BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
ALONG WITH
INDEPENDENT AUDITOR REPORT

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
The Financial Statements along with independent auditor report
For the year ended 31 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Batic Investments and Logistics Company
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Batic Investments and Logistics Company ("the Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of Batic Investment and Logistics Company and its subsidiary (together referred to as "the Group") for the year ended December 31, 2019 were Audited by another auditor who expressed an unqualified opinion on these consolidated financial statements on February 27, 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Batic Investments and Logistics Company
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (CONTINUED)

Key Audit Matters	How our audit addressed the key audit matter
Impairment of goodwill book value	
- As at 31 December 2020 the Group has goodwill resulted from previous acquisitions amounted to as at 31 December 2020 SR 79.7 million (2019: SR 79.7 million). - According to International Accounting Standard No. 36 "Impairment of goodwill" the result of business acquisition at least annually, regardless there is any impairment indicator. - Goodwill is monitored at the level of the cash-generating units by determining the recoverable value based on the value in-use derived from the discounted cash flow model, which used the most recent five-year business plan prepared by the group's management. This test did not result in any impairment loss that must be proven. - The Group's management contracted with an independent consultant to test the impairment of goodwill. We considered the impairment of goodwill performed by the company's management to be a key audit matter, as determining the recoverable value of goodwill on the basis of value in use is a complex matter and requires an important deal of judgment by the management. The important judgment components for the management valuations are: 1- Assumptions related to excepted economic circumstances specially growth in markets which the Group mainly works in. 2- Assumptions about the impact of the Group's main competitors' procedures on the revenue assumptions and the total expected profit margin. 3- The revenue growth rate and the final value growth rate used in the value in-use model. For more details, refer note 9	We obtained the relevant data from the management and then external parties, and we also performed the following procedures: - We evaluated the methodology used by management to determine the recoverable value on the basis of the right of use assets value in each cash-generating unit and compared it to the requirements of International Accounting Standard No. 36. - Teat the mathematical accuracy for the model. - Examine the methodology applied that supports the in-use accounts and use key assumptions. - Conduct a sensitivity analysis on key assumptions, mainly on revenue growth rate and final value growth rates, in order to assess the potential impact on the group. - Examine the adequacy of the group's disclosures in the consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Batic Investments and Logistics Company
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (Continued)

Other Information

Other information consists of the information included in the Group's 2020 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and Regulations for Companies and the Company's By Laws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Batic Investments and Logistics Company
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control 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 internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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PKF

Ibrahim Ahmed Al-Bassam & Co
Certified Public Accountants - Al-Bassam & Co.
(member firm of PKF International)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholders of Batic Investments and Logistics Company
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Al-Bassam & Co.

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محاسبون قانونيون
رقم الترخيص ٥٢٠/١١/٣٢٣
C.R.1010385804
license 520/11/323
Al-Bassam & Co.
Certified Public Accountants

Ibrahim A. Al-Bassam

Riyadh-Kingdom of Saudi Arabia

Certified Public Accountant
License No. 337

Riyadh on: 12 Shaaban 1442 H

Corresponding to: 25 March 2021 G

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(Saudi Riyals)

	Note	2020	2019
ASSETS			
Non-current assets			
Property and equipment, net	6	202,608,670	169,239,434
Right-of-use assets, net	7	198,101,088	4,919,604
Investment property, net	8	41,236,189	41,404,345
Intangible assets, net	9	83,980,652	85,096,980
Investments at FVPL	10	2,042,704	1,895,175
Advances to purchase property and equipment	11	14,474,118	150,777
Total non-current assets		542,443,421	302,706,315
Current assets			
Inventory	12	9,858,125	9,721,250
Trade receivables and other receivables, net	13	217,274,390	214,466,957
Cash and cash equivalents	14	55,916,657	34,172,399
Total current assets		283,049,172	258,360,606
Total assets		825,492,593	561,066,921
EQUITY AND LIABILITIES			
Equity			
Share capital	1	300,000,000	300,000,000
Statutory reserve	31	48,996,657	48,996,657
Retained earnings		12,201,017	25,056,125
Remeasurement losses on employees benefits		(3,152,210)	(464,952)
TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS		358,045,464	373,587,830
NON-CONTROLING INTEREST		13,472,288	14,544,195
TOTAL EQUITY		371,517,752	388,132,025
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	15	94,144,894	32,488,158
Notes payable	17	8,309,700	-
Lease liabilities	19	180,586,418	3,599,094
Employees' post-employment benefits obligation	16	35,984,569	38,127,823
Total non-current liabilities		319,025,581	74,215,075
Current liabilities			
Current portion of long-term loans, Short term loans	15	55,894,203	38,657,895
Notes payable	17	4,748,400	386,280
Lease liabilities	19	3,363,986	1,150,763
Shareholders accruals	18	18,893,933	18,919,137
Trade payables and other credit balances	20	45,742,628	34,578,404
Provision for zakat	21	6,306,110	5,027,342
Total Current liabilities		134,949,260	98,719,821
Total liabilities		453,974,841	172,934,896
TOTAL LIABILITIES AND EQUITY		825,492,593	561,066,921
Contingent liabilities and capital commitments	30		

The accompanying notes 1 through 35 form an integral part of these consolidated financial statements.

Chairman of the Board of Directors	Managing Director	Chief Financial Officer
Ahmed Mohammed AL Sanie	Mohammed Saud Al-Zamil	Mohammed Mahmoud Tantawi

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF COMREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(Saudi Riyals)

	Note	2020	2019
Revenues	23	497,854,609	463,947,950
Cost of revenue	24	(438,099,906)	(403,826,535)
Gross profit		59,754,703	60,121,415
General and administrative expenses	26	(44,223,537)	(43,874,672)
Operating profit		15,531,166	16,246,743
Profits \ (losses) selling property and equipment		276,869	(882,910)
Expected credit loss provision	13	(17,751,476)	(2,330,452)
Investment revenue at FVPL		90,000	-
Other revenue	25	2,428,120	794,832
Finance cost	27	(7,703,080)	(2,476,697)
Net (loss) \ profit before zakat		(7,128,401)	11,351,516
Zakat	21	(6,265,582)	(4,507,555)
Net (loss) \ profit for the year		(13,393,983)	6,843,961
Net (loss) \ profit attribuate to:			
Company's shareholders		(12,855,108)	6,899,943
Non-controling interest		(538,875)	(55,982)
		(13,393,983)	6,843,961
Other Comprehinsive Income:			
Acturial loss for employees post-employment benefits	16	(2,902,511)	(4,574,000)
Total other comprehinsive (loss) / income		(16,296,494)	2,269,961
(loss) \ comprehinsive income attribuate to:			
Company's shareholders		(15,542,365)	2,594,613
Non-controling interest		(754,129)	(324,652)
		(16,296,494)	2,269,961
(Loss) / income basic and diluted earnings per share from net (loss) / profit attributable to the shareholders of the company	29	(0,43)	0,23

The accompanying notes 1 through 35 form an integral part of these consolidated financial statements.

Chairman of the Board of Directors	Managing Director	Chief Financial Officer
Ahmed Mohammed AL Sanie	Mohammed Saud Al-Zamil	Mohammed Mahmoud Tantawi

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Stock Company)
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Profit and losses from remeasurement employee benefits	Total shareholders' equity	Non-controlling interest	Total
Balance in 1 January 2019	300,000,000	48,306,663	18,856,201	3,840,378	371,003,242	15,328,848	386,332,090
Net profit for the year before adjustment	-	-	6,899,943	-	6,899,943	(55,982)	6,843,961
Prior year adjustment	-	-	(10,025)	-	(10,025)	-	(10,025)
Other comprehensive loss	-	-	-	(4,305,330)	(4,305,330)	(268,670)	(4,574,000)
Total comprehensive income for the year	-	-	6,889,918	(4,305,330)	2,584,588	(324,652)	2,259,936
Transfer to statutory reserve	-	689,994	(689,994)	-	-	-	-
Change in non-controlling interest	-	-	-	-	-	(460,001)	(460,001)
Balance in 31 December 2019	300,000,000	48,996,657	25,056,125	(464,952)	373,587,830	14,544,195	388,132,025
Net loss for the year	-	-	(12,855,108)	-	(12,855,108)	(538,875)	(13,393,983)
Other comprehensive loss	-	-	-	(2,687,258)	(2,687,258)	(215,254)	(2,902,512)
Total comprehensive loss for the year	-	-	(12,855,108)	(2,687,258)	(15,542,366)	(754,129)	(16,296,495)
Change in non-controlling interest	-	-	-	-	-	(317,778)	(317,778)
Balance as at 31 December 2020	300,000,000	48,996,657	12,201,017	(3,152,210)	358,045,464	13,472,288	371,517,752

The accompanying notes 1 through 35 form an integral part of these consolidated financial statements.

Chairman of the Board of Directors	Managing Director	Chief Financial Officer
Ahmed Mohammed AL Sanie	Mohammed Saud Al-Zamil	Mohammed Mahmoud-Tantawi

BATIC INVESTMENT AND LOGISTICS COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(Saudi Riyals)

	Note	2020	2019
Cash flows from operating activities			
Net \ (loss) profit for the year before zakat		(7,128,401)	11,351,516
Adjustments for:			
Depreciation of property and equipment and investment property	6,8	27,157,466	26,953,863
Amortization of intangible assets	9	1,615,582	2,622,479
Depreciation right-of-use assets	7	3,499,026	1,135,095
Expected credit loss provision	13	17,751,476	4,640,187
Investment revenue at FVPL		(90,000)	-
Provision post-employment benefits	16	9,926,534	9,846,234
Finance costs		7,703,080	2,476,697
(Gains) / loss from sale of property and equipment		(276,869)	882,909
Changes in:			
Trade receivables and other receivables		(37,860,192)	(60,052,523)
Inventory		(136,875)	1,938,332
Trade payables and other credit balance		8,931,897	(8,428,827)
Employees' post-employment benefits obligation paid	16	(14,972,299)	(12,480,863)
Zakat paid	21	(4,986,814)	(6,093,421)
Net cash generated from \ (used in) operating activities		11,133,611	(25,208,322)
Cash flows from investing activities			
Additions of property and equipment	6,8	(61,670,739)	(49,222,846)
Additions of intangible assets	9	(499,254)	(1,230,130)
Additions of investments at FVPL		(147,529)	-
Investment revenue at FVPL		90,000	-
Proceed from sale of property and equipment		1,739,839	3,318,398
Change in advance to purchase property and equipment		(14,474,118)	(150,777)
Net cash used in investing activities		(74,961,801)	(47,285,355)
Cash flows from Financing Activities			
Change in shareholders accruals		(25,204)	(25,062)
Lease liabilities		(1,841,876)	(1,511,581)
Drawdown of loans		82,988,287	65,700,000
Repayment of loans and finance interest	15	(7,746,994)	(3,840,473)
Drawdown from notes payable		14,245,200	-
Paid of notes payable		(1,729,187)	(792,000)
Change in non-controlling interests		(317,778)	(460,001)
Net cash generated from financing activities		85,572,448	59,070,883
Net change in cash and cash equivalents		21,744,258	(13,422,794)
Cash and cash equivalent at the beginning of the year	14	34,172,399	47,595,193
Cash and cash equivalents at ending of the year	14	55,916,657	34,172,399

Non cash transactions:

Actuarial losses for end of service benefits	16	2,902,511	4,574,000
Transferred from advance to purchase to property and equipment		(150,777)	-
Transferred from other debit balance to right of use assets		(17,301,283)	-

The accompanying notes 1 through 35 form an integral part of these consolidated financial statements.

Chairman of the Board of Directors	Managing Director	Chief Financial Officer
Ahmed Mohammed AL Sanie	Mohammed Saud Al-Zamil	Mohammed Mahmoud Tantawi

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Batic Investment and Logistics Company (the "Company") - a Saudi Joint Stock Company - the previous name (Saudi Transport and Investment Company - Mubarrad) was established and registered in Riyadh under Commercial Registration No. 1010052902 on 13, Rabi' Al-Akhir ,1404H corresponding to 16 January 1984.

Based on the approval of the extraordinary general assembly of the shareholders of the company on 6/7/1438H corresponding to 3/4/2017, the second article of the company's by-law has been amended to change the name of the company from (Saudi Transport and Investment Company - Mubarrad) to (Batic Investment and Logistics Company).

The principal activities of the company are in general construction of residential buildings and general constructions of non-residential buildings, including (schools, hospitals, hotels, etc.), restoration of residential and non-residential buildings, construction and repair of roads, streets, sidewalks and road accessories, finishing buildings.

The company's head office is located in Riyadh - Al-Olaya District - Al-Arz Street - PO Box 7939.

The company's financial year begins on the first of January and ends at the end of December of each calendar year.

Capital

The authorized capital of the company is 300 million Saudi riyals, divided into 30 million ordinary shares of equal value and fully paid, and the nominal value of the share is 10 Saudi riyals.

Referring to the events related to the spread of the Covid-19 virus and the consequent impact of business sectors at the global level, the group has taken many measures and procedures necessary to protect the group and its employees and continue to work to improve the performance of the group.
Despite these challenges, the group faced similarly to the rest of the companies, the group's operations are still largely unaffected because the group has implemented policies to cope well with the crisis and benefit from the initiatives and incentives provided by the government, and the group will proceed to disclose any material changes in the future in the event that they occur. The management does not believe that there is any factor that causes the change in the pandemic conditions that may affect the operations of the Group during the year 2021.

2. Basis of preparation

2-1 Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants (SOCPA).

2-2 Basis of measurement

These consolidated financial statements have been prepared on the basis of the historical cost basis, except for the recognition of accruals to defined benefit obligations at the present value of future obligations using the projected unit credit method, investments carried at fair value through profit or loss.

2-3 Functional and presentation currency

These consolidated financial statements have been presented in Saudi Riyals (SR) which is the Company functional and presentation currency, all amounts have been rounded up to the nearest Saudi riyal unless otherwise mentioned.

2-4 Basis of consolidating the financial statements

Structure of the group

The consolidated financial statements include the financial statements of the parent company and its subsidiaries (collectively referred to as the "Group") as follows:

	Country of incorporation	% of investment
Arab Security & Safety Services Company (AMNCO)	Saudi Arabia	94.88%
Saudi Transport and Investment Company – Mubarrad	Saudi Arabia	100%
Batic Real Estate	Saudi Arabia	100%
AL- Shifa Medical technology Company	Saudi Arabia	60%

2. Basis of preparation (continued)

2-4 Basis of consolidating the financial statements (continued)

Structure of the group (continued)

Arab Security & Safety Services Company (AMNCO)

It is a Limited Liability Company operating under a separate Commercial Registration issued from Riyadh, Batic owns 94.88% of its capital, and the subsidiary activity is in wholesale and retail trade, surveillance and safety equipment, security guard services, money transfer, counting of money and correspondence.

AMNCO Facility Management

AMNCO Facilities Management Ltd. "Al-Hikma Company for Commercial and Industrial Investment previously" (a limited liability company) registered in the city of Riyadh under Commercial Registration No. 1010172169 on 16 Ramadan 1422H. The subsidiary company, AMNCO, owns 70% of its capital. The company's activity is to purchase lands, construct buildings and invest them in sale or rent for the benefit of the company, wholesale and retail trade in industrial equipment, heavy machinery, trucks, tools, management and operation of industrial and commercial centers and residential complexes, and the supply of security and military equipment and security systems for the purpose of entry in government tenders.

Smart City Solutions for Communication and information technology ((formerly Express Parking Company for Car Services)

On April 28, 2019, the "Arab Company for Security and Safety Services - AMNCO" (a subsidiary company) completed the process of owning 40.6% of the total capital shares of "Smart Cities Solutions for Communications and Information Technology" through its direct ownership of 35% or 5.6% of the shares indirectly through its subsidiary "AMNCO Facilities Management Company".
The acquisition of the shares described above was accomplished through the waiver of some of their shares by the founding partners of Smart City Solutions for Information and Communication Technology without compensation to other partners, including the Arab Company for Security and Safety Services - AMNCO - and AMNCO Facilities Management Company.
Smart Cities Solutions for Communications and Information Technology (LLC) was established on May 18, 2017, with a capital of 100 thousand Saudi riyals "The former Express Parking Company for Car Services" (a limited liability company) and registered in Riyadh under Commercial Registration No. 1010901033 on Shaaban 22 1438 AH corresponding to May 18, 2017, and the purpose of the company is to establish, develop, invest and operate multi-storey car parks and smart parking lots in all cities of the Kingdom of Saudi Arabia.
On April 9, 2019, a bid was awarded to construct, develop, invest and operate multi-storey car parks and smart parking lots in the cities of Khobar, Dhahran and Dammam for a period of 25 Hijri years, at an annual rent of 52 million Saudi riyals. On January 23, 2020, lease contracts were signed with the Eastern Province Municipality regarding the smart car parking project for Dammam and the cities of Khobar and Dhahran, and a payment was made under the account of the annual rental value amounting to 27,989,988 Saudi riyals on October 6, 2019, and some sites were received, and it was done. Issuance and renewal of letters of guarantee issued as a guarantee for the annual rental value of 65 million Saudi riyals.

Saudi Transport and Investment Company – Mubarrad

It is a limited liability company that operates under a separate Commercial Registration issued from Riyadh and Batic owns 100% of its capital. The activity of Mubarrad is the transport of goods and equipment for a fee on land roads under the license of the Ministry of Transport No. (010111049000), which expires on 24 -03-1442 H, and it has been approved by the Board of Directors of Batic to convert the branch of the Company called the Saudi Transport and Investment Company (Mubarrad) into a wholly-owned subsidiary of Batic, provided that the assets and liabilities of the transport sector are transferred to it as of 01/01/2018. The Board of Directors of Batic was approved by decision No. 216-4 / 13 dated 19/12/2017 to sign an agreement between Batic and Mubarrad concerning the transfer of assets and liabilities in accordance with their book values on 31/12/2017 and this agreement is effective from 01/01/2018.

2. Basis of preparation (continued)

2-4 Basis of consolidating the financial statements (continued)

Structure of the group (continued)

Batic Real Estate

It is a one-person company (a Limited Liability Company) registered in the city of Riyadh under the Commercial Registration No. 1010468252 On 26 Jumad Awal 1438H corresponding to 23 February 2017, the company owns 100% of its capital, and the company's activity is to purchase lands to construct buildings on it and invest it by selling or renting for the benefit of the company and managing and renting out owned or leased properties, both residential and non-residential.

Al-Shifa Medical Technology Company

The branch of Al-Shifa Medical Technology Company registered in the Commercial Register in Riyadh was transferred No. 1010428983 dated 26/2/1436 AH and registered under the name Shifa Technology Company Ltd., registered in the Commercial Registry of Riyadh City No. 1010438136 dated 2/1/1437 AH with its rights and obligations From obligations, labor, classification, licenses and all its financial, technical and administrative elements to a limited liability company with the participation of BATIC Investment Company and logistics business (a listed joint stock company) while keeping the name, number and date of the current record of the company's branch as a head office when converting it to a company. The net assets of the aforementioned branch were valued at SAR 100,000. The establishment of the company was approved on 7/11/1441 H and the Commercial register was issued started on 8/11/1441 H corresponding to 6/29/2020. The company is engaged in the wholesale sale of medical devices, equipment and supplies.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) under the control of the group. The group controls an entity when the group has rights or variable returns as a result of its participation in the facility in addition to its ability to affect those returns through its control over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group, and the consolidation is suspended from the date that control ceases to exist.
A subsidiary is an entity that the company controls. Control exists when the company:
- Has authority over the investee.
- Is subject to loss, or has rights to variable returns from its involvement with the investee.
- It has the ability to use its power to influence the returns of the invested enterprise.
- The company reassesses the extent of its control over the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control outlined above.

The group uses the acquisition method of accounting to account for the business combination entered into by the group. The consideration transferred for the acquisition of a subsidiary represents the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.
The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are included in the expense when incurred. The specific assets acquired, as well as the liabilities and contingent liabilities incurred in a business combination, are initially measured at their fair value at the date of the acquisition. The Group recognizes, on a case-by-case basis, any non-controlling interest in the acquiree at either fair value or a proportionate share of the non-controlling share of the net assets identified in the acquiree.
Any consideration that may be transferred by the Group is recorded at fair value on the date of acquisition. Subsequent changes to the fair value of the contingent consideration intended to be classified under the assets or liabilities are calculated in accordance with the requirements of IFRS 9 "Financial Instruments", either in the profit or loss account or charged to other comprehensive income. Contingent consideration that is classified under equity is not remeasured and its subsequent settlement is recognized in equity.

Under goodwill, the excess of the transferred financial consideration over the value of the non-controlling interest in the acquired company and the fair value on the acquisition date of any previous ownership interests in the acquired company is recorded over the fair value of the group's share in the specific net assets acquired. If the sum of the transferred financial consideration, the calculated non-controlling interest and the previously owned calculated share is less than the fair value of the net assets of the subsidiary acquired through a swap purchase agreement, the difference is directly computed within the profits and losses in the consolidated statement of comprehensive income.

2. Basis of preparation (continued)

Transactions disposed on consolidation of financial statements

All internal transactions, unrealized balances and profits on transactions between group companies are deleted. Unrealized losses are also eliminated. Amounts reported by subsidiaries have been adjusted, as appropriate, to conform to the Group's accounting policies.

3. Standards, amendments and interpretations issued and changes in significant accounting policies and estimates

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Groups' Financial Statements, except for were referenced below.

New amendments to standards issued and applied effective January 1, 2020

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 1 and IAS 8	Definition of material	January 1, 2020	The amendments provided a new definition of material and clarified that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.
IFRS 3	Definition of business	January 1, 2020	The amendment clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.
Revised Conceptual Framework for Financial Reporting	Amendments to references Conceptual Framework in IFRS Standards and updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.	January 1, 2020	The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

(Saudi Riyals)

3. Standards, amendments and interpretations issued and changes in significant accounting policies and estimates (continued)

New standards, amendments and revised IFRS issued but not yet effective

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39	Interest Rate Benchmark Reform – Phase 2	January 1, 2021	These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. These amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.
IFRS 16, IFRS 9 , IFRS 1 and , IAS 41	Annual Improvements to IFRS Standards 2018–2020	January 1, 2022	IFRS 16: The amendment removes the illustration of the reimbursement of leasehold improvements IFRS 9: The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender. The amendment is to be applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. IAS 41: The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. IFRS 1: The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation difference.

3. Standards, amendments and interpretations issued and changes in significant accounting policies and estimates (continued)

The Company has not applied the following new and revised IFRSs and amendments to IFRS that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 3	Reference to the Conceptual Framework	January 1, 2022	The amendment as a whole updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework.
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023	The amendment has clarified what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument the terms of a liability would not impact its classification
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary.

Management expects that interpretations and amendments to these new standards will be applied in the group financial statements when applicable, and the application of these interpretations and amendments may not have any material impact on the group's financial statements in the initial application period.

4. Significant accounting estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. The revision of accounting estimates is charged in the period in which the estimates are revised and the future periods affected.

A) Impairment test on good will book value

The Group tests the goodwill assessment to determine its exposure to any impairment on an annual basis. The Group's management contracted with an independent consultant to test the decline in the value of goodwill by determining the recoverable value of the goodwill on the basis of the value in use of the cash-generating unit associated with the goodwill. This determination of the recoverable amount requires the use of assumptions based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and which are believed to be reasonable under the surrounding circumstances. Elements of significant judgments and assumptions include the following:

- Cash flow projections based on financial budgets approved by the management.
- Assumptions related to the expected economic conditions, especially growth in the markets in which the Group primarily operates.
- Assumptions about the impact of the Group's main competitors' actions on the revenue assumptions and the expected gross margin.
- The revenue growth rate and the terminal value growth rate used in the value in use model.

B) Estimating the residual values and useful lives of property and equipment

The company relies in determining the useful lives of property and equipment on historical experience with property and equipment with the same specifications and characteristics, as well as on the nature of the intended use of the asset. The estimate of the residual value of property and equipment depends on the sale prices of similar property and equipment that are fully depreciated by the company in an active market for remaining assets as they are considered insignificant.

C) The useful lives of intangible assets

The company includes its intangible assets, excluding goodwill, at cost, net of accumulated amortization and impairment losses. Intangible assets are amortized over their useful lives. Determining the useful lives of intangible assets requires the use of assumptions about the method on which the company will rely on recording the assets. These assumptions are based on historical experience, the contractual terms of the agreements related to intangible assets, and other factors, including expectations of future events that may have a financial impact on the company and which are believed to be reasonable under the surrounding circumstances. The main assumption on which management has based its estimates of the useful lives of the assets is the potential for renewal of the related contracts and future management plans.

D) Provision for obsolete, slow moving and damaged inventory

The provision reflects estimates of obsolete, slow moving and damaged inventory. The provision is recognized based on the aging of inventory items, current conditions and historical experience. It may be necessary to make changes to the estimated provisions in the event that the demand for slow-moving inventory falls below the expected levels at the present time or because of unforeseen changes that may adversely affect the sale of some products. Management is of the opinion that the provision for slow moving and obsolete inventory is appropriate.

E) Actuarial evaluation of the employees' end of service benefits obligations

The cost of the employees' end of service benefit compensation obligation is determined under the unfunded defined benefit program measured using the actuarial valuation. An actuarial valuation includes many assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, and employee turnover. Given the complexity of valuation and its long-term nature, the unfunded defined reward obligation is highly sensitive to changes in these assumptions. Therefore, all assumptions are reviewed once a year when necessary. International Accountant Standard No. (19) requires the use of actuarial assumptions to measure the liability for end-of-service benefits (end-of-service benefits provision), which is considered a defined benefit obligation. These assumptions include company management estimates of variables such as final salaries that will be used as the basis for calculating end of service benefits. The company has prepared these actuarial assumptions by an actuary based on the best estimate of the firm's management of these variables.

4. Significant accounting estimates and assumptions (continued)

F) Fair value measurement

The fair value measurement is the price received from if an assets was sold, or paid if a liability was transferred through a regular transaction between the dealers in the market at the date of measurement in the regular market conditions regarding if the price is noticeable directly or estimated using another evaluation method.
The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Through the principal market for the asset or liability, or
- Through the most advantageous market for the asset or liability in the absence of the main market.

The principal market (or the most advantageous market) should be available to the company on the measurement date. The fair value of the asset or liability is measured according to the assumptions that market participants use when pricing the asset or liability on the assumption that market participants act in order to achieve the best economic benefit for them. With regard to non-financial assets (investment real estate), this measurement takes into account the ability of market participants to generate economic benefits by using the asset to achieve the best benefit from it or by selling it to another market party to use it in a way that achieves the best benefit from it.

The company uses valuation methods appropriate to the circumstances and those methods for which sufficient data are available to measure fair value so that appropriate inputs that can be monitored and observed and the use of inputs that cannot be monitored and observed.

All assets and liabilities that are either measured at fair value or their fair value are disclosed in the consolidated financial statements are categorized according to a hierarchy of levels of fair value measurement, set out below based on the lowest level of measurement entry that is significant to the fair value measurement as a whole.

The inputs used in the fair value measurement techniques are categorized according to the hierarchy below:
Level 1: Quoted (unadjusted) and traded prices in active markets for assets or liabilities identical to those being measured.
Level 2: Inputs that can be observed or monitored for the asset or liability, directly or indirectly, other than the published prices included in the first level.
Level 3: Inputs that cannot be observed or observed for the asset or liability.

5. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year presented, unless otherwise stated.

5-1 Classification of current and non-current items
Assets and liabilities are presented in the consolidated statement of financial position classified into current and non-current. An asset is current when:

- The company expects realizing the asset or intends to sell or use it during an ordinary operating cycle.
- The company holds the asset primarily for the purpose of trading.
- The company expects to realize the asset within twelve months after the financial year (period).
- The asset is cash or the like, unless it is subject to restrictions on its replacement or use to settle a commitment for a period of more than twelve months after the financial period.

All other assets are classified as non-current, A liability is current when:

- The liability is expected to be settled during an ordinary operating cycle.
- The company holds the liability primarily for the purpose of trading.
- The liability is due to be settled within twelve months after the financial period.
- The company does not have an unconditional right to postpone the commitment settlement for a period of more than twelve months after the financial period.
- Classification of all other liability as non-current.

5. Significant accounting policies (continued)

5-2 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses in the accumulated value (if any). The cost includes all costs directly associated with creating or acquiring the asset on site and in the condition necessary for it to be intended for use for its intended purpose. Significant portions of property and equipment are depreciated separately from other parts.

When a major inspection is performed, its cost is recognized within the carrying amount of an item of property and equipment as a replacement if the criteria for evidence in the consolidated financial statements are satisfied. Other maintenance and repair costs are included in the consolidated statement of comprehensive income when incurred.
Depreciation is calculated using the straight-line method over its expected useful life at rates calculated to reduce the cost of the asset down to its estimated residual value as follows:

	Years
Right of use asset	5-25
Buildings and construction	20
Locomotives, trailers and auto refrigeration units and cars	4-15
Prefabricated workshops and homes equipment	5,6-20
Plant and equipment's	5
Furniture	5

The residual values and useful lives of the assets are reviewed, and adjusted if necessary, at the end of each reporting period, when the carrying amount of the asset is greater than its estimated recoverable amount, it is directly reduced to the recoverable amount.
Profits and losses resulting from disposal operations are determined by comparing the returns with the book value, and it is calculated under (other income / expenses - net) in the consolidated statement of comprehensive income.
Capital work in progress is shown at cost and includes property and equipment being developed for future use. When it is ready for use, it is transferred to the appropriate category and depreciation is calculated on it according to the company's policy.
Relationships with clients are established by continuous communication and prior transactions between the acquirer and its customers. And its value is determined.

5-3 Real Estate Investments

Investment properties are non-current assets held either to earn rental income or to raise capital or both, but not for sale in context operations Normal, or their use in the production or supply of goods or services, or for administrative purposes.
Real estate investment is measured at cost upon initial recognition thereafter, at cost less accumulated depreciation and impairment losses, if any.
Investment properties are derecognized when sold or occupied by the owner or if they are not held for an increase in their value.

5-4 Intangible assets

The intangible assets whose useful life is defined and which have been acquired separately are shown at cost less accumulated amortization and accumulated impairment losses. Any changes in estimates on a prospective basis. Intangible assets with indefinite useful lives that have been acquired separately are shown at cost less accumulated impairment losses.
Intangible assets are derecognized when they are disposed of or when it is anticipated that no future economic benefits will arise from their use or disposal. The gains or losses arising from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

5. Significant accounting policies (continued)

Goodwill

Goodwill represents the increase in the cost of acquisition over the fair value of the company's share of the identifiable net assets of the subsidiary acquired on the date of acquisition. Goodwill arising from acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized, but it is subject to an annual or shorter impairment check if events or changes in circumstances indicate a potential decline in value. Goodwill is stated at cost less accumulated impairment losses. Gains and losses arising from the disposal of any entity include the carrying value of the goodwill related to the entities sold.
Goodwill is allocated to the cash-generating units for the purpose of assessing impairment. The allocation is made to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination that creates the goodwill. Units or groups of units are identified at the lowest level through which goodwill is monitored for internal management reporting.

Commercial name

A trade name consists of the value of the trademarks acquired through the business combination process. This value is determined by calculating the present value of the future economic benefits expected to arise from the use of these trademarks in the market. The commercial name of the subsidiary is expected to be used over a period of 20 years, and therefore this trade name is subsequently included at cost after deducting the accumulated depreciation and impairment losses.

Technology

The technology consists of the suite of systems and devices used to increase security and positioning systems acquired through the business combination process. These costs are amortized over the period during which the company is expected to use the technology, which is estimated at a period of 5 years. Therefore, the technology is subsequently included at cost after deducting the accumulated depreciation and impairment losses.

Relationship with clients

Relationships with clients are established by continuous communication and prior transactions between the acquirer and its customers. Its value is determined by calculating the present value of the future economic benefits that are expected to arise from these relationships. Amortization is calculated using the straight-line method to allocate the costs over the estimated useful lives of eight years.

Unfinished business

Relationships with clients also arise through work-in-progress and unfinished business contracted on the date of the acquisition. Its value is determined by calculating the present value of the future economic benefits that are expected to arise from these relationships. Amortization is calculated using the straight-line method to allocate the costs over the estimated useful lives of 44 months.

Projects under progress

Projects under progress are recorded at cost. Cost includes all direct expenditures related to bringing the asset to a condition that allows it to be used for its intended purpose. The project under construction is transferred to real estate, machinery and equipment when it is completed and ready for its intended use.

5-5 Right of use assets and lease liabilities

The Company as a lessee
The company evaluates whether the contract contains a lease at the beginning of the contract. The company recognizes the right-of-use principal and the corresponding lease liability in respect of all lease agreements in which the company is the lessee, with the exception of short-term leases (which are recognized as leases of 12 months or less) and leases for low-value assets. For these leases, the company recognizes lease payments as operating expenses on a straight-line basis over the term of the contract unless there is another regular basis more representative of the time pattern in which the economic benefits from the leased asset are exhausted.

5. Significant accounting policies (continued)

5-5 Right of use assets and lease liabilities (continued)

The company as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments not paid on the commencement date, discounted using the rate implicit in the lease agreement. If this rate cannot be easily determined, the company uses an implicit interest rate.

Lease payments included in the measurement of the lease liability include the following:
- Fixed rental payments (including fixed principal payments), less any rental incentives.
- Variable rental payments that are index or price dependent, initially measured using the index or price at the start date,
- The amount expected to be payable by the tenant under residual value guarantees,
- The price of executing purchase options, if the tenant is reasonably sure to exercise those options, and
- Pay fines to terminate the lease, if the lease agreement demonstrates the exercise of the option to terminate the lease

The lease liability is presented in a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company re-measures the lease liability (and makes the corresponding adjustment to the related right-to-use asset) whenever:

- The terms of the lease have changed or there has been a change in the evaluation of the purchase option exercise, in which case the lease liability is remeasured by deducting the revised lease payments using a modified discount rate.
- The lease payments have changed due to changes in an index or price or a change in the expected payment according to the guaranteed residual value, in which case the lease liability is remeasured by deducting the adjusted lease payments using the initial discount rate (unless the lease payments change due to a change in the prevailing interest rate, in this case a modified discount rate is used.)
- The lease has been amended and the lease amendment is not accounted for as a separate lease contract, in which case the lease liability is remeasured by deducting the revised lease payments using a modified discount rate.

The company has not made any such adjustments during the periods presented.

Right of use assets

It includes the right to use the initial measurement assets for the corresponding rental obligation, lease payments made on or before the commencement day and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Right-to-use assets are depreciated over the lease term and the useful life of the main asset, whichever is shorter. If the lease transfers ownership of the underlying asset or the cost of the right-to-use asset shows that the company expects to exercise the purchase option, the relevant right-to-use asset is depreciated over the useful life of the underlying asset. Depreciation starts on the date of the commencement of the rental.

The company applies International Accounting Standard No. (36), impairment of assets value, to determine whether there has been any decline in the value of the right to use assets.

Variable lease payments

In the case of lease contracts that contain variable payments related to the use or performance of the leased assets, these payments are recognized in the consolidated statement of other comprehensive income.

5. Significant accounting policies (continued)

5-5 Right of use assets and lease liabilities (continued)

The Company as a lessee (continued)

Extension and termination options

When determining the term of the lease, management takes into account all facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option of termination. Extension options or post-termination options are included in the lease term only if the extension or non-termination of the lease is reasonably certain. The Company evaluates whether it is reasonably certain to exercise extension options when evaluating the lease. The Company reassesses whether it is reasonably certain to exercise options if there is a material event or change of circumstances within the limits of control.

5-6 Inventory

Inventory is stated at cost or net realizable value, whichever is the lower. The cost of inventory is determined using the weighted average method. It includes the expenses incurred in acquiring the inventory and bringing it to its present location and condition. The net selling value represents the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.
Inventory is reduced to net realizable value or a provision is made for obsolescence in the event of any change in the pattern of use or physical appearance of the relevant stock.

5-7 Impairment of non-financial assets

Assets that do not have a specific useful life such as goodwill are not subject to amortization. Rather, they are examined annually for impairment in their value. At the date of each financial position statement, a determination is made whether there are any indications of a decline in the value of non-financial assets. In the event that there are indicators in relation to an asset, or when an annual impairment test is required, the Group estimates the asset's recoverable amount (recoverable value) and assesses it for goodwill (if any) annually. The recoverable amount is determined from the asset alone, or from the cash-generating unit to which the asset belongs if the asset does not generate cash flows that are largely independent of the flows from other assets or groups of assets. The recoverable amount is measured as (a) the fair value of the asset (or cash-generating unit) minus the costs of disposal, or (b) the asset's use-of-value (that is, the present value of the future cash flows expected to be obtained from the asset or cash-generating unit) whichever is greater. The carrying amount of the asset is reduced to the recoverable amount only when the recoverable amount of the asset is less than it carrying amount, and that reduction is considered an impairment. An impairment is recognized immediately in profit or loss. An estimate is made at each reporting date to determine whether there is an indication that the previously recognized impairment losses no longer exist or that the value of these losses has decreased.
An impairment recognized in prior periods for a single asset or cash-generating unit is reversed only when there has been a change in the estimates used to determine the recoverable amount of the asset or generation unit since the last impairment loss was evidenced. Where, in this case, the carrying amount is increased to the recoverable amount, and if the reversal of the impairment relates to a single asset, the carrying amount that would have been determined should not increase if a loss was not proven in previous years. A reversal of an impairment is recognized as income in the consolidated statement of comprehensive income for the financial period in which it occurs.

5-8 Financial instruments

A financial instrument is any contracts that give rise to the financial assets of one entity and financial liabilities or equity instruments of another entity.

The group recognizes its financial assets and financial liabilities in the consolidated statement of financial position only when the company becomes a party to the contractual provisions of the instrument.

5. Significant accounting policies (continued)

5-8 Financial instruments (continued)

Financial assets

When a company acquires a financial asset, the financial asset is classified at amortized cost or at FVTOCI or FVTPL on the basis of both (a) the business model for managing a group of financial assets and (b) the contractual cash flow characteristics of the financial asset.

Initial measurement of the financial asset

A financial asset is measured on initial recognition at fair value plus transaction costs, with the exception of financial assets at fair value through profit or loss, which are measured at fair value without adding transaction costs.
Amounts receivable from trade debtors are measured at their transaction price (as per the definition in IFRS 15 "Revenue from Contracts with Clients" if the amounts due from commercial debtors do not include a significant financing component in accordance with IFRS 15.

Subsequent measurement of the financial asset
After initial recognition, the Group makes the subsequent measurement of the financial assets based on the classification of the financial assets as follows:

- At amortized cost using the effective interest method, if the company's goal is to maintain a group of financial assets to collect contractual cash flows on specific dates, which are only payments from the principal amount and interest on the principal amount outstanding.
- At fair value through other comprehensive income, if the company's goal is to maintain a group of financial assets to collect contractual cash flows and sell financial assets, and that the contractual terms of the financial asset give rise on specific dates to cash flows that are - only - payments from the principal amount and interest on the original outstanding amount.
- At fair value through other comprehensive income, if the company used this measurement option available in IFRS 9 Financial Instruments in relation to equity instruments. Subsequent changes in the fair value as well as the gains / (losses) on sale are recognized in other comprehensive income. The resulting dividends are recognized in profit or loss.

Derecognition of the financial asset

The Group derecognizes a financial asset only when:

- The expiration of contractual rights to cash flows from the financial asset, or
- Transferring contractual rights to receive cash flows from the financial asset and transferring approximately all risks of ownership of the financial asset, or
- Retaining contractual rights to receive cash flows from the financial asset while incurring a contractual obligation to pay cash flows to one or more recipients and transferring nearly all the risks of ownership of the financial asset, or
- Transferring the contractual rights to receive cash flows from the financial asset without transferring, nor keeping nearly all the risks of ownership of the financial asset if it has not retained control over the financial asset. or
- Maintaining the contractual rights to receive cash flows from the financial asset, bearing a contractual obligation to pay cash flows to one or more recipients without transfer, nor keeping nearly all the risks of ownership of the financial asset if it has not maintained control over the financial asset.

When a financial asset is derecognized in its entirety, the difference between the book value on the date of the derecognition and the compensation / consideration received (including any new asset that was acquired minus any new obligation charged) is recognized in profit or loss.

5. Significant accounting policies (continued)

5-8 Financial instruments (continued)

Impairment of financial assets

The Group evaluates the expected credit losses related to its financial assets on a prospective basis. The impairment method applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivables, the Group applies the simplified approach permitted by the International Financial Reporting Standard (9), which requires that expected losses to be recognized over the life of these receivables as of their initial recognition.

Financial liabilities

The Group classifies all financial liabilities that are measured subsequently at amortized cost.

Derecognition of financial liabilities

The Group derecognizes the financial liability (or part of the financial liability) from its consolidated statement of financial position when it is amortized; That is when the specified liability in the contract is paid, canceled or expired.

Amortized cost of the financial asset or liability

The amount by which a financial asset or liability is measured upon initial recognition minus payments of the principal amount, plus or minus the accumulated amortization using the effective interest method for any difference between that initial amount and the amount on the maturity date.

5-9 Cash and cash equivalents

Cash and cash equivalents include cash at banks, funds and investments with maturities of three months or less from the date of acquisition and which are subject to insignificant risk of changes in value.

5-10 Employee benefits

5-10-1 Employee end of service obligation benefits
Employees end of service obligation is a compensation obligation that is paid to employees after the end of their services. According to the Saudi Labor Law, the company makes payments to employees upon the end of their services, which are usually based on years of service, salary and the reason for termination of service. The liabilities recognized in the consolidated statement of financial position in relation to the end of service benefit are the present value of the defined benefit liability at the end of the financial reporting period. The defined benefit obligation is calculated annually by management using the projected unit credit method.
The current service cost of the defined benefit list recognized in the consolidated statement of comprehensive income is included in the employee benefit expense, unless it is included in the cost of the asset, and reflects the increase in the defined benefit obligation resulting from the employee's service in the current year and cases of change, reduction and settlement of benefits.
Past service costs are recognized immediately in the consolidated statement of comprehensive income. The present value of defined benefit liabilities is determined by discounting the estimated future cash outflows using rates of return on corporate bonds with a high credit rating, valuated in the currency in which the benefits are paid and which have deposits that approximate the related benefit liabilities. In the absence of a wide market for these companies, government bond market prices will be applied. Actuarial gains or losses arising from prior adjustments and changes in actuarial assumptions are charged and recognized in the consolidated statement of comprehensive income in the period in which they occur.

5. Significant accounting policies (continued)

5-10 Employee benefits (Continued)

5-10-2 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be fully settled within twelve months after the end of the annual financial reporting period in which employees provide the service to which they relate. Amounts (not deducted) for the service provided by the employee to the company during an accounting period are included as an expense and the related liability (expense due) is measured by the undiscounted amount of the employee's short-term benefits expected to be paid in exchange for the services provided by the employee.

The obligation relating to expected benefit payments is recognized when there is a present statutory or implied obligation for the group to make such payments as a result of previous services provided by the employee and that an estimate can be made that can be relied upon for the obligation.

5-11 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred, and then subsequently recognized at amortized cost with amortizing any difference between the proceeds (net of transaction costs) and the recovered value in the consolidated statement of comprehensive income over the period of the borrowing using the effective commission method.
Fees paid to enter into borrowing facilities are accounted for as transaction costs of the loan, provided there is a possibility that some or all of the facilities will be drawn down. In this case, the fee is deferred until the withdrawal occurs. In the event that there is no evidence that some or all of the facilities may be withdrawn, the fees are capitalized and recorded in the advance payments for liquidity services, and they are amortized over the period of the facilities related to them.
Finance costs mainly represent expenses payable on borrowings obtained from financial institutions at normal commercial rates, and are recorded in expenses in the consolidated statement of comprehensive income in the period in which they are incurred.
Borrowing costs directly related to the acquisition, construction or production of any qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use. All borrowing costs are recognized in expense on a time proportion basis using the effective interest rate method.
Borrowings are classified within current liabilities unless the company has an unconditional right to postpone the settlement of the obligation for a period of not less than twelve months after the date of the consolidated financial position.

5-12 Accruals and other credit balances

Other credit balances are obligations to pay suppliers' dues, employee benefits, and other receivables. Other payables are classified as current liabilities if these receivables are due within one year or less. Otherwise, they are presented as non-current liabilities. Financial liabilities included in accounts payable and other liabilities are recognized initially at fair value and subsequently at amortized cost. The fair values of the Company's payables equal their amortized cost when they are proceeded in one year or less.

5-13 Provisions

Provisions are recognized when the group has liabilities (legal or contractual) at the consolidated statement of financial position date arising from past events and the repayment of the liabilities is likely to result in an outflow of economic benefits and their value can be measured reliably. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to that obligation.

5-14 Value add Tax

Revenues, expenses and assets are recognized after deducting VAT, except for:

- When the VAT incurred in connection with the purchase of assets or services in non-refundable from GAZT, in this case, the transaction tax is recognized as part of the cost of purchasing the asset or as part of the expense's items, where applicable; and
- Receivables and payables that are included with the transaction tax amount.

The net amount of VAT recoverable from, or payable to, GAZT and income is included as part of receivables or payables in the consolidated statement of financial position.

5. Significant accounting policies (continued)

5-15 Revenue

Revenue is recognized according to the five step inputs:

First step:	Defining the group for the contract with the client in the following cases: • The contract and commitments have been approved by the parties • Defining every party right • Definition payment terms • The contract has a commercial content. And • Collectability
Second step:	The group identifies all goods or services promised in the contract and determines whether to account for each promised good or service as a separate performance obligation. The good or service is considered distinct and is separated from the other obligations in the contract if both of them are: • The client can benefit from the good or service separately or with other resources that are readily available to the customer. And • The good or service is defined separately from the other goods or services included in the contract.
Third step:	The group determines the transaction price, which is the consideration amount it expects in exchange for transporting promised goods or services to a client.
Fourth step:	The transaction price is allocated in an arrangement for each independent performance obligation based on the relative independent selling prices of the goods or services provided to the customer.
Fifth step:	Revenue is recognized when control of the goods or services is transferred to the customer. The group transfers a good or service when the customer obtains control of that good or service. A customer obtains control over a good or service if he has the ability to direct the use and entitlement of the benefit from the good or service. In the comparison period, revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be measured reliably, regardless of when the payment was received. Revenue is measured at the fair value of the consideration received or receivable, subject to contractually defined payment terms and the exclusion of taxes or fees. The company concluded that it is the principal in all of its revenue arrangements, has price freedom and is susceptible to inventory and credit risk. Dividend income is recognized when the company's right to receive dividends from its various investments can be demonstrated. This is usually achieved when the shareholders have formally approved a dividend. Revenue consists of the fair value of the consideration received or receivable from the sale of goods and services in the normal course of business of the group's activities. Revenue is reported net of returns, discounts and discounts. The company records revenue when the value of the revenue can be measured reliably, and it is probable that future economic returns will flow to the group, and when specific criteria are met for each of the group's activities, as shown below. The amount of revenue is not considered reliably measurable until all contingent liabilities associated with the sale have been settled.

Transport segment revenue

Revenue from the transport segment is recognized in the accounting period in which the group provides the agreed transport service to its customers, as the revenue is calculated for contracts of limited value and incomplete at the end of the period in proportion to the service provided until the end of the period of the total service agreed upon in the contract.

Real estate segment revenue

Revenue from the real estate segment includes income from rental, property management and property sales.
Real estate rental income is recognized on a straight-line basis over the term of the lease agreement. When the group provides a discount on the rent as an incentive to its clients, whether at the beginning or the end of the period, the cost of this discount is distributed in a straight-line method over the contract period and deducted from the rental income. Real estate management revenues are recognized in the accounting period in which the service is provided to its clients. In the event that the group acts as a middleman, only the commission value is recognized as revenue and not the total contract value.

5. Significant accounting policies (continued)

5-16 Dividends revenue
Dividend income is recognized when the company's right to receive dividends from its various investments can be recognized. This is usually achieved when the shareholders have formally approved a dividend.

5-17 Cost revenue
The cost of revenues includes all direct operating expenses related to transportation and the generation of transport revenues, including the costs of services from external sources (security, maintenance, repair, leasing services ... etc.) and the costs of the security guards segment, feeding ATMs, transferring money, counting money, maintenance and operation, fuel, oils, labor, rental of means of transport and work places and depreciation of the transportation fleet, insurance, and all other direct expenses. Other operating expenses are considered general and administrative expenses.

5-18 Expenses
General and administrative expenses include direct and indirect expenses that are not directly related to the costs of the services presented. And it is distributed, if necessary, between general and administrative expenses, cost of services and other expenses on a fixed basis.

5-19 Zakat provision
Zakat provision is calculated annually in the consolidated financial statements in accordance with General Authority for Zakat and Income instructions in the Kingdom of Saudi Arabia. Any amendments that may occur upon the final assessment of Zakat are recorded in the consolidated statement of comprehensive income in the year in which the final assessment is received, in which case the provision is settled.

5-20 Share earnings
The company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders in the company based on the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of shares existing equity to demonstrate the conversion effects of all potentially diluted ordinary shares. The company does not have any potential dilutive ordinary shares.

5-21 Segment information
The operating segment is a component of the group that carries out business activities from which it may earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the group, for which separate financial information is available. The operating results of each operating segment are reviewed by the CEO of the company to make decisions about the resources to be allocated to the segment and to assess its performance.

5-22 Statutory reserve
In line with the requirements of the Companies Law and the company's by-law, (10%) of the annual net profits is set aside to form the statutory reserve for the company. It is permissible to discontinue this reserve when the aforementioned reserve reaches (30%) of the paid-up capital.

5-23 Operation in foreign currencies
Transactions in foreign currencies were converted into the currency of the activity using the exchange rates prevailing on the dates of the transactions or valuation when re-measuring. Foreign exchange gains and losses resulting from the settlement of these transactions and the transfer of assets and liabilities are also calculated. In foreign currencies, at the rates prevailing at the end of the year, through the consolidated statement of comprehensive income.
Foreign exchange gains and losses are presented through the consolidated statement of comprehensive income under (other income / (expenses), net.

5-24 Contingent Liabilities
Any obligations that may arise from past events and whose existence is only confirmed by the occurrence or non-occurrence of one or more future events that are not asserted that is not within the group's full control, or a current obligation that is not recorded because it is unlikely that an outflow of resources will be required to settle the obligation. In the event that the amount of the obligation is not able to be measured with sufficient reliability, it is not included among the contingent liabilities, but rather disclosed in the consolidated financial statements.

(Saudi Riyals)

6. Property and equipment, net

	Lands*	Buildings, decoration	Tracks, trailers cooling unit and cars	Workshop's equipment and containers	Machinery, equipment and security	Furniture and office equipment	2020	2019
Cost								
In 1 January	42,415,531	15,123,364	243,302,494	7,689,841	11,738,930	21,728,162	**341,998,322**	343,316,017
Additions	4,500,000	2,850	43,969,786	212,800	4,639,290	8,169,975	**61,494,701**	31,622,049
Disposals	-	-	(8,158,460)	-	-	(805,725)	**(8,964,185)**	(32,939,744)
In 31 December	**46,915,531**	**15,126,214**	**279,113,820**	**7,902,641**	**16,378,220**	**29,092,412**	**394,528,838**	341,998,322
Accumulated depreciation								
In 1 January	-	4,896,676	147,997,431	4,047,585	3,561,626	12,255,570	**172,758,888**	174,955,142
Charged on the year	-	726,344	19,859,460	602,910	1,766,471	3,707,310	**26,662,495**	26,542,183
Disposed during the year	-	-	(6,849,225)	-	-	(651,990)	**(7,501,215)**	(28,738,437)
In 31 December	-	**5,623,020**	**161,007,666**	**4,650,495**	**5,328,097**	**15,310,890**	**191,920,168**	172,758,888
Net book value								
As at 31 December 2020	**46,915,531**	**9,503,194**	**118,106,154**	**3,252,146**	**11,050,123**	**13,781,522**	**202,608,670**	-
As at 31 December 2019	42,415,531	10,226,688	95,305,063	3,642,256	8,177,304	9,472,592	-	169,239,434

* Includes mortgaged lands for some local banks (note 15)

(Saudi Riyals)

7. Right of use assets, net

	2020	2019
Cost		
In 1 January	**6,054,699**	-
Additions	**196,680,510**	6,054,699
Disposals	-	-
In 31 December	**202,735,209**	6,054,699
Accumulated depreciation		
In 1 January	**(1,135,095)**	-
Charged for the year	**(3,499,026)**	(1,135,095)
Disposed during the year	-	-
In 31 December	**(4,634,121)**	(1,135,095)
Net book value		
As at 31 December	**198,101,088**	4,919,604

8. Investment property, net

Investment property consists of lands and buildings designated for investment and leasing them mainly to others, and the movement was as follows:

	2020	2019
Balance as at the beginning of the year	**42,047,900**	25,026,638
Additions	**326,815**	17,021,262
Balance as at the end of the year	**42,374,715**	42,047,900

Accumulated depreciation	**2020**	2019
Balance as at the beginning of the year	**(643,555)**	(231,875)
Charged during the year	**(494,971)**	(411,680)
Balance end of the year	**(1,138,526)**	(643,555)
Net book value	**41,236,189**	41,404,345

The net book value of investment properties as on December 31, 2020 amounted to 41,236,189 Saudi riyals (December 31, 2019: 41,404,345 Saudi riyals). The investment properties at Riyadh and Jeddah cities were evaluated by a qualified and independent expert as on January 31, 2021, as shown below:

Description	**Net book value**	**Fair value**	**Notes**
Investment properties in Riyadh – (lands, buildings and fixtures)	**16,706,427**	**20,850,000**	**Mortgage to a local bank – note 15**
Investment properties in Jeddah – (lands)	**22,529,762**	**23,097,087**	
Contribution in land northeast Jeddah	**2,000,000**	*	

* The real estate evaluation mechanism applied in evaluating investment properties is in line with the International Valuation Standards Board and with the directives of the Saudi Authority for Accredited Valuers "Taqeem".

The following are the real estate evaluator data:

Name	Estand real estate valuation
Qualification	Membership of the Saudi Authority for Accredited Valuers
Valuation license No.	1210000037

* Investment properties amount of 2,000,000 Saudi riyals represented in contribution in the land of Northeast Jeddah in an investment in lands with another party under a contract. The company received a letter from the Real Estate Contribution Committee No. 1207 dated 17/04/1442H stating that the committee is still working on liquidating the contribution through the execution court to collect the amount of the bond for the order submitted by the buyer of the land at a value higher than the cost price, and the situation remains as it is until the date of the consolidated statement of financial position.

(Saudi Riyals)

9. intangible assets, net

	Goodwill	Trademark	Revenues from continuing contracts	Current customer's database	Technology and systems	2020	2019
Coat							
As at 1 January	79,745,709	2,726,000	5,893,000	2,053,000	12,934,647	**103,352,356**	102.122.226
Additions during the year	-	-	-	-	499,254	**499,254**	1,230,130
As at 31 December	**79,745,709**	**2,726,000**	**5,893,000**	**2,053,000**	**13,433,901**	**103,851,610**	103,352,356
Accumulated amortization							
As at 1 January	1,500,000	636,067	5,893,000	1,197,583	9,028,726	**18,255,376**	15.632.897
Amortization during the year	-	136,300	-	256,625	1,222,657	**1,615,582**	2,622,479
As at 31 December	**1,500,000**	**772,367**	**5,893,000**	**1,454,208**	**10,251,383**	**19,870,958**	18.255.376
Net book value							
As at 31 December 2020	**78,245,709**	**1,953,633**	-	**598,792**	**3,182,518**	**83,980,652**	-
As at 31 December 2019	78,245,709	2,089,933	-	855,417	3,905,921	-	85,096,980

Technology and systems include projects under progress, the balance of which, as of December 31, 2020, amounted to 723.979 Saudi riyals (2019: 1,579.018 Saudi riyals)

(Saudi Riyals)

9. intangible assets, net (continued)

Impairment test on goodwill

International Accounting Standard (36) "Impairment in the value of assets" requires that the impairment test for goodwill be performed on an annual basis regardless of whether there is any indication of impairment of goodwill or not. The Group annually conducts an impairment test in the value of goodwill resulting from the acquisition of Batic of the subsidiary company of the Arab Company for Security and Safety Services (AMNCO) of the subsidiary company of the Arab Company for Security and Safety Services (AMNCO), which amounted to 70,067,220 Saudi riyals as of December 31, 2020. Also, the goodwill resulting from the acquisition by the subsidiary, the Arab Company for Security and Safety Services (AMNCO), of AMNCO Facilities Management Company Ltd. (formerly: Al-Hikma Company for Commercial and Industrial Investment) amounting to 8,178,489 Saudi riyals as of December 31, 2020. The group considered the two aforementioned companies as cash generating units in their own right, and all goodwill was allocated to the cash generating units in accordance with the International Accounting Standard (36).

It is worth noting that on July 23, 2017, the subsidiary company, AMNCO, acquired 70% of the Al-Hikma Company for Commercial and Industrial Investment which resulting in 9,678,489 Saudi riyal the goodwill balance became in the consolidated financial statements of the Arab Company for Security and Safety Services (AMNCO) after the impaired in the value of the goodwill Goodwill as of December 31, 2018: 8,178,489 Saudi riyals, and it has been included in the intangible assets of the group. Whereas, during the year 2018G, the impairment in the value of goodwill resulted in a decrease in the value of goodwill for the cash-generating units of SAR 1,500,000.

The recoverable amount is determined on the basis of the information used in the projected business plans for the five-year period following the date of the consolidated financial statements and the cash flows related thereto, and impairment is tested on the basis of the value of the future cash flows for a period of five years based on reasonable and objective assumptions to estimate the cash flow according to the latest approved budgets. of management
During the year 2019 and 2020, there were no impairment losses in the book value of the goodwill as at the end of the financial report.

The following are the key assumptions used in estimating the recoverable amount

	2020	2019
Discount rate	**11.39%**	12.99%
Growth rate	**2.5%**	2.5%

(Saudi Riyals)

10. Financial investment at FVPL

Cost	2020	2019
Shares in "Trukkin" company	**1,742,704**	1,595,175
United for Dairy Farms Company	**300,000**	300,000
	2,042,704	1,895,175

- The investment made during the year 2018 is represented in the purchase of 22,675 shares of " Trukkin " company, where the percentage of investment in the company reached 21.50%. The company classifies the investment as a financial investment at fair value through profit or loss.

The Board of Directors of "Trukkin " company decided on February 6, 2019, and the partners' agreement on October 9, 2019 to increase the capital of the investee company by an amount of US 3,500,000, so that as of December 31, 2019, the investment in the company became 13.28% for 1,672,916.67 shares. During the year 2020, the company increasing its shares by 78,989 shares, at a value of SAR 147,529.

The cost price has been adopted as the management does not have the inputs required by the use of valuation approaches (level one and level two) based on the market value, and the management has found that the discounted cash flow approach or the replacement cost approach may result in a fair value that cannot be relied upon. Accordingly, the management has adopted the cost price of the investment, and the management does not expect the existence of a impairment in the value of the investment.

- The management has approved the cost price of the investment in the United for Dairy Farms Company due to the lack of fair value for this investment, and the management expects that there will be no impairment in the investment value.

11. Advances to purchase property and equipment

The advance payments for the purchase of property and equipment represented in contracts for the purchase of property and equipment represented in equipment and devices for establishing and operating the smart parking project in the cities of Khobar and Dhahran, and prepayments of 14,474,118 Saudi riyals were made to them during the year 2020 (2019: 150,777 Saudi riyals).

12. Inventory

The inventory balance as of December 31, 2020 consists of the supplies related to the group's segments (the transport segment, the security guards' segment, the money exchange segment and the money transfer segment and medical product supply segment) and these supplies are represented in spare parts, electronic locks, workers' clothing and other items, and the inventory balance as at 31 December 2020 amounted 9,858,125 Saudi riyals (31 December 2019: 9,721,250 Saudi riyals).

(Saudi Riyals)

13. Trade receivables and other debit balances, net

	2020	2019
Trade receivables	182,408,646	143,900,450
ECL provision for trade receivables	(21,634,486)	(8,133,010)
Trade receivables, net	160,774,160	135,767,440
Custody Receivable	28,881,161	29,175,556
Retention	10,771,653	11,856,984
Letters of guarantees insurance	9,188,213	6,664,869
prepaid expenses	9,538,528	14,067,736
prepaid rents to Eastern Province Municipality	10,649,741	27,989,988
Advance payment to suppliers	1,328,356	1,988,003
Other debit balance	12,963,120	10,843,653
Total	83,320,772	102,586,789
ECL provision for other debit balance	(26,820,542)	(23,887,272)
Other debit balances, net	56,500,230	78,699,517
Total trade receivables and other debit balances, net	217,274,390	214,466,957

Trade receivables are non-interest bearing and generally mature within 30-90 working days.
Management believes that overdue balances are not impaired in value and are still fully collectible based on past payment behavior and a comprehensive analysis of the customer's credit risk, including the customer's basic and pre-existing credit ratings. The group has calculated the estimated provisions ratios for each (time period / category of customers), according to the simplified expected credit loss method in the International Financial Reporting Standard No. (9).

The movement in the allowance for expected credit losses of trade receivables was as follows:

	2020	2019
Balance at the beginning of the year	8,133,010	7,055,631
Charged during the year	13,501,476	1,878,788
Transferred from \ to other debit balances provision	-	1,606,676
Return during the year	-	(2,309,735)
Used during the year	-	(98,350)
	21,634,486	8,133,010

The movement in the allowance for expected credit losses of other debit balances was as follows:

	2020	2019
Balance at the beginning of the year	23,887,272	23,542,144
Charged during the year	4,250,000	2,761,399
Transferred from \ to other debit balances provision	-	(1,606,676)
Used during the year	(1,316,730)	(809,595)
	26,820,542	23,887,272

14. Cash and cash equivalents

	2020	2019
Cash at banks	55,333,570	34,172,399
Cash on hand	580,506	-
Petty Cash	2,581	-
Balance	55,916,657	34,172,399

15. Loans

Short-term Loans

A) On 5/1/2020, Batic Investment and Logistic signed a credit facility agreement with an Islamic Tawarruq system with a local bank (Riyad Bank), which expires on 5/1/2023, and the maximum limit of the agreement is 20 million Saudi riyals and is used to finance the working capital requirements. , And the facility is secured by a real estate mortgage for the company's land on the Riyadh-Al-Kharj road under the deed No. 711524003191 and as on December 31, 2020, the company used an amount of 7,000,000 million Saudi riyals to finance the working capital requirements due to be paid on 10/6/2021.

B) On 5/9/2019, the Arab Company for Security and Safety Services (AMNCO) - a subsidiary company signed a credit facility agreement with an Islamic Tawarruq system with a local bank (Investment Bank), and The maximum limit of the agreement is 55 million riyals, and the terms and conditions for using credit facilities are as follows: -

- Murabaha to finance the purchase and sale of goods to refinance letters of credit through the bank.
- Short-term Murabaha financing the purchase and sale of commodities to finance working capital requirements.
- Guarantees facilities to issue initial guarantees / good performance guarantees / payment guarantees for the benefit of acceptable beneficiaries to the bank.
- The company has used an amount of 30,000,000 million Saudi riyals to finance its working capital requirements.

The agreement was renewed, with a maximum limit of 40 million Saudi riyals, and it will end on 9/30/2021.

C) On 8/12/2019, the Arab Company for Security and Safety Services (AMNCO) - a subsidiary company signed a credit facility agreement with one of the local banks (Banque Saudi Fransi) The maximum limit of the agreement is 80 million, and the terms and conditions for the use of credit facilities are as follows:

- General facilities including guarantees facilities to issue guarantees with a maximum of 10 million Saudi riyals, and short-term loan facilities up to a maximum of 5 million Saudi riyals (with a SAIBOR commission + 1.75% annually) to finance working capital.
- Specific facilities, including payment guarantees, up to a maximum of 25 million Saudi riyals for the Dammam Parking Project.
- Specific facilities, including payment guarantees, up to a maximum of 40 million Saudi riyals for the Khobar Parking Project.
- The company has used an amount of 5,000,000 million Saudi riyals to finance its working capital requirements.

Long-term Loans

A) Batic Company for Investment and Logistics signed a fixed-term securitization credit facility agreement with a local bank (Arab Bank) on 18/12/2018 and this agreement ends on 31/12/2023 (sixty months), with an amount of 34,000,000 Saudi riyals to finance the purchase A property representing administrative offices in Al-Maather district in the center of Riyadh, part of which will be used as the main center of the group, and until December 31, 2020, the company used the total amount from the financing agreement and the financing is paid in semi-annual installments for a period of 4 years. The loan is secured by a real estate mortgage, a promissory note in the amount of 34,000,000 Saudi riyals and a guarantee signed by the Arab Company for Security and Safety Services (AMNCO) - a subsidiary company and a principal assignment in favor of the bank by the Arab Company for Security and Safety Services (AMNCO) - a subsidiary of the rental returns of the property subject of financing and an insurance policy Where the bank is the first beneficiary.

B) On 17/10/2019, the Arab Company for Security and Safety Services (AMNCO), which is a partner, signed a credit facility agreement, long-term financing "Tawarruq" and guarantees and hedging in compliance with the provisions of Islamic Sharia with a total of 79 million Saudi riyals, and the financing period is 7 years, with the purpose of financing Investing in the smart parking project in the Eastern Province of the Smart Cities Solutions Company for Communications and Information Technology (subsidiary company). On 3/12/2019, an agreement was signed to transfer the agreement and its terms, obligations and clauses to Smart City Solutions for Communications and Information Technology. Until December 31, 2020, the company received payments from the loan amounting to 44,479,898 Saudi riyals (to be paid semi-annually after the lapse of availability, which is one year from the date of the Facilitation Offer letter dated 17/10/2019 and the lapse of a one-year grace period) at a SIBOR commission rate of + 2.25%.

(Saudi Riyals)

15. Loans (continued)

Long-term Loans (continued)

C) The Saudi Transport and Investment Company - Mubarrad (a subsidiary company) signed a credit facility agreement with the Islamic Tawarruq system with a local bank on 11/3/2018 and this agreement ends on 11/06/2023 to finance the company's operational operations with a maximum of 15 million Saudi riyals As of December 31, 2020, the company used an amount of 14,820,616 Saudi riyals from the financing agreement for the purpose of purchasing refrigerated trailers used in the operational process. The financing shall be paid in quarterly installments for a period of 5 years.

D) On 17/3/2020, the Saudi Transport and Investment Company - Mubarrad (a subsidiary company) signed a credit facility agreement in the Islamic Tawarruq system with a local bank on 17/3/2020 and this agreement ends on 17/3/2025 to finance the company's operations. Up to a maximum of 24,5 million Saudi riyals, as of December 31, 2020, the company has used an amount of 20,887,773 Saudi riyals, and the financing is paid in quarterly installments for a period of 5 years.

The loans include financial covenants and the Group has complied with these covenants.

The following is the movement of loans during the year:

	2020	2019
Balance at the beginning of the year	**75,655,839**	8,004,438
Additions during the year	**85,448,454**	71,491,874
Paid during the year	**(7,746,994)**	(3,840,473)
Total loan value	**153,357,299**	75,655,839
Deduct: deferred finance value	**(3,318,202)**	(4,509,786)
Net loan value	**150,039,097**	71,146,053
Non-current value	**94,144,894**	32,488,158
Current value	**55,894,203**	38,657,895

The following is the loan maturity schedule as in:

	2020	2019
During one year	**55,894,203**	38,657,895
Between one year to two years	**14,190,025**	17,315,789
Between two years to 5 years	**79,954,869**	15,172,369
Total	**150,039,097**	71,146,053

16. Employees end of service benefit obligation

	2020	2019
Balance at the beginning of the year	**38,127,823**	36,188,452
Present service cost and interest cost	**9,926,534**	9,846,234
Actuarial losses	**2,902,511**	4,574,000
Paid during the year	**(14,972,299)**	(12,480,863)
	35,984,569	38,127,823

Significant actuarial assumptions endorsed

	2020	2019
Average discount rate used for the group	**%2.10**	%2.9
Company salary increase rate (Batic)	**%2.50**	%3.35
Subsidiary salary increases rate (Mubrad)	**%1.30**	%2.75
Subsidiary salary increases rate (AMANCO)	**%1.50**	%2.6
Subsidiary salary increases rate (Al Shifa Technology)	**%3.10**	-

(Saudi Riyals)

16. Employees end of service benefit obligation (continued)

The following is an analysis of the sensitivity to the employee benefit liability balance of key assumptions while maintaining the other assumptions as at December 31, 2020:

Discount rate	Arab Security and Safety Services - AMNCO	Batic for Investments and logistics	Saudi company for Transport and Investment - Mubrad	Al Shifa Technology	Total
+ 0.50%	28,560,862	782,874	5,190,690	9,590	34,544,016
- 0.50%	(30,195,750)	(876,960)	(5,430,362)	(11,041)	(36,514,113)
Expected salary increase rate					
+ 0.50%	30,191,506	876,712	5,429,739	11,037	36,508,994
- 0.50%	(28,557,043)	(782,662)	(5,190,129)	(9,586)	(34,539,420)

The following is an analysis of the sensitivity to the employee benefit liability balance of key assumptions while maintaining the other assumptions As on December 31, 2019:

Discount rate	Arab Security and Safety Services - AMNCO	Batic for Investments and logistics	Saudi company for Transport and Investment - Mubrad	Al Shifa Technology	Total
+ 0.50%	30,233,465	760,681	5,912,573	-	36,906,719
- 0.50%	(31,943,341)	(853,683)	(6,323,163)	-	(39,120,187)
Expected salary increase rate					
+ 0.50%	31,938,956	853,439	6,322,093	-	39,114,488
- 0.50%	(30,229,507)	(760,474)	(5,911,640)	-	(36,901,621)

17. Notes Payable

	2020	2019
Current portion	4,748,400	386,280
Non-current portion	8,309,700	-
Total	13,058,100	386,280

18. Shareholders accruals

	2020	2019
Creditor of surplus subscription	1,293,050	1,293,050
Dividends payable	15,713,381	15,738,213
Fractional Capital Reduction	1,887,502	1,887,874
	18,893,933	18,919,137

19. Lease liabilities

	2020	2019
liabilities against finance lease	4,739,832	502,966
IFRS 16 "leases" impact	1,373,278	4,402,873
Additions during the year	178,015,974	1,082,318
Charged interest during the year (note 27)	1,663,196	273,281
Paid during the year	(1,841,876)	(1,511,581)
Ending balance, divided to:	183,950,404	4,749,857
Long-term lease liabilities	180,586,418	3,599,094
Short-term lease liabilities	3,363,986	1,150,763

(Saudi Riyals)

20. Trade payables and other credit balance

Trade payables	2020	2019
Assets suppliers	**311,128**	262,636
Tiers suppliers	**1,116,926**	1,229,857
Services suppliers	**6,054,541**	3,201,738
Spare parts suppliers	**1,723,017**	1,405,141
Fuels suppliers	**3,098,525**	3,057,109
Other suppliers	**543,330**	357,282
Total	**12,847,467**	9,513,763

Other credit balance	2020	2019
Employees benefits	**17,284,593**	18,540,717
Accrued expenses	**8,368,085**	3,912,481
Accrued insurance expenses	**-**	12,553
Legal cases provision	**502,500**	502,500
Insurance for others	**1,358,460**	31,250
Other	**5,381,523**	2,065,140
Total	**32,895,161**	25,064,641
Total other payables and other credit balance	**45,742,628**	34,578,404

21. Zakat provision

A- Zakat status

The Group committed to submit separately its zakat returns until the end of the year ending on 31/12/2019 and obtained the final zakat certificate valid until April 30, 2021, with the exception of what is mentioned below, and the zakat position was as follows:

Batic Investment and Logistics

The company obtained the zakat assessments for the fiscal years from 2008 until 2014. The assessment and objection file were closed and the company paid the zakat differences due.

The company obtained the zakat assessment for the year 2018 on 31/12/2020, and the company was entitled to a zakat difference in the amount of 39,879 Saudi riyals. The company agreed to this assessment and paid the zakat due.
Subsequently, on 21/10/2020, the company was issued a zakat assessment for the financial years from 2015 until 2017, and the difference in zakat due under this assessment amounted to 2,520,796 Saudi riyal.
The company paid an amount of 105,573 Saudi riyals, which represents the non-objectionable items, and submitted an objection to the remaining amount due on 12/12/2020. The Authority rejected the objection on 11/2/2021, and the objection was escalated to the General Secretariat of the Tax Committees.

The Arab Company for Security and Safety Services - AMNCO (subsidiary)

The company committed itself to submit its zakat returns until the end of the year ending on 31/12/2019 and obtained the final zakat certificate.
The company obtained the zakat assessments for the years from 2008 until 2014, the assessment and objection file were closed and the company paid the due zakat differences.
On 18/2/2021, the company received a data request from the Inspection and Linkage Department for the financial year 2015, the company responded to the data request, and the assessment has not been issued to date.

Smart City Solutions for Communications and Information Technology - (a subsidiary of the Arab Company for Security and Safety Services - AMNCO)

The company submitted its zakat declarations until the year 2019, and the company obtained a certificate valid until 30/4/2021. The company did not receive any zakat and tax assessments from the General Authority for Zakat and Income

(Saudi Riyals)

21. Zakat provision (continued)

B- Zakat status (continued)

AMNCO Facilities Management Company - (a subsidiary of the Arab Company for Security and Safety Services - AMNCO)

The company submitted its zakat returns until the year 2019 and obtained a certificate valid until April 30, 2021.
1- The company obtained the zakat assessments for the fiscal years from 2006 until 2016, and the assessment file was closed and the company paid the due zakat differences.
2- On September 17, 2020, the company received zakat assessments for the year 2018, with an amount of 35,508 Saudi riyals. The company submitted an objection to the full amount and the Authority agreed to object.

Al Shifa Technology Co. – (subsidiary)
The company has not yet submitted any zakat declarations and has not obtained any zakat assessments, and the company's management has reported that the first year of the company is a short period as it starts from June 29, 2020 and ends on December 31, 2020, and the zakat declaration will be submitted after finalizing the issuance of the audited financial statements are issued.

Batic Real Estate – (subsidiary)
The company has not submitted its zakat declarations for the fiscal period ending on December 31, 2018 and for the fiscal year 2019 to date, and work is underway to provide zakat return for the company.

Saudi Transport and Investment "Mubrad" – (subsidiary)
The company submitted its zakat return to the General Authority for Zakat and Income until the year ending on December 31, 2019 and it obtained a valid certificate from the Authority. Effective until April 30, 2021, and the company obtained the tax assessment for the financial period from July 30, 2017 until December 31, 2018. The differences of zakat and withholding tax were paid in the amount of 59,607 Saudi riyal.

B- Zakat movement provision

	2020	2019
Balance at the beginning of the year	**5,027,342**	6,613,208
Charged for the year	**6,265,582**	4,507,555
Paid during the year	**(4,986,814)**	(6,093,421)
Balance at the end of the year	**6,306,110**	5,027,342

22. Balances and transactions with related parties

The related parties consist of senior management employees, members of the board of directors, and members of committees, in which the members of the board of directors or the employees of senior management, directly or indirectly, have a significant influence. The group has, during the normal course of business, concluded many transactions with the related parties. These transactions were concluded in accordance with the agreed terms and conditions.

Significant transactions with related parties	2020	2019
Remunerations to members of the Board of Directors and committees	**725,000**	1,010,000
Allowance for attending Board and Committee and remuneration of secretaries	**237,000**	330,000

Compensation of senior management personnel	2020	2019
Short-term salaries and benefits	**4,240,400**	4,598,231
End of service benefits	**152,276**	187,675
Total compensation for senior management	**4,392,676**	4,785,906

(Saudi Riyals)

23. Revenue

	2020	2019
Security guard	**160,253,408**	209,110,707
ATM feeding	**129,437,311**	119,875,425
Supply of medical equipment	**82,353,457**	-
Transport	**65,977,536**	65,445,825
Transferring money, counting and sorting money and correspondence	**54,483,114**	64,087,481
Maintenance and operating	**7,358,664**	3,841,422
Investment property	**3,703,017**	3,457,849
Cities solutions	**808,564**	-
Other and settlements	**(6,520,462)**	(1,870,758)
Total	**497,854,609**	463,947,950

24. Cost of revenue

	2020	2019
Salaries and wages and equivalents	**269,926,469**	308,403,893
Cost of goods sold – Al Shifa Tecnology	**55,522,689**	-
Depreciations	**29,948,828**	27.615.410
Spare parts and maintenance	**13,637,049**	16,613,487
Consumables and equipment and supplies	**11,965,818**	4,260,002
Fuel and oils	**11,548,140**	10,691,908
Customer clearance	**8,607,980**	144,459
Trip allowance	**4,297,332**	4,201,924
Medical insurance	**7,469,690**	7,558,124
Insurance - Fleet, goods and real estate	**5,930,194**	5,511,848
Visa iqama, certificated	**3,807,495**	3,877,768
Rent truck, trailers from third party	**1,555,217**	2,355,222
Rents	**1,281,736**	1,566,538
Stationery and hospitality supplies	**740,883**	1,201,459
Bank charges	**87,611**	267,803
Other	**11,772,775**	9,556,690
Total	**438,099,906**	403,826,535

25. Other revenue

	2020	2019
Collected bad debts	**2,146,799**	549,764
Others	**281,321**	245,068
	2,428,120	794,832

(Saudi Riyals)

26. General and administrative expenses

	2020	2019
Salaries and wages and equivalents	**30,576,825**	30.049,168
Professional and consultations expenses	**3,101,997**	3,907,261
Rents	**23,235**	494,371
Remuneration for members of the Board of Directors and allowance to attend sessions	**962,000**	1,340,000
Depreciation and amortization	**2,423,408**	3,096,023
Shareholder registry fees	**395,065**	446,582
Medical insurance	**1,947,968**	1,388,723
Others	**4,793,039**	3,152,544
	44,223,537	43,874,672

27. Finance costs

	2020	2019
Finance expenses bank facilities	**6,039,884**	2,203,416
Interest expenses on leases liabilities	**1,663,196**	273,281
	7,703,080	2,476,697

28. Segment information

The Group's management has defined the operational sectors based on the reports reviewed by the Board of Directors on the basis of which strategic decisions are taken. For administrative purposes, the group is organized into seven business units based on their services, and the following are the operating segments of the group:

Transportation segment
The transport segment is represented in the transportation of goods and missions for a fee on the Kingdom's land roads, car and trailer rental services, rental of cold stores, fuel stations and maintenance workshops, and the purchase, sale and maintenance of equipment and machinery related to road transport.

Real estate segment
The real estate segment is represented in buying and selling lands and constructing buildings on them and investing them by sale or rent for the benefit of the group and establishing and operating commercial and industrial projects. There was no movement in the real estate segment during the year, and therefore the sectoral information related to the real estate segment was not shown in the table below.

Security guards' segment
It includes providing security guards and shift services to banks and companies.

ATM feeding
It includes feeding and maintenance services for banks' ATMs.

Insurance money transfer segment
It includes transportation and insurance services for the transfer of money and valuables.

Counting and sorting of money and correspondence segment
It includes money counting and sorting services and postal correspondence.

Maintenance and operation segment
It includes maintenance and operation of buildings, property management and marketing for others
There were no inter-segment sales during the period. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations and is measured consistently with operating profit or loss in the consolidated financial statements.

Medical equipment supply segment
It includes the supply of medical equipment to others.

(Saudi Riyals)

28. Segment information (continue)

The table below represents the revenues and costs for each of the Group's segments, as well as their assets and liabilities for the year ended December 31, 2020

	Investment property	Transportation sector	Security guard sector	ATM feeding sector	Secured money transfer and correspondence sector	Maintenance and operation sector	Cities solutions	Supply of medical equipment	Other and settlements	Total
Revenue	3,703,017	65,977,536	160,253,408	129,437,311	54,483,114	7,358,664	808,564	82,353,457	(6,520,462)	497,854,609
Cost of Revenue	(1,366,736)	(58,174,404)	(147,963,043)	(115,511,761)	(47,310,430)	(5,784,780)	(2,653,551)	(64,366,993)	5,031,792	(438,099,906)
Gross profit	2,336,281	7,803,132	12,290,365	13,925,550	7,172,684	1,573,884	(1,844,987)	17,986,464	(1,488,670)	59,754,703
Total assets	41,236,189	158,675,512	57,035,666	81,676,171	43,800,647	4,829,779	230,327,360	17,327,270	190,583,999	825,492,593
Total liabilities	30,600,000	62,493,425	26,785,479	26,755,755	13,796,643	3,608,849	241,186,325	955,943	47,792,423	453,974,842

The table below represents the revenues and costs for each of the Group's segments, as well as their assets and liabilities for the year ended December 31, 2019

	Investment property	Transportation sector	Security guard sector	ATM feeding sector	Secured money transfer and correspondence sector	Maintenance and operation sector	Cities solutions	Supply of medical equipment	Other and settlements	Total
Revenue	3,457,848	65,445,825	209,110,707	119,875,425	64,087,481	3,841,422	-	-	(1,870,758)	463,947,950
Cost of Revenue	(904,973)	(57,343,208)	(188,350,890)	(101,735,911)	(51,777,794)	(3,953,759)	-	-	240.00	(403,826,535)
Gross profit	2,552,875	8,102,617	20,759,817	18,139,514	12,309,687	(112,337)	-	-	(1,630,758)	60,121,415
Total assets	33,409,776	124,905,424	66,452,995	80,951,325	52,444,413	4,225,600	-	-	200,603,388	562,992,921
Total liabilities	34,000,000	29,689,564	27,253,937	19,678,588	11,392,156	2,088,458	-	-	50,748,168	174,850,871

(Saudi Riyals)

29. (loss) \ earning per share

Basic (loss) / profit per share versus loss or profit related to ordinary shares is computed by dividing the net loss or profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The (loss) earnings in diluted shares is similar to the basic (loss) / earnings per share as the company does not have any convertible shares.

	2020	2019
Net (loss) \ earning for the year	**(12,855,108)**	6,899,943
Weighted average number of common shares to calculate the basic (loss) / earnings per share	**30,000,000**	30,000,000
Loss or profit of basic and diluted earnings per share of net (loss) / profit for the year	**(0,43)**	0.23

30. Contingent liabilities and capital commitments

As at December 31, 2020, the Group has contingent liabilities in the form of bank guarantees in the amount of Saudi Riyals 101.7 million issued on The normal course of business (December 31, 2019: Saudi Riyals 85.1 million). Bank guarantees as of December 31, 2020 include an amount Saudi Riyals 65 million issued for the Eastern Region Municipality against the lease contract (December 31, 2019: Saudi Riyals 65 million) all their validity dates expire in 2021, and these letters were issued against a cash cover of 7.8 million Saudi riyals (2019: 2.8 million Saudi riyal) included in the account of trade and other receivables (note 13).

The Group has capital commitments to establish electronic programs and systems, the amount of which as at December 31, 2020 is SR 47.9 million Saudi riyal (31 December 2019: Saudi Riyals 208.426).

31. Statutory reserve

In accordance with the regulations of companies and company's by- Law, (10%) of the annual net profits is set aside to form the statutory reserve for the company. It is permissible to discontinue this reserve when the aforementioned reserve reaches (30%) of the paid-up capital.

32. Financial instruments and risk management

The Group is exposed through its activities to various financial risks, which are: market risk (which includes foreign exchange risk, price risk, interest rate risk for cash flows and fair value), credit risk and liquidity risk. Management assesses risks for each of these risks. The risk management program generally focuses on the unpredictability of financial market conditions and aims to limit the potential negative effects of these risks on the group's financial performance.

fair value risk

The fair value of financial instruments traded in active markets is based on the quoted market prices on the date of the consolidated statement of financial position. The market is considered an active market if the announced prices are available and regularly available from the money markets, agents, brokers, industrial unions, pricing services companies, or supervisory bodies, as those prices represent actual and regularly repeated transactions in the market concluded on a purely commercial basis. The quoted market prices used for the firm's financial assets are the current ask prices. These tools are included within the first level.

The fair value of financial instruments not traded in active markets is based on valuation techniques. These methods work to achieve the maximum benefit from available observable market data and rely on the lowest possible amount of estimates developed by the facility. If all the important data required to measure the fair value of instruments are observable data, then these instruments are included within the second level, and if one or more of the significant data is not based on observable market data, the instruments are included within the third level.

The following table presents an analysis of the financial instruments carried at fair value in terms of the valuation method. The following are the different levels of evaluation:

32. Financial instruments and risk management (continued)

fair value risk (continued)

Level 1: market prices (unadjusted) prevailing in active markets for identical assets or liabilities.
Level 2: the data other than the quoted prices included in the first level that are noticeable with regard to assets or liabilities, whether direct (which is prices) or indirect (which is derived from prices).
Level 3: Valuation techniques in which all the inputs used have a significant effect on the recorded fair value but are not based on observable market information (that is, unobservable inputs).

Investment at FVPL	**First level**	**Second level**	**Third level**	**Total**
As at 31 December 2020				
Shares at "Trukkin"	-	-	**1,742,704**	**1,742,704**
United Dairy Farm Co.	-	-	**300,000**	**300,000**
	-	-	**2,042,704**	**2,042,704**

Investment at FVPL	**First level**	**Second level**	**Third level**	**Total**
As at 31 December 2019				
Shares at "Trukkin"	-	-	1,595,175	1,595,175
United Dairy Farm Co.	-	-	300,000	300,000
	-	-	1,895,175	1,895,175

Foreign exchange risk
The company does not face any significant exposure to foreign currency risk as the majority of its transactions are in Saudi riyals.

Credit risk
It is the risk of the inability of other parties to fulfill their obligations towards the group, which leads to the group incurring a financial loss. Financial instruments that may expose the group to debt concentration risk consist mainly of cash balances and accounts receivable. The group deposits its cash balances in a number of creditworthy financial institutions. It pursues a policy to limit the size of its deposits deposited in each financial institution, and the group does not believe that there are significant risks of inefficiency in these financial institutions.
The creditworthiness of clients and other trade receivables is assessed according to criteria established by the group before entering into contracts and other arrangements. Also, receivables of all kinds are subject to regular monitoring. The maximum exposure to credit risk at year end represents the carrying value of each class of financial assets.

Liquidity risk
It is the risk that the group will encounter difficulties in obtaining funds to meet the liabilities associated with financial instruments. Liquidity is managed by regularly checking that it is available in sufficient amounts to meet any future liabilities.
Liquidity risk management is carried out by maintaining sufficient cash and marketable securities, providing financing through an adequate amount of binding credit facilities, and the ability to liquidate market positions. Given the nature of the group's business, the group aims to maintain the flexibility of the financing process by providing committing credit channels.
The Group ensures that it has sufficient cash on demand to meet expected operating expenses; This excludes the potential impact of extreme conditions that cannot be reasonably anticipated such as natural disasters.
The Group does not consider it to be exposed to significant liquidity risk and believes it will be able to meet it as soon as it becomes due for payment.
The following table summarizes the maturities of the group's undiscounted financial liabilities based on undiscounted contractual payments as of December 31, 2020.

(Saudi Riyals)

32. Financial instruments and risk management (continued)

Liquidity risk (continued)

	As at 31 December 2020			
	Less than 1 year	**From 1 year to 5 years**	**More than 5 years**	**Total**
Trade payable and other creditor	**45,742,629**	-	-	**45,742,629**
Shareholder's dues	**18,893,933**	-	-	**18,893,933**
loans	**55,894,203**	**94,144,894**	-	**150,039,097**
Notes payable	**4,748,400**	**8,309,700**	-	**13,058,100**

The following table summarizes the maturities of the undiscounted company's financial liabilities based on undiscounted contractual payments as of December 31, 2019.

	As at 31 December 2019			
	Less than 1 year	From 1 year to 5 years	More than 5 years	Total
Trade payable and other creditor	36,504,404	-	-	36,504,404
Shareholder's dues	18,919,137	-	-	18,919,137
loans	38,657,895	32,488,158	-	71,146,053
Notes payable	386,280	-	-	386,280

Interest price risk

Financial instruments are exposed to the risk of changes in value as a result of changes in commission rates for their financial assets and liabilities with variable commission rates. Actual commission rates and periods during which financial assets and liabilities are re-priced or matured have been referred to in the related notes.
The following table shows the effect of the sensitivity of a possible reasonable change in interest rates on the profit of the group through the effect of changing the borrowing commission rate, with the other variables constant, as there is no effect on the comprehensive income:

	Increase (decrease) in commission rate	**Balance**	**The potential impact on consolidated comprehensive in-come**
31 December 2020			
Long-term loan	**%1 ±**	**94,144,894**	**941,449±**

	Increase (decrease) in commission rate	**Balance**	**The potential impact on consolidated comprehensive in-come**
31 December 2019			
Long-term loan	%1 ±	32,488,158	324,882±

Financial management

The Group's objectives when managing capital are to protect the Group's ability to continue operating on a commercial basis with the objective of providing returns to shareholders. Capital is the equity that belongs to the shareholders of the company. The primary objective of the Group's capital management is to support its business and maximize shareholder value.
It is the policy of the Board of Directors to maintain a strong capital base that preserves investor, creditor and market confidence and sustaining future business development. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Board of Directors monitors the return on capital, and the Board of Directors monitors the level of dividends to shareholders.

33. significant events

On October 29, 2020 AD, BATC Investment and Logistics Company (represented by Smart City Solutions) signed a Memorandum of Understanding (MoU). To form an alliance for the purpose of applying for qualification to enter the competition, a project to establish and manage car parks in the Olaya in the city of Riyadh and has been extended it until 29/04/2021

34. Comparative figures

Certain comparative figures have been reclassified to conform with the current year classifications.

35. Approval of the consolidated financial statements

The Consolidated Financial Statements were approved by the Board of Directors on 25 March 2021 corresponding to 12 Sha'aban 1442H.