenses	-	18,067
	711,432	709,110

The accompanying notes are an integral part of the financial statements

18) General and administrative expenses	December 31, 2025 AD	December 31, 2024 AD
Salaries and wages and the like	1,031,442	1,099,962
Employee benefits	190,494	245,811
Travel Allowance	185,705	262,192
Social Security	96,361	152,146
Subscriptions and endorsements fees	92,281	87,704
Employee Leave and Bonuses	70,807	178,386
Maintenance and operation contracts	29,094	21,891
Stationery and printings	18,333	8,370
Electricity and water expenses	18,123	18,557
Professional fees	15,414	15,272
Training and qualification	13,643	2,628
government expenses	12,437	-
Maintenance and repair	11,234	24,231
Medical insurance and treatment	10,593	26,088
Fuel and car insurance maintenance	7,889	8,185
Information systems supplies	7,851	8,152
Cleaning expenses	7,310	11,392
Bank fees and fines	4,269	6,821
Loading and Unloading Charges	-	1,956
Hospitality expenses	-	3,848
Postage, telephone and Internet costs	-	13,234
	1,823,280	2,196,826

The accompanying notes are an integral part of the financial statements



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19) **Risk Management:**

The association's activities are exposed to various financial risks, including the effects of changes in market risks, and the collection department manages these risks, including.

- **Credit Risk**

Credit risk represents the inability of one party to fulfill its obligations, which leads to the other party asserting a financial loss. The Association does not have a significant concentration of credit risk, and cash is deposited with local banks with a high eight rating.

- **Liquidity risk**

The difficulties that the association faces in providing funds to fulfill commitments related to financial instruments, liquidity risks result from the inability to sell a financial asset quickly and for an amount equivalent to its fair value, the association manages liquidity risks by ensuring the availability of financial support.

- **The transaction risks**

Currency risk represents the risk resulting from the fluctuation of the value of financial instruments due to changes in foreign exchange rates. The association is not exposed to fluctuations in foreign exchange rates during its normal business cycle because it did not carry out any transactions in the Saudi riyal during the year.

20) **Availability of liquidity and financial assets to meet cash needs:**

Ehsan platform	523,672	Zakat donations	575,087
Cash Grants	5,704,581	Activates revenues	2,104,663
Membership Subscriptions	244,200	Beginning net assets	31,336,708

The accompanying notes are an integral part of the financial statements

21) **Subsequent events**

In the opinion of the management, there were no subsequent events after December 31, 2025 AD and until the date of approving the financial statements that would have a material impact on the financial statements as on December 31, 2025 AD

22) **Approval of the financial statements:**

The association's financial statements for the year ending on December 31, 2025 AD were approved by the association's management on February 10, 2026 AD corresponding to 22 Shaaban 1447 AH

