AL TAYYAR TRAVEL GROUP HOLDING COMPANY
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 AND
INDEPENDENT AUDITOR'S REPORT

AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A Saudi Joint Stock Company)
Consolidated Financial Statements

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الدكتور محمد العمري وشركاه
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Independent Auditor's Report
To the Shareholders of
Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)

Opinion
We have audited the consolidated financial statements of **Al Tayyar Travel Group Holding Company** (a Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes 1 to 40 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 31 December 2018, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia, and other standards and versions endorsed by Saudi Organization for Certified Public Accountants ("SOCPA").

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") endorsed in the Kingdom of Saudi Arabia, and we have fulfilled our other ethical responsibilities in accordance with its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year ended 31 December 2018. 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. The key audit matters include:

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Key audit matters (continued

Revenue recognition

Key audit matter	***How the matter was addressed in our audit***
The Group recognized revenue of SR 1,947.6 million for the year ended 31 December 2018 (2017: SR 2,107 million). Revenue represents commission based revenue such as airline ticketing and incentives, hotel bookings, shipments and train ticketing, and non-commission based revenue such as package holidays, car rentals, chartered flights, property rentals and hospitality revenue. The Group recognizes revenue as follows: • Revenue on issuance of airline, ferries and trains tickets to the customer is recorded when the commission is earned. Airline incentive revenue is earned under supplier's incentive arrangements; • Revenue from package holidays is recorded (tours and other services) on the date of departure. Revenue from hotel booking to the customer and rooms rental is recorded over the duration of stay. Revenue from customer loyalty program is recorded equivalent to 1% of the relevant bookings' consideration received; • Revenue from car rental services is recorded over the term of the lease. Revenue from chartered flights' services is recorded when flight arrives at the destination. Revenue from cargo shipment is recorded when booking request for cargo shipment is issued; • Revenue from property rentals is recorded over the term of the lease. Revenue from hospitality segment is recorded when goods and services provided excluding rebates and trade discounts; and • When significant risks and rewards of ownership of the goods and services have been transferred to the customer. Revenue recognition is considered a key audit matter as there is a risk that revenue may be misstated due to management's override of controls, judgement involved in estimating the related provisions and that the timing and amount of revenue recognized in a financial period can have a material effect on the financial performance.	Our procedures included the following: • Considering the appropriateness of revenue recognition as per the Group's policies and assessing compliance with applicable accounting standards; • Testing the design and effectiveness of internal controls implemented by the Group through the revenue cycle; • Testing sales transactions taking place at either side of the consolidated statement of financial position date to assess whether the revenue was recognized in the correct period; • Performing the test of controls on revenue related transactions recorded in the financial statements and also, performing the relevant IT application controls' tests; • Evaluating the method of accruing income related to tickets' sales. This was achieved through applying retrospective testing of management's judgement of such estimates; and • Performing analytical review on revenue based on trends of monthly sales and profit margins.
Refer to note (6.19) of the consolidated financial statements for the accounting policy related to revenue.	

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Key audit matters (continued

Impairment of trade receivables	
Key audit matter	***How the matter was addressed in our audit***
The Group's trade receivables, net balance was SR 1,253.9 million as at 31 December 2018 (31 December 2017: SR 1,756.5 million. Management estimates loss allowances for trade receivables in an amount equal to lifetime Expected Credit Loss (ECL). When estimating ECL, the management considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. We considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the impairment of trade receivables and that the existence and carrying value of trade receivables could be material on the Group's performance and assets.	Our procedures included the following: • Considering the appropriateness of impairment of trade receivables as per the Group policies and assessing compliance with applicable accounting standards; • Testing the design and effectiveness of internal controls implemented by the Group through the trade receivables cycle; • Critically considering management's assumptions used in determining impairment losses for both specific and collective loss components; • Identifying those trade receivables with credit risk exposure and checking if they are properly included in management's impairment assessment; • Examining on a sample basis, evidence related to post year-end cash receipts. • Re-calculat the impairment against trade receivables based on the Group's policies to ensure that the impairment is appropriate on transition to IFRS 9 at 1 January 2018 and at statement of financial position date.
Refer to note (6.1) of the consolidated financial statements for the accounting policy and note (14) for related disclosures.	

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Key audit matters (continued)

Recoverability of capital work in progress	
Key audit matter	***How the matter was addressed in our audit***
The Group's capital work in progress consists of two items: Capital work in progress - as at 31 December 2018 SR 97.7 million (31 December 2017: SR 133 million); and Capital work in progress - recoverable on disposal - as at 31 December 2018 SR 359.8 million (31 December 2017: 359.8 million). The Group assesses, at each reporting date, whether there is any indication that the asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of value in use and fair value less costs to sell. We considered recoverability of capital work in progress as a key audit matter due to the assessment of the recoverable amounts of capital work in progress requiring estimation and judgement around expected production profiles, useful life of assets, future operating and capital expenditure, commodity prices and discount rates. Additionally, we considered the amounts recoverable related to capital work in progress - recoverable on disposal, where the site has been identified by the government for the Haram's expansion in Makkah.	Our procedures included the following: • Considering the appropriateness of Group's policies related to capital work in progress and assessing compliance with applicable accounting standards; • Assessing management's processes for identification of impairment indications and impairment testing and evaluated the design and implementation of key controls over these processes; • Assessing the reasonableness of the model used by management to estimate the recoverable amount; • Assessing management's assumptions used in the model as well as management's benchmarking with relevant market data and also with the Group's data related to its existing operations; • Assessing the recoverable amount taking into account the payments made by the government to acquire the sites in the same area and for the similar purpose; • Assessing the adequacy of the related disclosures.
Refer to notes (6.4) of the consolidated financial statements for the accounting policy and notes (8 & 9) for related disclosures.	

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Key audit matters (continued)

Impairment of non-current assets

Key audit matter	***How the matter was addressed in our audit***
Non-current assets mainly comprise property and equipment, intangible assets and goodwill and investment property. The total of Group's non-current assets mentioned above was SR 4,642.5 million as at 31 December 2018 (31 December 2017: SR 4,611.8 million). The Group assesses, at each reporting date, whether there is any indication that the asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of value in use and fair value less costs to sell. We considered impairment of non-current assets as a key audit matter due to the significant management judgment involved.	Our procedures included the following: • Considering the appropriateness of Group's policies related to the impairment of non-current assets and assessing compliance with applicable accounting standards; • Assessing management's processes for identification of impairment indications and impairment testing and evaluated the design and implementation of key controls over these processes; • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry and also the valuation techniques used by external valuer; • Assessing the valuation methodology; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; • Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; • Assessing the reasonableness of management's estimates with regards the recoverable amount; • Assessing management's assumptions used in models as well as management's benchmarking with relevant market data and also with the Group's data related to its existing operations; and • Assessing the adequacy of the related disclosures.

Refer to notes (6.3, 6.5, 6.6 & 6.9) of the consolidated financial statements for the accounting policy and notes (7, 10 & 11) for related disclosures.

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Key audit matters (continued)

Adoption of IFRS 9 "Financial Instruments"	
Key audit matter	***How the matter was addressed in our audit***
The Group adopted IFRS 9 "Financial instruments" with effect from 1 January 2018 and this new standard replaced the requirements of IAS 39 "Financial instruments - recognition and measurement". IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Management has determined that the most significant impact of the new standard on the Group's financial statements relates to the calculation of the allowance for the impairment of trade receivables. The Group assesses at each reporting date whether the financial assets carried at amortized cost are credit-impaired. The Group's management has applied a simplified expected credit loss ("ECL") model to determine the allowance for impairment of trade receivables. The ECL model involves the use of various assumptions, economic factors and study of historical trade receivables collections experience. We considered adoption of IFRS 9 "Financial instruments" as a key audit matter due to the judgements and estimates involved in the application of the expected credit loss model.	Our procedures included the following: • Reviewing management's assessment of the impact of IFRS 9 in terms of the classification and measurement of its financial assets and liabilities, and understood the approach taken towards implementation; • Comparing the ECL model developed by management to that required by IFRS 9 and reviewed the reasonableness of the methodology in comparison to accepted best practice; • Checking the model's mathematical accuracy; • Testing key assumptions, such as those used to calculate the default rates by comparing to historical data and forward looking factors to reflect the impact of future events on expected credit losses; and • Assessing the adequacy of the related disclosures.
Refer to notes (6.1) of the consolidated financial statements for the accounting policy and note (37) for related disclosures.	

Other information

Management is responsible for the other information. The other information in the annual report comprise of Directors' report and Corporate governance report but does not include the consolidated financial statements and our auditor's report thereon. 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 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 that fact. We have nothing to report in this regard.

Partners: Dr. Mohamed Al-Amri (60), Jamal M. Al-Amri (331), Gihad M. Al-Amri (362)
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Responsibilities of management and Those Charged With Governance ("TCWG") for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS endorsed in the Kingdom of Saudi Arabia, other standards and versions endorsed by SOCPA and Regulations of Companies requirements, 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 have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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 ISAs 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 ISAs, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's 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.

BDO Dr. Mohamed Al-Amri & Co.
Accountants & Consultants

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Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.

- 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 the management and TCWG 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 TCWG 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 TCWG, 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.

Riyadh
Certified Public Accountants
Dr. Mohamed Al-Amri & Co.

For Dr. Mohamed Al-Amri & Co.

M. A. Al Amri

Dr. Mohamed A. Al-Amri
Certified Public Accountant
Registration No. (60)

Riyadh, on: 21 Jumada 'II 1440(H)
Corresponding to: 26 February 2019(G)

Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)
Consolidated Financial Statements

Consolidated statement of financial position
As at 31 December 2018
(Saudi Riyals)

	Note	31 December 2018	31 December 2017
ASSETS			
Non-current			
Property and equipment	7	**3,373,349,367**	3,384,064,647
Capital work in progress	8	**97,666,663**	132,147,360
Capital work in progress – recoverable on disposal	9	**359,747,097**	359,747,097
Intangible assets and goodwill	10	**226,052,456**	168,796,890
Investment property	11	**1,043,059,080**	1,058,975,801
Investments in equity-accounted associates	12	**50,098,827**	921,489,825
Equity instruments	13	**97,330,953**	-
Deferred tax assets	22	**4,603,513**	4,445,627
		5,251,907,956	6,029,667,247
Current			
Trade and other receivables	14	**1,744,629,477**	1,883,708,123
Due from related parties	27	**13,850,818**	173,185,170
Prepayments and other assets	15	**318,992,407**	295,016,153
Short term investment	16	**400,000,000**	-
Cash and cash equivalents	17	**263,887,892**	981,198,632
		2,741,360,594	3,333,108,078
TOTAL ASSETS		**7,993,268,550**	9,362,775,325
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent:			
Share capital	18	**2,096,500,000**	2,096,500,000
Share premium		**707,345,000**	707,345,000
Statutory reserve		**628,950,000**	628,950,000
Other reserves		**(15,681,534)**	7,998,371
Retained earnings		**2,244,549,962**	2,594,564,298
		5,661,663,428	6,035,357,669
Non-controlling interests	19	**7,103,222**	9,340,498
TOTAL EQUITY		**5,668,766,650**	6,044,698,167
LIABILITIES			
Non-current			
Loans and borrowings	20	**480,096,391**	880,433,761
Employees' end of service benefits	21	**114,477,245**	98,169,751
Deferred tax liabilities	22	**986,302**	4,548,751
		595,559,938	983,152,263
Current			
Bank overdraft	17	**31,304,212**	10,399,165
Zakat and tax liabilities	22	**94,618,609**	46,551,046
Loans and borrowings	20	**233,209,619**	497,429,810
Trade and other payables	23	**945,101,154**	1,297,839,138
Due to related parties	27	**3,844,701**	92,057,947
Contract liabilities	24	**395,863,667**	365,647,789
Provisions	25	**25,000,000**	25,000,000
		1,728,941,962	2,334,924,895
TOTAL LIABILITIES		**2,324,501,900**	3,318,077,158
TOTAL EQUITY AND LIABILITIES		**7,993,268,550**	9,362,775,325

Majed Aydeh Al Nifaie (Board Member) | **Abdullah Nasser Al Dawood** (CEO) | **Yousif Mousa Yousif** (Group CFO)

The accompanying notes from 1 to 40 form an integral part of these consolidated financial statements.

Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)
Consolidated Financial Statements

Consolidated statement of profit or loss and comprehensive income
For the year ended 31 December 2018
(Saudi Riyals)

	Note	2018	2017
Revenue	28	**1,947,609,663**	2,107,018,325
Cost of revenue		**(522,613,860)**	(503,935,095)
Gross profit		**1,424,995,803**	1,603,083,230
Selling expenses	29	**(373,678,249)**	(332,858,133)
Administrative expenses	30	**(472,563,395)**	(494,794,534)
Impairment of trade and other receivables		**70,295,537**	(17,477,308)
Other expenses	31	**(49,590,179)**	-
Other income	32	**13,628,830**	50,232,187
Operating profit		**613,088,347**	808,185,442
Finance income	35	**11,453,922**	22,632,673
Finance costs	35	**(65,461,265)**	(57,821,030)
Net finance cost	35	**(54,007,343)**	(35,188,357)
Gain / (loss) on disposal of subsidiaries	34	**190,654**	(607,355)
Recognized foreign currency loss on disposal of subsidiaries		**(286,255)**	(1,535,132)
Loss on disposal of equity-accounted associate	1.2	**(420,523,381)**	-
Impairment loss	33	**(129,447,424)**	(122,834,332)
Share of loss of equity-accounted investees, net of tax	12	**(67,073,502)**	(127,838,764)
(Loss) / profit before zakat and tax		**(58,058,904)**	520,181,502
Zakat and income tax	22	**(84,019,724)**	(30,982,132)
(Loss) / profit for the year		**(142,078,628)**	489,199,370
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement of employees' end of service benefits	21	**(2,758,152)**	16,190,218
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	18	**(12,499,550)**	24,674,125
Unrealized gain on equity investments - FVOCI	18	**181,675**	-
		(12,317,875)	24,674,125
Other comprehensive (loss) / income for the year		**(15,076,027)**	40,864,343
Total comprehensive (loss) / income		**(157,154,655)**	530,063,713
(Loss) / profit attributable to:			
Owners of the parent		**(144,957,446)**	496,796,473
Non-controlling interests	19	**2,878,818**	(7,597,103)
		(142,078,628)	489,199,370
Total comprehensive (loss) / income attributable to:			
Owners of the parent		**(159,510,312)**	536,991,312
Non-controlling interests		**2,355,657**	(6,927,599)
		(157,154,655)	530,063,713
Earnings per share			
Basic and diluted earnings per share	36	**(0.69)**	2.37

Majed Aydah Al Nifaie (Board Member)	**Abdullah Nasser Al Dawood** (CEO)	**Yousif Mousa Yousif** (Group CFO)

The accompanying notes from 1 to 40 form an integral part of these consolidated financial statements.

Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)
Consolidated Financial Statements

Consolidated statement of changes in equity
For the year ended 31 December 2018
(Saudi Riyals)

					Other reserves								
	Note	Share Capital	Share premium	Statutory reserve	Translation reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2018, as previously reported		2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	2,594,564,298	6,035,357,669	9,340,498	6,044,698,167
Effect of transition to IFRS 9		-	-	-	-	-	-	-	-	(19,581,352)	(19,581,352)	-	(19,581,352)
Balance at 1 January 2018, adjusted		2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	2,574,982,946	6,015,776,317	9,340,498	6,025,116,815
Loss for the year		-	-	-	-	-	-	-	-	(144,957,446)	(144,957,446)	2,878,818	(142,078,628)
Other comprehensive (loss) / income		-	-	-	(12,499,550)	-	-	181,675	(12,317,875)	(2,234,991)	(14,552,866)	(523,161)	(15,076,027)
Total comprehensive (loss) / income		-	-	-	(12,499,550)	-	-	181,675	(12,317,875)	(147,192,437)	(159,510,312)	2,355,657	(157,154,655)
Transferred to statutory reserve		-	-	-	-	-	-	-	-	-	-	-	-
Net movement of staff general fund reserve	6	-	-	-	-	(550,972)	-	-	(550,972)	-	(550,972)	-	(550,972)
Net movement of charity fund reserve	6	-	-	-	-	-	(11,147,931)	-	(11,147,931)	-	(11,147,931)	-	(11,147,931)
Transactions with shareholders													
Dividends	18	-	-	-	-	-	-	-	-	(104,825,000)	(104,825,000)	(5,760,450)	(110,585,450)
Changes in ownership interests		-	-	-	-	-	-	-	-				
Increase in ownership stake in subsidiary		-	-	-	-	-	-	-	-	(78,415,547)	(78,415,547)	1,450,043	(76,965,504)
Translation reserve realized on disposal of a subsidiary		-	-	-	336,873	-	-	-	336,873	-	336,873	(282,526)	54,347
Balance at 31 December 2018		2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	2,244,549,962	5,661,663,428	7,103,222	5,668,766,650

Majed Aydeh Al Nifaie (Board Member) | **Abdullah Nasser Al Dawood** (CEO) | **Yousif Mousa Yousif** (Group CFO)

The accompanying notes from 1 to 40 form an integral part of these consolidated financial statements.

Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)
Consolidated Financial Statements

Consolidated statement of changes in equity (continued)
For the year ended 31 December 2018
(Saudi Riyals)

	Note	Share Capital	Share premium	Statutory reserve	Other reserves: Translation reserve	Other reserves: Staff general fund reserve	Other reserves: Charity fund reserve	Other reserves: Fair value reserve	Other reserves: Total	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2017		2,096,500,000	707,345,000	618,485,496	(141,684,337)	88,054,182	35,419,269	-	(18,210,886)	2,197,536,615	5,601,656,225	31,579,794	5,633,236,019
Profit for the year		-	-	-	-	-	-	-	-	496,796,473	496,796,473	(7,597,103)	489,199,370
Other comprehensive income		-	-	-	24,674,125	-	-	-	24,674,125	15,520,714	40,194,839	669,504	40,864,343
Total comprehensive income		-	-	-	24,674,125	-	-	-	24,674,125	512,317,187	536,991,312	(6,927,599)	530,063,713
Transferred to statutory reserve		-	-	10,464,504	-	-	-	-	-	(10,464,504)	-	-	-
Net movement of staff general fund reserve	6	-	-	-	-	-	-	-	-	-	-	-	-
Net movement of charity fund reserve	6	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders													
Dividends	18	-	-	-	-	-	-	-	-	(104,825,000)	(104,825,000)	(17,256,572)	(122,081,572)
Changes in ownership interests													
Increase in ownership stake in subsidiary		-	-	-	-	-	-	-	-	-	-	2,240,020	2,240,020
Translation reserve realized on disposal of a subsidiary		-	-	-	1,535,132	-	-	-	1,535,132	-	1,535,132	(295,145)	1,239,987
Balance at 31 December 2017		2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	2,594,564,298	6,035,357,669	9,340,498	6,044,698,167

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 40 form an integral part of these consolidated financial statements.

Al Tayyar Travel Group Holding Company (A Saudi Joint Stock Company)
Consolidated Financial Statements
Consolidated statement of cash flows
For the year ended 31 December 2018
(Saudi Riyals

	Note	2018	2017
Cash flows from operating activities			
(Loss) / profit before zakat and tax		**(58,058,904)**	520,181,502
Adjustments for:			
- Depreciation	7,11	**150,010,109**	117,200,860
- Amortization	10	**12,536,191**	8,322,762
- Impairment loss on property and equipment	33	-	65,971,262
- Impairment loss on investment property	33	-	19,706,446
- Impairment loss on goodwill	33	-	36,156,624
- Elimination of goodwill	31	**4,868,970**	-
- Impairment loss on equity investments - FVOCI	33	-	1,000,000
- Impairment of trade receivables		**(70,295,537)**	1,776,813
- Impairment of other receivables	15	**116,062,438**	10,000,000
- Net finance cost	35	**54,007,343**	29,197,221
- Dividend income	32	**(58,320)**	-
- Return on investments	32	**(298,278)**	-
- Loss from discontinued segment	31	**398,548**	-
- Recognized foreign currency loss on disposal of subsidiaries		**286,255**	-
- (Profit) / loss on disposal of subsidiaries	34	**(190,654)**	607,355
- Share of loss of equity-accounted investees, net of tax	12	**67,073,502**	127,838,764
- Loss on disposal of equity-accounted investee	1.2	**420,523,381**	-
- Impairment loss on equity-accounted investee	12	**6,419,483**	-
- Loss / (gain) on sale of property and equipment	31	**44,322,661**	(7,516,850)
- Gain on sale of investment property		-	(26,584,624)
- Gain on sale of equity accounted investees		-	(1,397,539)
- Gain on sale of equity investments - FVOCI		**(271,359)**	-
- Employees end of service' benefits	21	**31,167,981**	31,120,607
Changes in:			
- Trade and other receivables		**489,532,653**	(219,975,561)
- Prepayments and other assets		**(140,038,692)**	93,722,660
- Related parties, net	27	**71,121,106**	(349,769,318)
- Trade and other payables		**(360,467,572)**	(424,129,724)
- Contract liabilities	24	**30,215,878**	(83,729,569)
Cash generated from operating activities		**868,867,183**	(50,300,309)
Finance expense paid		**(77,856,978)**	(43,803,646)
Finance income received		**12,095,915**	46,141,069
Employees' end of service benefits paid	21	**(17,618,639)**	(17,497,775)
Zakat and income taxes paid	22	**(35,952,161)**	(27,889,336)
Net cash generated from (used in) operating activities		**749,535,320**	(93,349,997)
Cash flows from investing activities			
Proceeds from sale of property and equipment	7	**69,061,499**	46,958,971
Proceeds from sale of investment property		-	386,242
Proceeds from sale of equity accounted investees		**77,374,632**	12,589,926
Disposal of subsidiaries	34	**(1,342,428)**	(3,489,461)
Proceeds from disposal of subsidiaries	34	**362,925**	4,308,750
Proceeds from disposal of investment		**3,430,359**	-
Cash paid on acquisition of minority share		**(53,437,148)**	-
Acquisition of property and equipment	7	**(236,024,512)**	(189,213,600)
Acquisition of investment property		-	(3,205,891)
Acquisition of intangible assets	10	**(3,722,769)**	(4,682,196)
Acquisition of equity-accounted investees	12	-	(18,749,001)
Acquisition of equity investments		**(103,498,679)**	-
Short term investments	16	**(400,000,000)**	-
Dividends received		**58,320**	-
Net movement in capital work in progress	8	**(49,126,309)**	(218,295,949)
Net cash used in investing activities		**(696,864,110)**	(373,392,209)

	Note	2018	2017
Cash flows from financing activities			
Proceeds from loans and borrowings	21	**1,884,403,243**	2,350,976,004
Repayment of loans and borrowings	21	**(2,548,960,804)**	(2,050,655,105)
Staff general fund reserve paid		**(550,972)**	-
Charity fund reserve paid		**(11,147,931)**	-
Acquisition of non-controlling interest	19	**-**	1,944,875
Dividends paid to non-controlling interest	19	**(110,585,450)**	(122,081,572)
Net cash (used in) / generated from financing activities		**(786,841,914)**	180,184,202
Net decrease in cash and cash equivalents		**(734,170,704)**	(286,558,004)
Cash and cash equivalents at 1 January	17	**970,799,467**	1,239,695,504
Effect of movements in exchange rates on cash held		**(7,533,762)**	17,661,967
Cash and cash equivalents at 31 December	17	**229,095,001**	970,799,467
Non-cash transactions:			
Impairment loss for trade receivables under IFRS 9 (transition effect)	6.1	**19,581,352**	-
Transfer from capital work in progress to property and equipment		**1,343,028**	2,088,076,052
Transfer from capital work in progress to intangible assets	10	**82,263,978**	-
Transfer from capital work in progress to investment property		**-**	355,815,947
Re-measurement of defined benefit liability	21	**(2,758,152)**	16,190,218
Receivable on disposal on equity accounted investees	14	**300,000,000**	-
Receivable on disposal of land		**-**	26,300,312
Payable on acquisition of minority interest		**(16,562,852)**	-
Equity investments	17	**(3,488,679)**	-
Impairment loss on goodwill	10	**6,965,504**	-
Consideration receivable on disposal of subsidiary	34	**539,701**	-

Majed Aydeh Al Nifaie (Board Member) **Abdullah Nasser Al Dawood** (CEO) **Yousif Mousa Yousif** (Group CFO)

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

Al Tayyar Travel Group Holding Company ('the Company') is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010148039 dated 24/07/1418H corresponding to 24/11/1997. These consolidated financial statements ("financial statements") comprise the Company and its subsidiaries (together referred to as 'the Group').

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conference and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services (refer operating segments note 38).

The Company's registered address is:

P.O. Box 52660
Riyadh 11573
Kingdom of Saudi Arabia

1.1 Interest in subsidiaries

Name of subsidiary	Activities	Country of incorporation	Effective ownership 31 December 2018	Effective ownership 31 December 2017
National Travel and Tourism Bureau Limited (NTTB)	Travel and tourism business	KSA	**100%**	100%
Al Sarh Travel and Tourism Limited (ASTT)	Travel and tourism business	KSA	**80%**	80%
Al Tayyar International Air Transportation Agency Company Limited (ATI)	Travel and tourism business	KSA	**100%**	100%
Al Tayyar Holiday for Travel and Tourism Company Limited (ATH)	Travel and tourism business	KSA	**100%**	100%
Al Tayyar Travel, Tourism and Cargo Company Limited (ATC)	Travel and cargo business	KSA	**100%**	100%
Al Tayyar Holidays Travel Group Company (ATE)	Travel and tourism business	Egypt	**100%**	100%
Al Tayyar Cargo and Custom Clearance Company (ATCC)	Travel and cargo business	Egypt	**100%**	100%
E Al Tayyar Tourism Company (ATT)	Rent a car business	Egypt	**100%**	100%
E Al Tayyar Tours Company (ALC)	Rent a car business	Egypt	**100%**	100%
Nile Holidays Tourism Company (NALC)	Rent a car business	Egypt	**100%**	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	**100%**	100%
Lena Tours & Travel (LTT)	Travel and tourism business	Lebanon	**100%**	100%
Fuego Travel & Tours SDN. BHD (FTTSB)	Travel and tourism business	Malaysia	**-**	80%
Al Tayyar Travel and Tourism (ATD)	Tourism business	UAE	**100%**	100%
Taqniatech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	**100%**	100%
Al Tayyar Real Estate, Tourism Development and Investment Company Hotels (ARE)	Hotel and property business	KSA	**100%**	100%
Al Tayyar Rent A Car (ARAC)	Rent a car business	KSA	**100%**	100%
High Speed Company for Transportation (HSC)	Transportation business	KSA	**100%**	100%
Tajawal Travel and Tourism Company Limited (TTC)	Travel and tourism business	KSA	**100%**	100%
Tajawal General Trading LLC (TGT)	Travel and tourism business	UAE	**100%**	100%
Al Mousim Travel & Tours (AMTT)	Travel and tourism business	KSA	**100%**	100%
Jawlah Tours Establishment for Tourism (JTET)	Tourism business	KSA	**51%**	51%
Mawasim Tourism and Umrah Services (MWT)	Tourism business	KSA	**51%**	51%
Fly IT (FIT)	SMS / MMS services	KSA	**60%**	60%
Muthmerah Real Estate Investment Company (MREIC)	Property rental business	KSA	**100%**	100%
Mawasem Travel and Tourism Limited (MTT)	Travel and tourism business	UK	**100%**	100%
Elegant Resorts Limited and subsidiaries (ERL)	Tourism business	UK	**100%**	100%
Elite Private Jet Services Company (EPJS)	Own and operate aircraft	KSA	**100%**	100%
Al Hanove Tourism and Services Company (AHTS)	Tourism business	Egypt	**70%**	70%
Mawasem Limited (formerly Co-op Group Travel 1 Limited (CTM))	Transportation service	UK	**100%**	100%
Connecting Trade & Services (CTS)	Travel and tourism business	Lebanon	**51%**	51%
Fayfa Travel & Tourism Agency Company (FTT)	Travel and tourism business	KSA	**100%**	100%
Saudi Conference & Incentive Tours Company (SCI)	Event management services	KSA	**100%**	100%
Calculus Technologies LLC (CTL)	Travel and tourism business	India	**-**	100%
B2B Travel Group S.L. (B2B)	Travel and tourism business	Spain	**100%**	100%
Sheraton Makkah Company (SMC)*	Hotel	KSA	**100%**	-

(Saudi Riyals)

1.1 Interest in subsidiaries (continued)

Name of subsidiary	Activities	Country of Incorporation	Effective ownership 31 December 2018	Effective ownership 31 December 2017
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	**80%**	80%
Saudi Company for Transportation United (SCT)	Rent a car business	KSA	**100%**	100%
Mosafer Company for Travel and Tourism (MCT)**	Tourism business	KSA	**100%**	60%
Wadi Saudi Trading Co. (WSTC)	Online shopping for fashion and accessories	KSA	**100%**	100%
Portman Group International S.A.R.L. (PGI)	Travel and tourism business	UK	**100%**	100%

**On 1 July 2018 the Company increased its ownership stake in MCT from 60% to 100%. The additional 40% was purchased for a total consideration of SR 70 million. The difference of SR 76.97 million between the non-controlling interests and the fair value of the consideration paid is adjusted to the owners of the parent in retained earnings.

* SMC is a limited liability company, registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4031099303 dated 01/01/1440H corresponding to 12/09/2018. SMC is engaged in hotel and hospitality business.

1.2 Interest in associates

Name of subsidiary	Activities	Country of Incorporation	Effective ownership 31 December 2018	Effective ownership 31 December 2017
Felix Airways Limited (FAL)	Travel business	Yemen	30%	30%
Al Shamel International Holding Company KSC (ASI)	Travel business	Kuwait	30%	30%
Taqniatech Company for Communication Technology JV (TAQJV)	Telecommunication services	KSA	70%	70%
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	Travel business	UAE	49%	49%
Voyage Amro Travel (VAT)	Travel business	Canada	49%	49%
2share United Communication Company (TUCC)	Call Centre services	KSA	35%	35%
Net Tours & Travels LLC (NT)	Tourism business	UAE	44.3%	44.3%
Careem Inc. (CIL)	Rent a car business	BVI	14.7%	14.7%
Saudi Heritage Hospitality Company (SHHC)	Hospitality services	KSA	20%	20%
Equinox Group Limited (EGL)	Hospitality services	UAE	40%	40%
Thakher Investment and Real Estate Company (TIREC) *	Real estate business	KSA	-	30%
Wadi Middle East S.A.R.L (WME)	Trading companies and distributors	LUX	33.3%	33.3%
CHME Limited (CHM)	Hospitality services	UAE	40%	40%

*On 8 October 2018 the Company disposed of its share of equity (30%) in Thakher Investment and Real Estate Company (TIREC) for an agreed amount of SR 377.4 million. This resulted in loss on disposal of SR 420.5 million.

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(Saudi Riyals)

1.3 Branches

Branch Commercial Registration No.	Date	Location
1010148875	26/10/1418	Riyadh
1010152673	24/10/1419	Manfoha
1010163035	22/08/1421	Riyadh-Alsarh International
1010174899	09/01/1423	Takhassusi -Head Office
1010174900	09/01/1423	Al Batha General Street, Al Sanea Building
1010174905	09/01/1423	Riyadh
1010174908	09/01/1423	Saad Bin Abi Waqas Street
1010174909	09/01/1423	Riyadh
1010174910	09/01/1423	King Fahd Road - Hay Al - Aqeeq
1010174914	09/01/1423	Riyadh
1010174915	09/01/1423	Resort, King Abdulaziz Road
1010174916	09/01/1423	Riyadh
1010174917	09/01/1423	Riyadh
1010174918	09/01/1423	Hassan Bin Ali
1010174919	09/01/1423	Riyadh
1010174920	09/01/1423	King Abdulaziz Road - Al-Ward District
1010174966	10/01/1423	Jarir - Malaz District
1010174968	10/01/1423	Al-Thalatheen Street - Hay Al Olaya General
1010174970	10/01/1423	Riyadh
1010174971	10/01/1423	Umm Al Hammam - Al Arbaeen Street
1010174972	10/01/1423	Prince Salman Bin Abdulaziz Street
1010174973	10/01/1423	Aljazirah Neighborhood - Al Rajhi Complex
1010174974	10/01/1423	Riyadh
1010174976	10/01/1423	Riyadh
1010174977	10/01/1423	Main Street
1010175466	23/01/1423	Ishaq Bin Abdul Rahman Street
1010178558	22/04/1423	Riyadh- Takhsossi
1010200743	24/06/1425	Riyadh
1010204965	29/11/1425	Arrival Terminal
1010205008	1425/11/30	Riyadh
1010207107	12/02/1426	Khaled Bin Al-Waleed Street
1010211389	19/06/1426	New Kharj Road
1010216028	1427/01/12	Riyadh
1010219456	19/04/1427	Riyadh
1010227346	03/01/1428	Riyadh
1010227664	10/01/1428	Riyadh
1010235828	03/07/1428	El Murooj / El Amir Turky St.
1010246702	11/03/1429	Riyadh
1010259995	29/12/1429	Riyadh
1010280241	04/03/1431	Intersection Of Orouba With King Abdulaziz
1010298763	08/01/1432	Khaled Bin Al-Waleed Street
1010299214	15/01/1432	Riyadh
1010313084	22/08/1432	Riyadh-Jareer – Malaz
1010315116	23/09/1432	Riyadh
1010315925	16/10/1432	Jarir Street - Malaz District
1010324433	13/02/1433	Riyadh - Worke Shop
1010342346	28/07/1433	Riyadh
1010366240	23/04/1434	Riyadh
1010368319	13/05/1434	Riyadh
1010374984	03/07/1434	Al Amin Street Abdullah Al Naim
1010395001	16/01/1435	Sulaymaniyah - Prince Mamdouh Street
1010402139	20/03/1435	Abi Al Aswad Al Dowali Street
1010404624	13/04/1435	Saad Bin Abdulrahman I Street
1010414062	14/01/1435	Riyadh

(Saudi Riyals)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
1010421750	22/10/1435	Intersection Of The Fog With Khurais Road
1010430639	30/04/1436	Abi Said Al Khudri Street
1010434300	10/08/1436	Riyadh- Malaz
1010439521	19/02/1437	Riyadh-Hutein
1010442262	22/05/1437	Riyadh
1010442263	22/05/1437	Riyadh
1010461284	09/08/1437	Moncey - Sahaba Street
1010461427	12/08/1437	Riyadh
1010462948	21/10/1437	Jarir Street - Malaz District
1010463090	27/10/1437	Riyadh
1010463091	27/10/1437	Riyadh
1010463216	04/11/1437	Riyadh
1010465814	24/02/1438	Prosperity - Othman Bin Affan Street
1010467124	11/04/1438	Riyadh
1010468389	01/06/1438	Nassem
1010469398	28/06/1438	Riyadh
1010503594	10/05/1440	Riyadh
1010612837	18/02/1439	Sewedy
1010613744	30/03/1439	Al - Sali Neighborhood
1010933286	15/05/1439	Riyadh
1010941223	16/06/1439	Riyadh
1011009215	10/01/1423	Al Kharj
1011010938	19/10/1427	Al Kharj City - 60Th Street
1011011630	03/07/1428	Al Kharj City - 60Th Street
1011014157	05/08/1431	Al Kjharj
1011023674	23/01/1437	Al Kharj
1013002418	12/03/1439	Prince Sultan Street
1015001488	28/05/1432	Aflaj, Public Street
1111002463	12/08/1437	King Faisal Street - Granada District
1115002963	27/06/1435	Sajer
1116004839	17/09/1425	Shaqraa - King Saud Street
1116004947	03/04/1426	Main Street
1116010051	05/04/1435	Al - Dawadmi - Saudi Office
1117003533	23/08/1434	Al Quwaiyah City - General Street
1122005474	03/11/1436	Magmah
1123001495	25/01/1426	Al - Zulfi - King Fahd Road
1126000748	09/07/1422	Sodear
1128005977	15/06/1425	Onaiza Street, Al-Silasila,
1129004863	06/08/1438	Badaea
1131016643	25/02/1423	Buraidah King Abdulaziz Road - Al-Khubayb District
1131017048	21/05/1423	Buraidah - Al Rashidiya - Omar Bin Al Khattab Street Al Rayan District
1131019984	10/05/1425	Shipping Office - Al-Khubayb / King Abdul Aziz Road
1131036513	10/09/1432	Buraidah - King Abdulaziz Road - Opposite To The National Bank
1131037213	04/11/1432	Buraidah Al Khubayb - King Abdulaziz Road
1131040546	24/03/1433	Buraidah - Al Hamra - King Abdulaziz Street
1131057105	05/01/1438	Buredah
1131057206	15/02/1438	Buredah - Othman Bin Afan Street
1131057344	06/04/1438	Buredah
1131057452	05/05/1438	Buredah
1131057783	05/09/1438	Buredah
1132003408	25/04/1428	King Abdulaziz Road
1132010893	12/10/1437	Al Russ

(Saudi Riyals)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
1134002370	10/06/1433	Bakiriya - King Khalid Road
1136003189	23/04/1436	Al Sayah
1185002264	03/04/1426	Wadi Al Dawaser
2050041384	03/08/1423	Dammam - King Saud Street - Intersection Of The First Street
2050077936	19/10/1432	Dammam
2050078020	22/10/1432	Dammam - King Saud Street
2050079094	24/12/1432	Dammam King Fahad Road, Ehad District
2050085522	11/01/1433	Dammam
2050099565	16/06/1435	Dammam
2050108932	28/06/1437	Dammam
2050110614	19/01/1438	Dammam
2050112427	21/07/1438	Dammam
2050112491	27/07/1438	Dammam
2050120932	25/04/1440	Dammam
2051022946	19/07/1419	Khobar
2051026830	07/08/1423	Khobar - King Faisal Bin Abdulaziz Street
2051030710	20/01/1426	Khobar - Al Rashed Complex Dhahran Street
2051035800	10/11/1428	Khobar - General Street Al Khalidiya District
2051046624	22/10/1432	Khobar King Faisal Road
2051057125	16/06/1435	Khobar
2051058335	09/10/1435	Khobar - Dammam Road
2051063869	20/06/1438	Khobar
2053018636	11/01/1429	Al Qatif - Al Quds Street - Al Majidia District
2055005400	07/08/1423	Jubail Al Jubail Country
2055010609	16/06/1430	Jubail - Industrial Fannater Marine Fence
2055026257	11/02/1439	Jubil
2056005285	15/07/1436	El Neariah
2057008557	04/06/1437	Prince Nayef Street
2059002420	24/12/1432	Abqaiq - King Abdulaziz Street - Airport District
2060026831	07/08/1423	Al-Khobar - Al Thaqbah Mecca Street Intersection 15/14
2060046599	19/10/1432	Thokbah
2060046601	19/10/1432	Thokbah
2066002537	11/01/1429	Ras Tanura - Downtown 29Th Street
2251028779	18/11/1423	Hofuf - Prince Fahad Bin Jalawi Street - Al Kout
2251044419	25/01/1433	Hofuf - Khalidiya King Faisal University Street
2251067758	08/06/1438	Nazawi Market
2251069609	17/03/1439	Hafof
2252039922	04/04/1431	Al-Mabarz - Al-Hazm Street Prince Abdullah Bin Jalawi
2252057035	25/05/1435	Ahsa - Prince Abdullah Bin Jalawi Street
2252062678	18/10/1436	Al-Ahsa Al-Mabarz - Prince Abdullah Bin Jalawi Street
2257044417	25/01/1433	Al Ahsa Eyes Bowl Third Area
3350017317	18/01/1425	Hail - Mahatta - King Khalid Street Commercial Center
3350017318	18/01/1435	Hail - Munis Street - Hay Sharaf
3350024150	15/03/1431	Hail - Mahatta - King Khalid Street Commercial Center
3350042280	06/09/1435	Hail
3350042541	01/11/1435	Hail - King Abdulaziz Road - District Sharaf
3350042542	01/11/1435	Hail - King Abdulaziz Road - District Sharaf
3350044442	24/02/1438	Hail
3352012639	28/03/1436	Bakaaa
3400012637	23/01/1431	Sakaka - King Abdul Aziz Street - Al-Maqala Neighborhood
3400013572	03/03/1432	Al Jouf - Inside The Airport Departure Lounge
3400019730	24/04/1437	Sakaka - King Abdul Aziz Street - Al-Maqala Neighborhood

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1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
3400019731	24/04/1437	Sakaka - King Abdul Aziz Street - Al-Maqala Neighborhood
3400019814	18/07/1437	Rahmaniyah Neighborhood
3400020154	25/11/1438	Sakaka - King Abdul Aziz Street
3450010511	02/02/1431	Arar - General Street - Khalidiya District
3450011017	12/03/1432	Arar - Inside The Airport Departure Lounge
3450015430	14/02/1438	Arar
3451001615	16/03/1432	Tarif - Inside The Airport Departure Lounge
3451002721	01/07/1435	Tarif - King Abdulaziz Road
3452006495	08/04/1432	Al Qurayyat - Airport District
3452010481	07/02/1438	El Qurayat - Inside The Airport Departure Lounge
3453002913	13/03/1432	Rafha - Inside The Airport Departure Lounge
3453004317	23/06/1435	Refha - Azizia District
3550021381	01/12/1425	Tabuk - Al Faisaliah Neighborhood - Prince Fahad Bin Sultan Street
3550023790	28/05/1429	Tabuk - Hay Al Mansheya - Mohammed Bin Abdul Wahab Street
3550023791	28/05/1429	Tabuk - Al Mansheya District - Lamam Street Mohammed Bin Abdul Wahab
3550023792	28/05/1429	Tabuk - Sulaymaniyah - Prince Abdul Majid Street
3550026438	11/03/1432	Tabuk - Tabuk Airport - Departure Lounge
3550033657	24/05/1435	Tabuk - Sulaymaniyah - Prince Abdul Majid Street
3550033661	24/05/1435	Tabuk - Al Faisaliah District - Prince Fahad Bin Sultan Street
3550038270	20/02/1438	Sultana
3550038927	04/09/1438	Al Murooj - Al Khwarizmi
3552000993	11/03/1432	Wagah - Airport Departure Lounge
4030125653	21/07/1419	Jeddah
4030139615	27/05/1423	Jeddah - Intersection Of Al Madina Road With Crown Prince Road
4030139646	01/06/1423	Jeddah - Al Nakheel District
4030139647	01/06/1423	Jeddah - Ashour Center - Ashrafieh - King Abdullah And Medina Intersection
4030139666	02/06/1423	Jeddah - Sari Street - Neighborhood Kindergarten
4030143742	07/05/1424	Jeddah - Souq Al Khaimah - Hindawi - King Khalid Street
4030151378	28/07/1425	Jeddah
4030152080	12/09/1425	Jeddah
4030154855	01/03/1426	Jeddah - Hay Al Ruwais Hail Commercial Center - Hail Street
4030168092	13/03/1428	Jeddah - King Abdullah Road Al Sharbatli Center
4030177439	14/03/1429	Jeddah
4030194530	16/11/1430	Jeddah
4030194671	21/11/1430	Jeddah - Astronomical Center - King Khalid Street - Hindwana District
4030213579	11/07/1432	Jeddah - Michael Center
4030213582	11/07/1432	Jeddah Al - Safa Neighborhood Al - Rawda Street Next To The Pilot Office
4030216024	22/09/1432	Jeddah
4030225154	25/04/1433	Jeddah - King Abdulaziz Airport - South Terminal
4030226035	10/05/1433	Jeddah - Al Rawda Street - Al Safa District
4030229075	05/07/1433	Jeddah - King Abdulaziz Airport - North Hall
4030248279	17/07/1434	Jeddah - Hayndawiya - Sharbatli Center
4030267207	15/05/1435	Jeddah
4030268241	01/06/1435	Jeddah
4030271412	21/07/1435	Jeddah
4030272037	04/08/1435	Jeddah
4030272859	17/08/1435	Jeddah

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1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
4030274467	09/10/1435	Jeddah - Madina Road
4030279663	08/03/1436	Jedah Airport - Nourth Terminal
4030285386	08/01/1437	Jeddah
4030289739	25/08/1437	Jeddah - Salamah District
4030290495	04/11/1437	Jeddah- Rawdah District
4030292861	17/4/1438	Jeddah
4030293122	08/03/1436	Jedah Airport - Southe Terminal
4030294683	12/10/1438	Al - Samer Neighborhood - Al - Ajwad Street
4030304459	16/09/1439	Jeddah
4030306833	17/11/1439	Jeddah
4030306938	18/11/1439	Jeddah
4031047108	01/12/1425	Makkah Al-Mukarramah - Durrat Al Azizia - Azizah - Holy Mosque – Shasha
4031048640	25/11/1426	Makkah Al-Mukarramah - Al Rusaifa - Abdullah Arif Street - Prince Ahmed Mosque
4031049214	29/04/1427	Makah Al Mokramah
4031057983	26/01/1431	Makah Al Mokramah
4031063669	24/08/1432	Makkah Al - Mukarramah - Al - Zahra Neighborhood - Umm Al - Qura Street
4031064375	20/10/1432	Makkah Al - Mukarramah - Al Sharaa - General Street
4031080879	14/01/1435	Makkah Al - Mukarramah - Al - Shouqeya Neighborhood
4031081469	05/02/1435	Makah Al Mokramah
4031088011	22/12/1435	Makah Al Mokramah
4031095226	28/04/1437	Makah Al Mokramah
4031097043	20/10/1437	Makah Al Mokramah
4031098316	15/03/1438	Makkah Branch – Makkah
4031099160	14/06/1438	Makah Al Mokramah
4031100020	25/08/1438	Makah Al Mokramah
4031100021	25/08/1438	Makah Al Mokramah
4031100817	25/11/1438	Makah Al Mokramah
4031102267	29/03/1439	Makah Al Mokramah
4031216312	25/11/1439	Makah Al Mokramah
4032023506	13/01/1424	Taef - Shoubra District - Shoubra El-Sham St.
4032025562	27/08/1426	Taif - Shibra Neighborhood - Shubra General Street
4032026248	15/11/1427	Taif - Hawiyah -Setten Street
4032027669	26/05/1429	Taif - Al Shifa - Al Shifa 'General Street
4032029825	23/03/1431	Taif
4032032984	02/05/1433	Taif - Al-Shifa District
4032032985	02/05/1433	Al - Tayyar Center For Furnished Apartments - Al - Shifa District
4032033171	16/06/1433	Taif - Passenger Terminal Taif Regional Airport
4032051279	05/05/1438	Taif
4032229347	01/12/1439	Taif
4034001603	18/08/1435	Torbah
4036000852	23/03/1426	Ranyah
4601001662	24/01/1434	Al Layth
4602003769	05/07/1433	Rabigh - The Public Street
4603006152	24/01/1435	Al Konfiza
4650030080	23/05/1421	Al Madinah Al Monawarh
4650035144	28/03/1425	Al - Madinah Al - Munawwarah - Sultana Neighborhood - Abu Bakr Al Siddiq
4650040877	25/02/1429	Madinah - Airport Road
4650047980	30/03/1431	Al Madinah Al Munawwarah - Sultana -2 Abu Bakr Al Siddiq Street
4650054295	03/12/1429	Almadinah Almonawrah

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1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
650055547	04/05/1433	Al-Madinah Al-Munawwarah - Al-Hazam District - General Street
650069005	12/02/1435	Al Madinah Al Munawwarah - Sultana District - Abu Baker Al Siddiq Street
650069223	21/02/1435	Al Madinah Al Monawarh
650073478	27/08/1435	Al Madinah Al Munawwarah -Al Masana - Sayed Al Shodaa Street
650073787	20/09/1435	Al Madinah Al Munawwarah - Sultana District - Abu Baker Al Siddiq Street
650077802	05/05/1438	Al Madinah Al Monawarh- Airport Road
650079802	29/01/1437	Al Madinah Al Munawwarah - Sultana District - Abu Baker Al Siddiq Street
650081697	15/02/1438	Al Madinah Al Monawarh
650083854	03/04/1439	Al Madinah Al Monawarh
650202118	01/12/1439	Almadinah Almonawrah
651001238	18/05/1433	Ola - Ula Airport
651002069	07/05/1436	King Fahad Road
653001472	29/02/1438	City Of Qassim Road
700009058	01/12/1425	Yanbu - King Abdulaziz Street
700009073	03/01/1426	Yanbu - Center Of Nucleus - Jeddah Road - Royal Commission
700013098	05/07/1432	Yanbu - Sharbatli Neighborhood - Old Airport Road
700013259	16/09/1432	Yanbu - Nucleus Center - Jeddah Highway
700014406	10/06/1433	Yanbu - Prince Abedlmohsen Airport
700017817	06/07/1435	Yanbu Street - Omar Bin Abdul Aziz Bin Siddiq Complex
700019610	23/11/1436	Yanbuo
700020105	20/02/1438	Yanbou
700020204	10/06/1438	Yanbou
700020205	10/06/1438	Yanbou
800010290	14/10/1429	Al - Baha - The Public Street Next To The National Bank - King Fahad Road
806013344	14/04/1433	Al Mokhoawah
810018254	26/08/1435	Al Baha Airport
850026008	10/03/1426	Abha - Abha General Street - Market District
850052278	17/06/1434	Abha
850053522	15/08/1434	Abha - Khalidiya Belt Ways
850068157	02/04/1436	Abha Airport
851003631	07/06/1430	Bisha - General Street Al - Rawshan District
855006990	04/08/1406	Khamees Mushat
855025898	02/02/1426	Khamis Mushait - General Street Gulf Center - Khamis 1
855025899	02/02/1426	Khamis Mushait - Military Road - Khamis 3
855025900	03/02/1426	Khamis Mushait - King Fahad Street
855029704	29/11/1428	Khamis Mushait - Old Country Street
855034483	05/06/1431	Khamis Mushait - Al Rouneh -
855050048	05/05/1434	Khamis Mushait - Military Road
855052284	17/07/1434	Khamees Mushat
855054233	10/09/1434	Khamees Mushat
855070552	05/05/1438	Khamis Moshat
855339863	15/09/1439	Khamees Mushat
856035652	23/12/1431	Sarra Obeida - The Public Street
857034485	05/06/1431	Aohad - The Public Street
859003207	05/06/1431	Alnmas - Public Street
860026007	10/03/1426	General Street - Jeddah Road
861036551	27/03/1432	Rejal Almah
900008845	18/09/1418	Gizan -Al Matalaa Street -Front Adnan Hotel

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1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
900010282	06/02/1426	Jazan Regional Administration Prince Abdullah Al Faisal Street
900010283	09/02/1426	Gizan
900010285	10/02/1426	Jazan - The Public Street - The Modern Adnan Hotel - South Roda
900011849	24/01/1429	Gizan
900035839	05/05/1438	Gizan
900037299	13/02/1439	Jizan - Prince Abdullah Al Faisal Street
901010139	08/10/1425	Abu Aresh - King Abdulaziz Road
903010274	09/02/1426	Al - Darb - Ben Nazaah Building General Street
903010281	09/02/1426	Bish - Mousa Building General Street
903015263	08/03/1432	Bish - Al Darab - Genral Street
903015264	08/02/1432	Bish - Genral Street
906010140	08/10/1428	Edabi - Genral Street
906031509	15/03/1436	Sebya-Alkhazn District- Genral Street
907010054	23/07/1425	Samtah - Genral Street
911010279	09/02/1426	Auohd Al Masarha
911810278	10/02/1426	Auohd Al Masarha
950010468	22/08/1426	Najran
950010469	22/08/1426	Najran - Al Faisaliah - King Abdul Aziz Street
950010888	01/07/1427	Najran
951001095	02/03/1429	Sharurah - Al Amara Street Al Faisaliah District
235	14 /1/ 2002	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
235	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
846	8/3/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
846	8/3/2000	10 Al-Obour Building ,Salah Salem Ave., Nasr City , Cairo , Egypt
846	8/3/2000	5 Abd-Elhamed Badawy Elraml Station , Alexandria – Egypt
846	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
965	12/1/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
965	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
28138	12/16/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
28138	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
28719	1/23/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
28719	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
3215	4/10/2005	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
3215	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
-1245206	1/1/2005	Manchester
-1250025	1/4/2005	Warrington
-1251985	1/1/2008	London
-1207546	8/15/2005	Stafford
-1217943	2/1/2008	Bury St Edmunds
-1254785	5/7/2005	Leeds
-1278025	10/1/2010	Southampton
-1207546	9/1/2015	Derby Implant
-1273770	7/1/2016	London Implant
7112353	5/10/2005	Amsterdam
846	8/3/2000	5 Abd-Elhamed Badawy Elraml Station , Alexandria – Egypt

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2. STATEMENT OF COMPLIANCE WITH IFRS

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs), issued by the International Accounting Standards Board (IASB) as endorsed by Saudi Organization for Certified Public Accountants ("SOCPA").

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective from 1 January 2018

The following are the new standards or interpretations effective for the first time for periods beginning on or after 1 January 2018 that had a significant effect on the Group's financial statements.

The Group early adopted IFRS 15 – Revenue from Contracts with Customers for the year ended 31 December 2017, the effective date of IFRS 15 was January 1, 2018.

Standard number	Title	Effective date
IFRS 9	Financial Instruments	January 1, 2018
IFRIC 22	Foreign Currency Translations and Advance Consideration	January 1, 2018
IAS 40	Transfers of Investment Property	January 1, 2018
IAS 28	Improvements in investments in Associates and Joint Ventures	January 1, 2018

3.2 New standards, interpretations and amendments adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

3.3 New standards, interpretations and amendments not yet effective

Standard number	Title	Effective date
IFRS 16	Leases	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Positions	January 1, 2019
Other		

IFRS 16 Leases - New (effective for accounting period beginning on or after 1 January 2019)

IFRS 16 Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRIC 23 Uncertainty over Income Tax Positions - New (effective for accounting period beginning on or after 1 January 2019)

IFRIC 23 clarifies how to recognize and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

Other

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

The following is a list of other new and amended standards which, at the time of writing, had been issued by the IASB but which are effective in future periods. The amount of quantitative and qualitative detail to be given about each of the standards will, much like the amount of detail to be given about IFRS 16, depend on each entity's own circumstances.

- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective 1 January 2019)
- Annual Improvements to IFRSs 2015-2017 Cycle (IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes, and IAS 23 Borrowing Costs) (effective 1 January 2019)

Management has yet to assess the impact of this new standard on the Company's financial statements.

4. BASIS OF PREPARATION

4.1 Overall considerations

These consolidated financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in note 6. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in compliance IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing these consolidated financial statements and their effect are disclosed in note 5.

These financial statements have been prepared on the historical cost basis, except for the following:

- Equity instruments at fair value through other comprehensive income; and
- Defined benefits plan are measured at present value of future obligations using Projected Unit Credit Method.

Furthermore, these financial statements are prepared using the accrual basis of accounting and the going concern concept.

4.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2018.

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group’s interests in equity‑accounted investees comprise of interests in associates and joint ventures.

Interests in equity-accounted investees (continued)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, these financial statements include the Group's share of the profit or loss and OCI of equity‑ accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra‑group balances and transactions, and any unrealized income and expenses arising from intra‑group transactions, are eliminated. Unrealized gains arising from transactions with equity‑accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5. USE OF JUDGEMENT AND ESTIMATES

In preparing these consolidated financial statements, management has made judgement, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

5.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the consolidated financial statements is included in the following notes:

- Note 28 - commission revenue: whether the Group acts as an agent in the transaction rather than a principal.
- Note 4 - consolidation: whether the Group has de facto control over an investee.
- Note 14 – Trade receivables: The Group assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset; and
- Note 26 – Leases: In applying the classification of leases in IAS 17, management considers its leases either as operating lease or finance lease arrangements. In some cases, the lease transaction is not always conclusive, and management uses judgement in determining whether the lease is an operating or finance lease arrangement. For interest free finance lease arrangement, management uses best estimate in determining the interest rate prevailing in the market for the purpose of discounting.

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the year ended 31 December 2018 are included in the following notes:

- Note 21 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 22 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 7, 8, 10, 11, 12 and 14 - impairment test: key assumptions underlying recoverable amounts, for trade receivables, property and equipment, capital work in progress, capital work in progress – recoverable on disposal, intangible assets and goodwill, investment property and investment in equity accounted investees.
- Note 9 - determining the fair value less costs to sell of the disposal group on the basis of significant unobservable inputs;
- Note 25 - recognition and measurement of provisions and contingencies: key assumptions about likelihood and magnitude of an outflow of resources; and

5.2 Assumptions and estimation uncertainties (continued)

- Note 6.7 - acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.
- Note 34 – Disposal/liquidation of subsidiary: fair value of the agreed consideration (including contingent consideration) and fair value of the assets disposed and liabilities released, measured on a provisional basis.
- Note 26 – Leases: Management uses best estimate in determining the interest rate prevailing in the market for the purpose of discounting of interest free finance lease arrangement.

5.3 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted priced included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – investment property;
- Note 37 - financial instruments; and
- Note 34 – disposal of subsidiary

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements. Following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

6.1 New Accounting Policies and Changes in Accounting Policies

The Group initially adopted IFRS 9 Financial Instruments since 1 January 2018.

Financial instruments – Classification and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

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i. Financial assets

Initial recognition and measurement

A financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Equity securities	Available for sale	FVOCI – equity investment	-	-
Trade receivables	Loans and receivables	Amortized cost	1,756,468,321	1,736,886,969
Cash and cash equivalents	Loans and receivables	Amortized cost	981,198,632	981,198,632
Total financial assets			2,737,666,953	2,718,085,601
Financial liabilities				
Bank overdrafts	Other financial liabilities	Other financial liabilities	10,399,165	10,399,165
Secured bank loans	Other financial liabilities	Other financial liabilities	861,000,000	861,000,000
Unsecured bank loans	Other financial liabilities	Other financial liabilities	516,863,571	516,863,571
Trade payables	Other financial liabilities	Other financial liabilities	1,099,309,797	1,099,309,797
Total financial liabilities			2,487,572,533	2,487,572,533

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. An increase of SR 19.6 million in the allowance for impairment was recognized in opening retained earnings on 1 January 2018 on transition to IFRS 9.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of trade and other receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to the lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. The risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables in an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

Measurement of ECLs

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. The difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. The Group has not considered in discounting the short term trade receivables and payables as they are expected to be received and paid within the accounting period, the impact of discounting such short term receivable or payable would be immaterial hence they are kept at invoice amounts (cost).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss and other comprehensive income.

Impairment losses on other financial assets are presented under 'impairment losses', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations.

(Saudi Riyals)

Impact of the new impairment model

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

Impact of the new impairment model

	Impact of adopting IFRS 9 on opening balance
Impairment loss on 31 December 2017 under IAS 39	242,904,966
Increase of impairment loss recognized on 1 January 2018 on trade receivables	19,581,352
Impairment loss on 1 January 2018 under IFRS 9	262,486,318

Trade receivables

The following analysis provides further detail about the calculation of ECLs related to trade receivables on the adoption of IFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The ECLs were calculated based on actual credit loss experience over the past seven years. The Group performed the calculation of ECL rates separately for wholesale customers and other customers.

Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, geographic region and industry – for wholesale customers; and delinquency status, geographic region, age of relationship and the type of product purchased – for other customers.

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

- The Group has taken an exemption in accordance with paragraph 7.2.15 of IFRS 9 to not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at 1 January 2018. Accordingly, the information presented in 2017 does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

iv. Measurement of fair values

The Group's financial assets and financial liabilities are measured at amortized. Fair values measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

The Company has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables, short term investments and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values largely because of short term maturity of these instruments. Company has disclosed the fair value of bank loans held at amortized cost.

v. Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other, net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other, net gains and losses are recognized in OCI and are never reclassified to profit or loss.

vi. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

vii. Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Fair value through profit or loss

Financial liabilities fair valued through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of profit or loss and comprehensive income. The Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Interest bearing liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Derecognition

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

6.2 Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (SR), which is also the functional currency of the Group.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

However, foreign currency differences arising from the translation of the following is recognized in other comprehensive income:

- Equity instruments at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss).

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Saudi Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Saudi Riyal at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest (NCI).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

6.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss as other income.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight□line method over their estimated useful lives, and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Description	Number of years
• Buildings	50 years
• Furniture and fixtures	7-10 years
• Office equipment	5 years
• Vehicles	4 years
• Aircraft, engine and spare parts (estimated residual values 10-15%)	7-20 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.4 Capital work-in-progress

Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. When assets are ready for their intended use, they are transferred to property and equipment or investment property. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the time period that is required to complete and prepare the asset for its intended use.

6.5 Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of comprehensive income when it is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

6.5 Intangible assets and goodwill (continued)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Intangible assets including software, brand name and customer list, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

The significant intangibles recognized by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life
• Software	5 years
• Brand name	20 years
• Customer list	10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9: Financial Instruments, is measured at fair value with the changes in fair value recognized in the other comprehensive income.

Goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations with indefinite lives are allocated to CGUs which are also operating and reportable segments, for impairment testing as carrying amount of goodwill and licenses allocated to each of the CGUs.

The recoverable amount of a Cash Generating Unit is determined based on the higher of fair values less costs to sell and value-in-use calculations. Fair values less costs to sell are estimated by using the capitalized earnings approach and comparing the same with those of other entities in the same industry within the region.

The calculation of value in use is most sensitive to the following assumptions:

- Gross margin
- Discount rates
- Market share during the budget period
- Growth rate used to extrapolate cash flows beyond the budget period

6.5 Intangible assets and goodwill (continued)

Discount rates — Discount rates represent the current market assessment of the risks specific to each cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly-available market data.

6.6 Impairment testing of non-financial assets

Disclosures relating to impairment of non-financial assets are summarized in the following notes:

Accounting policy disclosures

Disclosures for significant assumptions and estimation uncertainties

Property and equipment

Intangible assets

Goodwill and intangible assets with indefinite lives

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

6.7 Investment in subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group:

6.7 Investment in subsidiaries (continued)

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Investments in subsidiaries that have not been consolidated due to in-significance are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group; plus
- any costs directly attributable to the acquisition of the subsidiary.

All subsidiaries have a reporting date of 31 December.

6.8 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the loss as impairment loss of an associate and a joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

6.9 Investment property

Investment property is a property held to earn rentals and/or for capital appreciation.

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement. Costs include, costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognized in the carrying amount of the investment property, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss as other income or other expenses.

Cost model

Subsequent to initial recognition, investment properties are accounted for using the "Cost Model" in accordance with IAS 40 and are stated at cost less accumulated depreciation and impairment losses, if any.

The cost less estimated residual value is depreciated on a straight line basis over the estimated useful lives of the assets.

Description	Useful economic life
• Buildings	50 years
• Furniture and fixture	5 years
• Electrical equipment	5 years
• Hotel tools	5 years

Rental income and operating expenses from investment property are reported within 'Revenue' and 'Cost of revenues'.

6.10 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents includes bank balances and deposits with original maturities of three months or less, if any. It also includes bank overdrafts which form an integral part of the Group's cash management and are likely to fluctuate from overdrawn to positive balances. Bank overdrafts, where there is no right of set-off, are shown as borrowings within current liabilities.

6.11 Trade receivables

Accounts receivable are carried at original invoice amount less impairment losses at an amount equal to the lifetime ECLs. When account receivable is uncollectible, it is written-off against the impairment losses. Any subsequent recoveries of amounts previously written-off are credited against "Impairment losses on trade and other receivables" in the consolidated statement of profit or loss and other comprehensive income.

6.12 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period profits.

All transactions with owners of the parent are recorded separately within equity.

Share premium

Share premium represents the excess consideration received by the Company over the par value of ordinary shares issued, and is classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from share premium.

Other reserves

Other reserves consist of the foreign currency translation reserve, fair value reserve, staff general fund reserve and the charity fund reserve.

i. Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries of the Company and whose functional currencies are different from the Company's functional currency.

ii. Fair value reserve

The fair value reserve comprises gains and losses on the fair value movements of the Group's available for sale investments.

iii. Staff general reserve fund

The staff general fund reserve comprises of 1% of profit before zakat after taking the effect of charity fund reserve. Any fund utilized is for the welfare of the Company's staff. The Company ceased accounting for staff general reserve fund in December 2016.

iv. Charity fund reserve

The charity fund reserve comprises of 1.5% of profit before zakat. This reserve is to be used to make future charitable donations to various organizations. The Company ceased accounting for charity fund reserve fund in December 2016.

Statutory reserve

In accordance with the Regulations of Companies' law in the Kingdom of Saudi Arabia and the Group's Articles of Association, the Group should transfer 10% of the net profits for the year to statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution to shareholders.

Dividend payments

The Group recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per corporate law, a distribution is authorized when it is approved by the shareholders.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in profit or loss.

6.13 Employees' end of service benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided of the employee. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding finance expense) and the effect of the asset ceiling (if any, excluding finance expense) are recognized immediately in OCI. The Group determines the net finance expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net finance expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employees' benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognized in profit or loss in the period in which they arise.

6.14 Zakat and income tax

The Company and its Saudi Arabian subsidiaries are subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed. The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. The foreign subsidiaries are subject to tax regulations in their countries of incorporation.

Zakat and foreign subsidiaries income tax are charged in profit or loss.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

6.15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Group as a lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

6.16 Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

6.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.18 Payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

6.19 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a service to a customer and / or provision of services on behalf of other suppliers.

The following is a description of principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments (see note 38).

Ticketing segment

The airline ticketing segment of the Group principally generate revenue represented in the form of commission from issuance of tickets of airlines, ferries and trains.

Services	**Nature, timing of satisfaction of performance obligations and significant payment terms**
Airlines	The Group recognizes revenue on issuance of airline tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 30 days is offered to the customer. Airline incentive revenue is earned under supplier's incentive arrangements. This is measured at each reporting date based on anticipated income.
Ferries	The Group recognizes revenue on issuance of ferry tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 days is offered to the customer.
Trains	The Group recognizes revenue on issuance of train tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 days is offered to the customer.

Tourism segment

The Tourism segments of the Group principally generate revenue from providing hotel booking services, package holidays and room rentals. Services may be sold separately or in bundled packages (hotel booking and airline ticket).

For bundled packages, the Group accounts for individual services separately if they are distinct – i.e. if a service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the hotel booking and airline ticket. For items that are not sold separately – e.g. customer loyalty program – the Group estimates stand-alone selling prices using the adjusted market assessment approach.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Hotel bookings	The Group recognizes revenue on the issuance of hotel booking to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Package holidays	The Group recognizes revenue from package holidays (tours and other services) on the date of departure. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Rooms rental	The Group recognizes revenue on the rental of owned rooms to customer over the duration of stay. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Customer loyalty program	Under its customer loyalty program, the Group allocates the equivalent of 1% of the consideration received for hotel booking and package holidays services to loyalty points which are redeemable against any future purchases of the Group's services. The amount is deferred in the statement of financial position and is recognized as revenue when the points are redeemed.

Transportation segment

The transportation segment of the Group principally generates revenue from providing transportation related services, such as car rentals, chartered flights and delivery of shipments.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Car rentals	The Group recognizes revenue for provision of car rental services to customers on operating lease over the term of the lease. The customer usually pays a certain amount in advance and the remaining balance on the completion of the lease term.
Chartered flights	The Group recognizes revenue from the provision of chartered flight services to customers when the flight arrives at the destination. The customer usually pays the full amount in advance.
Shipments (cargo)	The Group recognizes revenue when the booking request for cargo shipment is issued. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.

Property rentals segment

The property rentals segment of the Group, principally generate revenue from rentals for providing properties on operating lease.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Property rentals	The Group recognizes revenue for the provision of properties to customers on operating lease over the term of the lease. The customer usually pay semi-annually in advance.

Hospitality segment

Revenue is measured by reference to the fair value of consideration received or receivable by the hotel for goods and materials supplied or services provided excluding rebates and trade discounts.

The hotel applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction in order to reflect the substance of the transaction. The consideration received from these transactions is allocated to the separately identifiable component by taking into account the relative fair value of each component.

Hospitality segment (continued)

Revenue is recognized when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the hotel's different activities have been met.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Rooms	The Group recognizes revenue for the provision of rooms when the rooms are occupied and other related services on the performance of services and are stated net of discounts and municipality fees. The customer usually pays the full amount in advance.
Food and beverages	The Group recognizes revenue from the provision of food and beverages in hotel's restaurant when food and beverages is sold. The customer usually pays the full amount at the time of checkout, in the case of hotel's guest and before leaving the restaurant, in the case of walk-in customer.
Contracted rooms	The Group recognizes revenue for the provision of contracted rooms in the profit or loss in equal instalments over the period covered by the term. The customer pays the full amount as per the agreed terms of the contract.

6.20 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

6.21 Finance income and finance costs

The Group's finance income and finance costs include:

- Tawaruq / Murabaha income on Sharia Compliant facilities and interest income on other facilities;
- Tawaruq / Murabaha charges on Sharia Compliant facilities and interest expense on other facilities;
- dividend income;
- the foreign currency gains or losses on financial assets and financial liabilities;

Tawaruq / Murabaha income/expense on Sharia Compliant facilities and interest income/expense on other facilities is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

Borrowing costs that are directly attributable to the construction of a qualifying asset are capitalized up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, otherwise, such costs are charged to profit or loss.

6.22 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

6.23 Selling, administrative and other expenses

Selling, administrative and other expenses include direct and indirect costs not specifically part of cost of revenues. Allocations between selling, administrative and other expenses, cost of sales, when required, are made on a consistent basis.

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7. PROPERTY AND EQUIPMENT

	Land & buildings	Furniture & fixtures	Office Equipment	Vehicles	Air Conditioners	Telecom & Security systems	Tools & Hardware	Aircrafts	Total
Cost:									
Balance at 1 January 2017	939,765,406	126,843,284	63,096,352	201,728,648	27,946,203	18,951,418	25,814,284	101,285,428	1,505,431,023
Additions	24,907,500	19,802,319	23,326,746	137,582,703	1,366,274	4,743,848	2,391,710	-	214,121,100
Transfer from capital work in progress	2,001,348,105	69,771,108	3,457,535	-	5,032,375	7,420,572	1,046,357	-	2,088,076,052
Disposals during the year	(4,155,815)	(12,642,000)	(4,163,970)	(71,201,964)	(252,883)	(1,155,322)	(1,312,680)	-	(94,884,634)
Effect of movement in exchange rates	276,282	1,075,930	2,204,198	266,110	3,818	96,112	25,511	-	3,947,961
Balance at 31 December 2017	**2,962,141,478**	**204,850,641**	**87,920,861**	**268,375,497**	**34,095,787**	**30,056,628**	**27,965,182**	**101,285,428**	**3,716,691,502**
Additions	**8,057,183**	**9,037,900**	**4,145,442**	**209,639,594**	**1,406,697**	**2,850,857**	**886,839**	**-**	**236,024,512**
Transfer from capital work in progress	**-**	**-**	**23,636**	**1,317,392**	**-**	**-**	**2,000**	**-**	**1,343,028**
Disposals during the year	**-**	**(21,327,904)**	**(4,544,480)**	**(65,729,299)**	**(1,212,735)**	**(601,465)**	**(1,805,954)**	**(101,285,428)**	**(196,507,265)**
Effect of movement in exchange rates	**(142,692)**	**(586,932)**	**(1,426,028)**	**(134,156)**	**(1,976)**	**(2,142)**	**(4,097)**	**-**	**(2,298,023)**
Balance at 31 December 2018	**2,970,055,969**	**191,973,705**	**86,119,431**	**413,469,028**	**34,287,773**	**32,303,878**	**27,043,970**	**-**	**3,755,253,754**

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7. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office Equipment	Vehicles	Air Conditioners	Telecom & Security systems	Tools & Hardware	Aircrafts	Total
Accumulated depreciation:									
Balance at 1 January 2017	42,333,759	57,071,431	30,650,559	45,983,991	5,453,007	5,613,660	6,485,281	21,523,153	215,114,841
Charge for the year	6,079,389	18,536,537	11,244,885	50,624,678	4,225,765	3,979,016	2,028,863	7,596,407	104,315,540
Disposals	(194,870)	(2,641,791)	(3,758,758)	(47,114,556)	(20,762)	(1,134,704)	(577,072)	-	(55,442,513)
Effect of movement in exchange rates	45,330	516,174	1,907,503	79,512	1,455	92,789	24,962	-	2,667,725
Impairment	65,971,262	-	-	-	-	-	-	-	65,971,262
Balance at 31 December 2017	**114,234,870**	**73,482,351**	**40,044,189**	**49,573,625**	**9,659,465**	**8,550,761**	**7,962,034**	**29,119,560**	**332,626,855**
Charge for the year	**14,283,390**	**26,564,913**	**13,757,600**	**64,890,033**	**4,756,262**	**5,482,308**	**2,459,780**	**1,899,102**	**134,093,388**
Disposals	**-**	**(11,558,306)**	**(3,335,161)**	**(34,589,174)**	**(259,478)**	**(557,856)**	**(1,804,468)**	**(31,018,662)**	**(83,123,105)**
Effect of movement in exchange rates	**(25,717)**	**(302,809)**	**(1,294,893)**	**(63,108)**	**(1,152)**	**(1,163)**	**(3,909)**	**-**	**(1,692,751)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2018	**128,492,543**	**88,186,149**	**49,171,735**	**79,811,376**	**14,155,097**	**13,474,050**	**8,613,437**	**-**	**381,904,387**
Carrying amounts :									
At 31 December 2017	2,847,906,608	131,368,290	47,876,672	218,801,872	24,436,322	21,505,867	20,003,148	72,165,868	3,384,064,647
At 31 December 2018	**2,841,563,426**	**103,787,556**	**36,947,696**	**333,657,652**	**20,132,676**	**18,829,828**	**18,430,533**	**-**	**3,373,349,367**

Land and buildings include lands amounting to SR 2.2 billion (31 December 2017: SR 2.4 billion) which are not depreciated. Included within the vehicles is a net book value amount of SR 330 million (31 December 2017: 215 million) in respect of vehicles used in the car rental business to customers.

There has been an impairment of SR nil in land and buildings related to Olaya Hotel, Mazar Hotel and Naseem Jeddah as at 31 December 2018 (31 December 2017: SR 66 million)

Depreciation charge for the year has been allocated as follows:

	2018	2017
Cost of revenues	**99,865,226**	53,969,820
Selling expenses (note 29)	**14,094,879**	20,138,288
Administrative expenses (note 30)	**20,133,283**	30,207,432
	134,093,388	104,315,540

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8. CAPITAL WORK IN PROGRESS

Properties under construction

	Shoab Quraish	New head office building	Muzar Hotel project	Prince Majed Hotel project	Call Center project - Egypt	Makkah Hotel	CRM Data Integration project	SAP accounting software	Service center	Total
Balance at 1 January 2017	326,486,186	66,003,015	16,186,338	42,658,422	-	1,891,455,243	-	14,954,206	-	2,357,743,410
Additions	29,329,761	20,653,928	20,199,403	17,350,118	-	73,578,125	-	53,946,854	3,237,760	218,295,949
Transfer to property and equipment	-	(86,656,943)	(36,385,741)	-	-	(1,965,033,368)	-	-	-	(2,088,076,052)
Transfer to Investment property	(355,815,947)	-	-	-	-	-	-	-	-	(355,815,947)
Balance at 31 December 2017	**-**	**-**	**-**	**60,008,540**	**-**	**-**	**-**	**68,901,060**	**3,237,760**	**132,147,360**
Additions	**-**	**-**	**-**	**30,911,806**	**781,984**	**-**	**985,214**	**15,372,764**	**1,074,542**	**49,126,310**
Transfer to property and equipment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,343,029)**	**(1,343,029)**
Transfer to intangible assets and goodwill	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(82,263,978)**	**-**	**(82,263,978)**
Transfer to Investment property	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2018	**-**	**-**	**-**	**90,920,346**	**781,984**	**-**	**985,214**	**2,009,846**	**2,969,273**	**97,666,663**

Security

At 31 December 2018, properties with a carrying amount of SR nil billion (31 December 2017: SR 2 billion) were pledged as security for bank loans.

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9. CAPITAL WORK IN PROGRESS – RECOVERABLE ON DISPOSAL

	31 December 2018	31 December 2017
Capital work in progress	**359,747,097**	359,747,097

This represents certain land parcels and hotel, which were under capital work in progress. During 2013, these assets have been included in the Haram Expansion Project and other projects in Makkah and as a result, are to be acquired by the respective local authorities. The Group is not expecting such disposal to conclude within the next twelve months. Further, the management is not expecting any losses against the carrying value as a result of the disposal of these projects.

10. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	**Software**	**Brand name**	**Customer list**	**Total**
Cost					
Balance at 1 January 2017	298,301,613	18,707,285	28,035,891	18,557,164	363,601,953
Additions	-	4,286,297	395,899	-	4,682,196
Disposal	(1,426,644)	(6,582,736)	-	-	(8,009,380)
Effect of movement in exchange rates	3,435,554	1,251,474	2,633,604	1,743,202	9,063,834
Balance at 31 December 2017	300,310,523	17,662,320	31,065,394	20,300,366	369,338,603
Additions	**-**	**-**	**107,854**	**-**	**107,854**
Elimination on liquidation	**(4,868,970)**				**(4,868,970)**
Transfer from capital work in progress	**-**	**85,878,893**	**-**	**-**	**85,878,893**
Effect of movement in exchange rates	**(2,200,601)**	**(462,421)**	**(1,686,922)**	**(1,116,586)**	**(5,466,530)**
Balance at 31 December 2018	**293,240,952**	**103,078,792**	**29,486,326**	**19,183,780**	**444,989,850**
Accumulated amortization and impairment					
Balance at 1 January 2017	146,466,031	6,054,999	3,854,399	4,472,854	160,848,283
Amortization	-	4,453,552	1,912,716	1,956,494	8,322,762
Impairment loss	36,156,624	-	-	-	36,156,624
Disposal	-	(6,582,736)	-	-	(6,582,736)
Effect of movement in exchange rates	-	869,593	433,479	493,708	1,796,780
Balance at 31 December 2017	182,622,655	4,795,408	6,200,594	6,923,056	200,541,713
Amortization	**-**	**9,377,694**	**1,157,922**	**2,000,575**	**12,536,191**
Impairment loss	**6,965,504**	**-**	**-**	**-**	**6,965,504**
Effect of movement in exchange rates	**-**	**(258,421)**	**(384,606)**	**(462,987)**	**(1,106,014)**
Balance at 31 December 2018	**189,588,159**	**13,914,681**	**6,973,910**	**8,460,644**	**218,937,394**
Carrying amounts					
At 31 December 2017	117,687,868	12,866,912	24,864,800	13,377,310	168,796,890
At 31 December 2018	**103,652,793**	**89,164,111**	**22,512,416**	**10,723,136**	**226,052,456**

Amortization charge for the year has been allocated as follows:

	2018	2017
Selling expenses (note 29)	**5,014,476**	3,329,105
Administrative expenses (note 30)	**7,521,715**	4,993,657
	12,536,191	8,322,762

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10.1 Impairment test

During the year, the impairment loss recognized in statement of profit or loss and other comprehensive income relates to Groups' subsidiary in the Kingdom of Saudi Arabia. Goodwill related to Group's subsidiary in India has been eliminated on liquidation. The total impairment loss with regards to Group's subsidiaries subject to impairment, for all the years up to 31 December 2018 is as follows.:

	31 December 2018	31 December 2017
Al Tayyar Tours Company	**26,297,274**	26,297,274
Al Tayyar Rent a Car Company	**13,390,372**	13,390,372
E Al Tayyar Tourism Company	**13,805,118**	13,805,118
Nile Holidays Tourism Company	**13,603,448**	13,603,448
Lena Tours and Travel	**2,718,479**	2,718,479
Al Tayyar Rent a Car	**44,500,000**	44,500,000
Connecting Trade & Services	**7,569,646**	7,569,646
Fayfa Travel & Tours	**16,846,286**	16,846,286
Hanay Trading Company Limited	**7,735,408**	7,735,408
Al Hanove Tourism and Services Company	**36,156,624**	36,156,624
Mosafer Company for Travel and Tourism	**6,965,504**	-
	189,588,159	182,622,655

Impairment testing for CGUs containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	31 December 2018	31 December 2017
National Travel and Tourism Bureau	**6,212,311**	6,212,311
Al Sarh Travel and Tourism Limited	**11,600,000**	11,600,000
E Al Tayyar Tours Company	**26,297,274**	26,297,274
Al Tayyar Rent a Car Company	**13,390,372**	13,390,372
E Al Tayyar Tourism Company	**13,805,118**	13,805,118
Nile Holidays Tourism Company	**13,603,448**	13,603,448
Lena Tours and Travel	**2,718,479**	2,718,479
Al Tayyar Rent A Car	**44,500,000**	44,500,000
Al Mousim Travel and Tours	**13,750,000**	13,750,000
Jawlah Tours Establishment for Tourism	**1,578,247**	1,578,247
Al Mawasim Tourism and Umrah Services	**21,235,000**	21,235,000
Elegant Resorts Limited	**37,517,662**	37,517,662
Al Hanove Tourism and Services Company	**36,156,624**	36,156,624
Co-op Group Travel 1 Limited	**11,652,929**	11,652,929
Connecting Trade & Services	**7,569,646**	7,569,646
Fayfa Travel & Tourism Agency Company	**16,846,286**	16,846,286
Hanay Trading Company Limited	**7,735,408**	7,735,409
Mosafer Company for Travel and Tourism	**18,434,785**	18,434,785
Effect of foreign currency translation	**(11,362,637)**	(9,162,037)
	293,240,952	295,441,553

Subsidiaries in Egypt

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

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Subsidiaries in Egypt (continued)

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	2018	2017
Discount rate	**-**	22%
Terminal value growth rate	**-**	3%
Budgeted EBITDA growth rate (average of next five years)	**-**	0%

The discount rate was a post‑tax measure estimated based on the historical industry average weighted‑average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long‑term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

Subsidiaries in the United Kingdom

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	2018	2017
Discount rate	**12%**	12%
Terminal value growth rate	**2%**	2%
Budgeted EBITDA growth rate (average of next five years)	**7%**	13.5%

The discount rate was a post‑tax measure estimated based on the historical industry average weighted‑average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long‑term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

The estimated recoverable amount of the CGU exceeding its carrying value hence no impairment has been recorded. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Travel and Tours	
	2018	2017
Discount rate	**24%**	47%
Budgeted EBITDA growth rate (average of next five years)	**(58%)**	(78.5%)

(Saudi Riyal)

Subsidiaries in the Kingdom of Saudi Arabia

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	2018	2017
Discount rate	**12%**	12%
Terminal value growth rate	**3%**	3%
Budgeted EBITDA growth rate (average of next five years)	**13%**	26%

The discount rate was a post‑tax measure estimated based on the historical industry average weighted‑average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long‑term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

The estimated recoverable amount of Travel and Tour's sector, is exceeding its carrying value hence no impairment has been recorded. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Travel and Tours	
	2018	2017
Discount rate	**27%**	22%
Budgeted EBITDA growth rate (average of next five years)	**4%**	8%

(Saudi Riyal)

11. INVESTMENT PROPERTY

	Cost					Depreciation/impairment					Written down Value as at December 31, 2018
2018	**As at January 01, 2018**	**Addition**	**Transfer from capital work in progress**	**Disposal**	**As at December 31, 2018**	**As at January 01, 2018**	**Charge for the year**	**Disposal**	**As at December 31, 2018**	**Impairment***	
Land	**502,760,726**	**-**	**-**	**-**	**502,760,726**	**-**	**-**	**-**	**-**	**(6,955,216)**	**495,805,510**
Buildings	**617,151,975**	**-**	**-**	**-**	**617,151,975**	**52,897,208**	**12,262,937**	**-**	**65,160,145**	**(12,751,230)**	**539,240,600**
Furniture & fixture	**12,191,809**	**-**	**-**	**-**	**12,191,809**	**5,062,071**	**2,438,239**	**-**	**7,500,310**	**-**	**4,691,499**
Electrical equipment	**1,051,426**	**-**	**-**	**-**	**1,051,426**	**266,522**	**194,212**	**-**	**460,734**	**-**	**590,692**
Hotel Tools	**5,106,664**	**-**	**-**	**-**	**5,106,664**	**1,354,552**	**1,021,333**	**-**	**2,375,885**	**-**	**2,730,779**
Total	**1,138,262,600**	**-**	**-**	**-**	**1,138,262,600**	**59,580,353**	**15,916,721**	**-**	**75,497,074**	**(19,706,446)**	**1,043,059,080**

	Cost					Depreciation/impairment					
2017	**As at January 01, 2017**	**Addition**	**Transfer from capital work in progress**	**Disposal**	**As at December 31, 2017**	**As at January 01, 2017**	**Charge for the year**	**Disposal**	**As at December 31, 2017**	**Impairment***	**Written down Value as at December 31, 2017**
Land	330,893,500	-	196,867,226	(25,000,000)	502,760,726	-	-	-	-	(6,955,216)	495,805,501
Buildings	461,215,553	2,771,507	153,164,915	-	617,151,975	42,738,925	10,158,283	-	52,897,208	(12,751,230)	551,503,537
Furniture & fixture	13,838,800	-	2,478,731	(4,125,722)	12,191,809	7,261,377	1,920,493	(4,119,799)	5,062,071	-	7,129,738
Electrical equipment	302,696	-	748,730	-	1,051,426	136,779	129,743	-	266,522	-	784,904
Hotel Tools	5,047,007	434,384	2,556,345	(2,931,072)	5,106,664	3,605,316	676,801	(2,927,565)	1,354,552	-	3,752,112
										-	
Total	811,297,556	3,205,891	355,815,947	(32,056,794)	1,138,262,600	53,742,397	12,885,320	(7,047,364)	59,580,353	(19,706,446)	1,058,975,801

(Saudi Riyals)

11. INVESTMENT PROPERTY (continued)

The following amounts have been recognized in profit or loss for:

	2018	2017
Rental income from investment property	**86,368,916**	65,167,369
Direct operating expenses generating rental income	**(15,823,296)**	(12,885,320)
Direct operating expenses that did not generate rental income	**(7,192,840)**	(9,955,874)

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 1 year, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and historically the average renewal period is one year. No contingent rents are charged. The Group currently held all these investment properties for rental income.

The fair value of these investment properties is amounting to SR 1.28 billion (31 December 2017: SR 1.23 billion)

*Furnished apartments in Taif had a net book value of SR 22.73 million (31 December 2017: SR 43.09 million) and having a fair market value of SR 22.9 million (31 December 2017: SR 23.8 million). The impairment loss, resulted from the difference between the carrying amount of these apartments and the fair value, has been recognized in statement of profit or loss and other comprehensive income SR nil (31 December 2017: SR 19.7 million).

11.1 Measurement of fair values

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognized professional qualifications (as required by Ministry of Commerce and Investment) and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs used are as follows:

- Expected market rental growth
- Occupancy rate
- Risk-adjusted discount rate 6.5% (31 December 2017: 8.75%)

The estimated fair value would increase / (decrease) if:

- expected market rental growth were higher / (lower);
- the occupancy rate was higher / (lower);
- rent-free periods were shorter / (longer);
- the risk adjusted discount rate were lower / (higher).

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

	2018	2017
Balance as at 1 January	**921,489,825**	1,041,771,975
Additions	**-**	18,749,001
Share of loss from associates	**(67,073,502)**	(127,838,764)
Impairment	**(6,419,483)**	-
Disposal	**(797,898,013)**	(11,192,387)
Balance as at 31 December	**50,098,827**	921,489,825

(Saudi Riyals)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (continued)

The following table summarizes the financial information of material associates as included in their own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these associates.

Carrying value of investment in equity accounted associates – Unquoted

Associate name	Percentage holding 31 December 2018	Percentage holding 31 December 2017	31 December 2018	31 December 2017
Al Shamel International Holding Co. KSC (ASI)	**30%**	30%	**24,990,641**	23,318,009
Taqniatech Company for Communication Technology JV (TAQJV)	**70%**	70%	**-**	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	**49%**	49%	**-**	-
Voyage Amro Travel (VAT)	**49%**	49%	**-**	6,419,483
2Share Emerging Technology (TSET)	**35%**	35%	**-**	-
Net Tours & Travels LLC (NT)	**44.3%**	44.3%	**-**	-
Careem Inc. (CIL)	**14.7%**	14.7%	**-**	9,268,648
Saudi Heritage Hospitality Company (SHHC)	**20%**	20%	**9,487,560**	9,872,522
Equinox Group Limited (EGL)	**40%**	40%	**13,714,668**	13,843,765
Thakher Investment and Real Estate Co. (TIREC)	**-**	30%	**-**	801,600,100
Wadi Middle East S.A.R.L. (WME)	**33.3%**	33.3%	**-**	51,055,338
CHME Limited (CHM)	**40%**	40%	**1,905,958**	6,111,960
			50,098,827	921,489,825

Movement of equity accounted associates - Unquoted

	31 December 2017	Share of profit / (loss)	Impairment	Disposal	31 December 2018
Al Shamel International Holding Co. KSC (ASI)	23,318,009	**1,672,632**	**-**	**-**	**24,990,641**
Taqniatech Company for Communication Technology JV (TAQJV)	-	**-**	**-**	**-**	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	-	**-**	**-**	**-**	-
Voyage Amro Travel (VAT)	6,419,483		**(6,419,483)**	**-**	**-**
2Share Emerging Technology (TSET)	-	**-**	**-**	**-**	-
Net Tours & Travels LLC (NT)	-	**-**	**-**	**-**	-
Careem Inc. (CIL)	9,268,648	**(9,268,648)**	**-**	**-**	**-**
Saudi Heritage Hospitality Company (SHHC)	9,872,522	**(384,962)**	**-**	**-**	**9,487,560**
Equinox Group Limited (EGL)	13,843,765	**(129,097)**	**-**	**-**	**13,714,668**
Thakher Investment and Real Estate Co. (TIREC)	801,600,100	**(3,702,087)**	**-**	**(797,898,013)**	**-**
Wadi Middle East S.A.R.L. (WME)	51,055,338	**(51,055,338)**	**-**	**-**	**-**
CHME Limited (CHM)	6,111,960	**(4,206,002)**	**-**	**-**	**1,905,958**
	921,489,825	**(67,073,502)**	**(6,419,483)**	**(797,898,013)**	**50,098,827**

(Saudi Riyals)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (continued)

Latest available financial information of significant associates of the Group according to region is as follows:

	Country of incorporation/ listing	Total assets*	Total liabilities*	Net assets*	Revenues*	Profit/(loss) after tax*
2018						
Al Shamel International Holding Co. KSC (ASI)	Kuwait	**79,484,685**	**20,037,305**	**59,447,380**	**239,025,445**	**4,337,553**
Thakher Investment and Real Estate Co. (TIREC)	Saudi Arabia	**-**	**-**	**-**	**-**	**-**
Wadi Middle East S.A.R.L. (WME)	United Arab Emirates	**107,011,976**	**458,992,137**	**(351,980,161)**	**66,665,515**	**(156,348,549)**
		186,496,661	**479,029,442**	**(292,532,781)**	**305,690,960**	**(152,010,996)**
2017						
Al Shamel International Holding Co. KSC (ASI)	Kuwait	128,784,914	28,051,111	100,733,803	8,757,284	398,091
Thakher Investment and Real Estate Co. (TIREC)	Saudi Arabia	2,742,242,693	2,348,189,396	394,053,297	233,649	(755,677)
Wadi Middle East S.A.R.L. (WME)	United Arab Emirates	72,341,525	334,529,139	(262,187,614)	343,885,670	(152,986,209)
		2,943,369,132	2,710,769,646	232,599,486	352,876,603	(153,343,795)

*These represent amounts reported from un-audited financial statements for the year ended 31 December 2018 and 2017.

Latest available financial information of insignificant associates of the Group according to region is as follows:

	Country of incorporation/ listing	Profit after tax*
2018		
Voyage Amro Travel (VAT)	Canada	-
Careem Inc. (CIL)	United states	-
Saudi Heritage Hospitality Company (SHHC)	Saudi Arabia	**(1,924,808)**
Equinox Group Limited (EGL)	United Arab Emirates	**(322,741)**
CHME Limited (CHM)	United Arab Emirates	**(10,515,004)**
		(12,762,553)
2017		
Voyage Amro Travel (VAT)	Canada	(906,358)
Careem Inc. (CIL)	United states	(476,396,250)
Saudi Heritage Hospitality Company (SHHC)	Saudi Arabia	(7,430,400)
Equinox Group Limited (EGL)	United Arab Emirates	(686,380)
CHME Limited (CHM)	United Arab Emirates	(5,554,652)
		(490,974,040)

*These represent amounts reported from un-audited financial statements for the year ended 31 December 2018 and 2017.

13. EQUITY INVESTMENTS

Name of security	Classification	31 December 2018 SR	31 December 2017 SR
Taif Investments and Tourism Company	FVOCI – equity instrument	-	1,000,000
SAIB Trade Finance Fund	FVOCI – equity instrument	**57,032,675**	-
ANB_06-01-2019_ICAP	Financial assets at amortized cost	**40,298,278**	-
Impairment		**-**	(1,000,000)
		97,330,953	-

During the year the Group has made an investment of SR 100 million via an asset management company named Alistithmar Capital. Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 37.

(Saudi Riyals)

14. TRADE AND OTHER RECEIVABLES

	31 December 2018	31 December 2017
Trade receivables	**1,446,129,842**	1,999,373,287
Allowance for doubtful debts	**(192,190,781)**	(242,904,966)
	1,253,939,061	1,756,468,321
Other receivables:		
Accrued incentives	**116,680,602**	63,219,948
Employees' receivables	**9,921,441**	13,951,748
Taxes	**6,253,073**	5,314,971
Consumables	**3,804,197**	8,160,016
Accrued finance income	**48,313**	690,306
Receivable from disposal of Thakher Investment and Real Estate Co.	**300,000,000**	-
Others	**53,982,790**	35,902,813
	1,744,629,477	1,883,708,123

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 37.

15. PREPAYMENTS AND OTHER ASSETS

	31 December 2018	31 December 2017
Prepayments		
Rents	**15,422,472**	16,163,387
Insurance	**15,426,056**	16,520,123
Subscription fees	**2,212,058**	841,284
Others	**3,683,118**	5,990,654
	36,743,704	39,515,448
Other assets		
Advances to suppliers	**364,713,130**	240,427,719
Impairment of other receivables	**(129,062,438)**	(13,000,000)
Write off during the year	**-**	(5,700,495)
	235,650,692	221,727,224
Advances for letter of guarantee margins (see note 26)	**41,207,887**	28,698,917
Other advances	**5,390,124**	5,074,564
	282,248,703	255,500,705
	318,992,407	295,016,153

16. SHORT TERM INVESTMENT

The Group has made investment in Murabaha Investments in Commodities (AIC) for a period of four months due to mature on 29 April 2019 on agreed commercial terms amounting to SR 400 million.

17. CASH AND CASH EQUIVALENTS

	31 December 2018	31 December 2017
Cash in hand	**5,791,466**	**7,289,806**
Bank balances – current account	**254,607,747**	**469,587,040**
Call deposits	**-**	**504,321,786**
Cash held with fund manager	**3,488,679**	**-**
Cash and cash equivalents in the statement of financial position	**263,887,892**	**981,198,632**
Cash held with fund manager	**(3,488,679)**	**-**
Bank overdrafts used for cash management purposes	**(31,304,212)**	**(10,399,165)**
Cash and cash equivalents in the statement of cash flows	**229,095,001**	**970,799,467**

Call deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, which earn finance income at the respective short-term deposit rates.

At 31 December 2018, the Group had undrawn committed borrowing facilities available of SR nil (31 December 2017: 504 million).

(Saudi Riyals)

18. CAPITAL AND RESERVES

Share capital

	31 December 2018	31 December 2017
Ordinary shares		
In issue at the beginning of the year	**209,650,000**	209,650,000
Issued and fully paid	**209,650,000**	209,650,000
Par value @ SR 10 each	**2,096,500,000**	2,096,500,000

All ordinary shares rank equally with regards to the Company's residual assets.

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

Share premium, statutory reserves and other reserves

Nature and purpose of these reserves has been included in note 6 of these consolidated financial statements.

Dividends

The board of directors of the Group during its meeting dated 8 February 2018 approved dividends for the financial results of the year ended 31 December 2017 amounting to SAR 104.8 million (SAR 0.5 per share) and were paid on 21 February 2018 (31 December 2017: SR 104.8 million).

Other comprehensive income accumulated in reserves, net of tax

	Attributable to owners of the parent					
	Translation reserve	Fair value reserve	Retained earnings	Total	NCI	Total OCI
31 December 2018						
Foreign operations – foreign currency translation differences	**(12,499,550)**	**-**	**-**	**(12,499,550)**	**-**	**(12,499,550)**
Equity investments - FVOCI	**-**	**181,675**	**-**	**181,675**	**-**	**181,675**
Re-measurement of defined benefit liability	**-**	**-**	**(2,234,991)**	**(2,234,991)**	**(523,161)**	**(2,758,152)**
	(12,499,550)	**181,675**	**(2,234,991)**	**(14,552,866)**	**(523,161)**	**(15,076,027)**

	Attributable to owners of the parent					
	Translation reserve	Fair value reserve	Retained earnings	Total	NCI	Total OCI
31 December 2017						
Foreign currency translation differences	24,674,125	-	-	24,674,125	-	24,674,125
Equity investments - FVOCI	-	-	-	-	-	-
Re-measurement of defined benefit liability	-	-	15,520,714	15,520,714	669,504	16,190,218
	24,674,125	-	15,520,714	40,194,839	669,504	40,864,343

(Saudi Riyals)

19. NON-CONTROLLING INTERESTS (NCI)

The following table summarizes the information relating to each of the Group's subsidiaries that has NCI.

2018

	MWT	ASTT	AHTS	HTCL	MCT	FTTSB	JTET	FIT	CTS	Total
NCI percentage	49	20	30	20	40	20	49	40	49	
Non-current assets	2,235,354	7,073,184	5,693,493	5,939,555	-	-	1,134,725	309,270	463,492	22,849,073
Current assets	56,232,754	87,846,118	16,748,976	27,442,207	-	-	6,135,419	287,735	9,874,095	204,567,304
Non-current liabilities	(4,346,340)	(9,118,280)	(592,685)	(499,326)	-	-	(419,297)	(65,881)	(62,209)	(15,104,018)
Current liabilities	(44,841,939)	(63,922,693)	(11,554,127)	(58,403,681)	-	-	(7,761,723)	(156,154)	(11,099,670)	(197,739,987)
Net assets	9,279,829	21,878,329	10,295,657	(25,521,245)	-	-	(910,876)	374,970	(824,292)	14,572,372
Net assets attributable to NCI	2,591,685	2,844,221	6,394,497	(5,136,640)	-	-	(380,149)	329,950	459,658	7,103,222
Revenue	190,833,148	35,497,604	4,523,671	17,377,447	-	-	1,008,361	-	5,163,409	254,403,640
Profit	4,448,379	9,061,333	2,173,372	(9,957,601)	-	-	(490,120)	-	952,069	6,187,432
OCI	(187,944)	(215,725)	(55,947)	2,064	-	-	(65,609)	-	-	(523,161)
Total comprehensive income	4,260,435	8,845,608	2,117,425	(9,955,537)	-	-	(555,729)	-	952,069	5,664,271
Profit allocated to NCI	2,179,705	1,812,267	652,011	(1,991,520)	-	-	(240,159)	-	466,514	2,878,818
OCI allocated to NCI	(187,944)	(215,725)	(55,947)	2,064	-	-	(65,609)	-	-	(523,161)
Cash flows from operating activities	(22,040,926)	6,999,853	630,324	(620,004)	-	-	(98,661)	-	8,183,835	(6,945,579)
Cash flows from investment activities	(1,385,992)	630,649	299,852	851,702	-	-	98,661	-	(78,731)	416,141
Cash flows from financing activities	(14,751,446)	(2,505,126)	-	-	-	-	-	-	(9,360,514)	(26,617,086)
Net increase/(decrease) in cash and cash equivalents	(38,178,364)	5,125,376	930,176	231,698	-	-	-	-	(1,255,410)	(33,146,524)

(Saudi Riyals)

19. NON-CONTROLLING INTERESTS (NCI) (continued)

The following table summarizes the information relating to each of the Group's subsidiaries that has NCI.

2017

	MWT	ASTT	AHTS	HTCL	MCT	JTET	FIT	FTTSB	CTS	Total
NCI percentage	**49**	**20**	**30**	**20**	**40**	**49**	**40**	**20**	**49**	
Non-current assets	849,362	7,703,833	5,993,345	6,791,258	1,748,106	1,233,386	309,270	170,440	384,761	25,183,761
Current assets	62,695,535	65,461,381	15,071,167	13,081,492	72,700,540	6,380,889	287,735	3,199,087	22,854,045	261,731,871
Non-current liabilities	(3,473,355)	(7,765,034)	(306,730)	(1,122,576)	(993,807)	(140,169)	(65,881)	-	(62,209)	(13,929,761)
Current liabilities	(57,283,224)	(44,002,765)	(10,763,138)	(34,122,681)	(76,324,042)	(7,760,966)	(156,154)	(1,831,104)	(24,335,749)	(256,579,823)
Net assets	2,788,318	21,397,415	9,994,644	(15,372,507)	(2,869,203)	(286,860)	374,970	1,538,423	(1,159,152)	16,406,048
Net assets attributable to NCI	599,923	7,008,130	5,798,433	(3,147,185)	(1,450,043)	(74,381)	329,950	282,526	(6,855)	9,340,498
Revenue	183,276,780	39,238,495	3,201,213	29,815,019	18,120,206	1,008,361	-	840,541	3,454,084	278,954,699
Profit	(831,960)	7,150,708	1,241,913	(11,235,133)	(16,005,139)	(440,583)	-	39,043	(836,156)	(20,917,307)
OCI	20,499	517,051	(92,684)	111,752	52,428	60,458	-	-	--	669,504
Total comprehensive income	(811,461)	7,667,759	1,149,229	(11,123,381)	(15,952,711)	(380,125)	-	39,043	(836,156)	(20,247,803)
Profit allocated to NCI	(407,660)	1,430,142	372,574	(2,247,027)	(6,402,056)	(215,885)	-	282,526	(409,717)	(7,597,103)
OCI allocated to NCI	20,499	517,051	(92,684)	111,752	52,428	60,458	-	-	-	669,504
Cash flows from operating activities	49,733,953	282,797	(2,685,579)	(4,879,216)	19,091,628	2,165,232	-	117,068	(8,443,340)	55,382,543
Cash flows from investment activities	(7,740)	2,098,094	196,394	489,148	(363,072)	(1,007,948)	-	(120,554)	(94,511)	1,189,811
Cash flows from financing activities	(14,751,446)	(2,505,126)	-	-	2,240,020	(200,161)	-	-	9,268,366	(5,948,347)
Net increase/(decrease) in cash and cash equivalents	34,974,767	(124,235)	(2,489,185)	(4,390,068)	20,968,576	957,123	-	(3,486)	730,515	50,624,007

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20. LOANS AND BORROWINGS

	31 December 2018	31 December 2017
Non-current liabilities		
Secured bank loan	**480,096,391**	861,000,000
Unsecured bank loans	**-**	19,433,761
	480,096,391	880,433,761
Current liabilities		
Current portion of secured bank loan	**69,903,609**	-
Unsecured bank loans	**163,306,010**	497,429,810
	233,209,619	497,429,810

Information about the Group's exposure to commission rate, foreign currency and liquidity risks is included in note 37.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

			31 December 2018		31 December 2017	
	Currency	Year of maturity	Face Value	Carrying Amount	Face value	Carrying Amount
Secured:						
Arab National Bank	SR	2025	-	-	861,000,000	861,000,000
Saudi British Bank	SR	2025	**550,000,000**	**550,000,000**	-	-
Unsecured:						
Gulf International Bank	SR	2018	-	-	50,000,000	50,000,000
Al Rajhi Bank	SR	2018	**163,306,010**	**163,306,010**	199,997,190	199,997,190
Saudi Investment Bank	SR	2018	-	-	88,375,000	88,375,000
Alawwal Bank	SR	2018	-	-	150,000,000	150,000,000
Arab Banking Corporation	USD	2019	-	-	28,491,381	28,491,381
Total commission-bearing liabilities			**713,306,010**	**713,306,010**	1,377,863,571	1,377,863,571

The secured bank loans are secured against land and buildings with a carrying amount of SR 1.94 billion (31 December 2017: SR 2 billion).

The outstanding secured and unsecured loans as of 31 December 2018 have an average commission rate of 3 - 4% above the Banks' lending base rate (31 December 2017: 2.7 – 4%).

The Group has a secured bank loan with a carrying amount of SR nil at 31 December 2018 (31 December 2017: 861 million). This loan has been fully paid during the year. The unsecured bank loans are payable over a period of loan terms as described in the above table.

21. EMPLOYEES' END OF SERVICE BENEFITS

	31 December 2018	31 December 2017
Net defined benefit liability	**114,477,245**	98,169,751

The Group is committed to the following post-employment defined benefit plans:

- In Kingdom of Saudi Arabia, the plan entitles an employee who completed over two but less than five years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over five but less than ten years of service, to receive a payment equal to two-third of their final salary for each completed year of service. Further, an employee who completed over ten years of service, to receive a payment equal to their final salary for each completed year of service.

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21. EMPLOYEES' END OF SERVICE BENEFITS (continued)

- In Egypt, the plan entitles an employee (management and technicians) who completed over five but less than ten years of service, to receive a payment equal to one-half of their final salary for each completed year of service. Similarly, an employee who completed over ten years of service, to receive a payment equal to their final salary for each completed year of service.
- Further, the plan entitles an employee (drivers) who completed over five but less than seven years of service, to receive a payment equal to ten days of their final salary for each completed year of service. Similarly, an employee who completed seven years but less than twelve years of service, to receive a payment equal to one-half of their final salary for each completed year of service. Further, an employee who completed over twelve years of service, to receive a payment equal to two months of their final salary for each completed year of service.
- In United Arab Emirates, the plan entitles an employee who completed over one year but less than three years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over three years but less than five years of service, to receive a payment equal to two-thirds of their final salary for each completed year of service. Further, an employee who completed over five years of service, to receive a payment equal to their final salary for each completed year of service.
- In the United Kingdom, Portman Group International S.A.R.L (PGI) operates a defined contribution pension scheme. The assets of the scheme are held separately from those of ML in an independently administered fund. Pension costs charged against profits in respect of the ML's defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period. ML provides no other contractual post-retirement benefits to its employees.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	31 December 2018	31 December 2017
Balance at 1 January	**98,169,751**	100,737,137
Adjustment in retained earnings	**-**	-
	98,169,751	100,737,137
Included in profit or loss		
Current service cost	**27,260,831**	26,528,571
Finance expense	**3,907,150**	4,592,036
	31,167,981	31,120,607
Included in other comprehensive income		
Actuarial gain /(loss)	**2,758,152**	(16,190,218)
Benefits paid	**(17,618,639)**	(17,497,775)
Balance at the end of the year	**114,477,245**	98,169,751

	31 December 2018	31 December 2017
Represented by:		
Net defined benefit liability for plans in:		
Kingdom of Saudi Arabia	**107,732,064**	93,171,703
Egypt	**2,054,632**	1,054,842
United Arab Emirates	**4,690,549**	3,943,206
	114,477,245	98,169,751

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Actuarial assumptions on defined benefit liability

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2018		
	KSA	**Egypt**	**UAE**
Discount rate	**3.70%**	**18.50%**	**3.20%**
Future salary growth	**5%**	**14%**	**5%**
Future benefits growth	**0.98%**	**9.03%**	**0.69%**

	31 December 2017		
	KSA	**Egypt**	**UAE**
Discount rate	4.25%	15.35%	4.25%
Future salary growth	5%	7.07%	5%
Future benefits growth	0.75%	(8.28%)	0.75%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

	31 December 2018		
	KSA	**Egypt**	**UAE**
According to number of plans			
Longevity for current members (in years)	**24**	**26**	**27**

	31 December 2017		
	KSA	**Egypt**	**UAE**
According to number of plans			
Longevity for current members (in years)	24	24	25

At 31 December 2017, the weighted‐average duration of the defined benefit obligation was as follow:

	31 December 2018		
	KSA	**Egypt**	**UAE**
In years	**8**	**9**	**4**

	31 December 2017		
	KSA	**Egypt**	**UAE**
In years	14	11	14

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 December 2018		31 December 2017	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(8,613,012)**	**10,069,418**	(9,885,918)	11,874,247
Future salary growth (1% movement)	**10,194,354**	**(8,908,539)**	11,664,226	(9,911,834)
Future mortality (10% movement)	**(47,707)**	**47,914**	(43,526)	20,794

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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Employee benefit expenses

	31 December 2018	31 December 2017
Salaries and benefits	**523,657,625**	494,304,798
Social security contributions	**23,634,825**	13,694,797
Contributions to defined contribution plans	**10,265,773**	10,270,955
Expenses related to post-employment defined benefit plans	**31,167,981**	31,120,607
Expenses related to paid leaves	**8,816,873**	10,415,970
	597,543,077	559,807,127

22. ZAKAT AND INCOME TAXES

Amount recognized in profit or loss

	31 December 2018	31 December 2017
Current zakat and tax expense		
Current period – zakat	**80,663,292**	26,855,829
Current period – tax	**7,288,889**	2,153,179
	87,952,181	29,009,008
Deferred tax expense		
Origination and reversal of temporary differences	**(3,932,457)**	1,973,124
	(3,932,457)	1,973,124
Zakat and tax expense	**84,019,724**	30,982,132

Tax expense on continuing operations' excludes the Group's share of the tax expense of equity-accounted investees of SR nil (31 December 2017: 3,897), which has been included in 'share of profit of equity-accounted investees, net of tax'.

The Group believes that its accruals for zakat and tax liabilities are adequate for all open years based on its assessment of many factors, including interpretations of zakat and tax law and prior experience.

Movement in provision

The movement in the Zakat & income tax provision is as follows:

	31 December 2018	31 December 2017
At the beginning of the year	**46,551,046**	43,458,250
Provided during the year	**84,019,724**	30,982,132
Payments made during the year	**(35,952,161)**	(27,889,336)
At the end of the year	**94,618,609**	46,551,046

Movement in deferred tax balances

31 December 2018	Net balance at 1 January	Recognized in profit or loss	Other	Net	Deferred tax Assets	Deferred tax liabilities
Property and equipment	**1,909,354**	**200,179**	**(105,021)**	**2,004,512**	**2,004,512**	-
Property and equipment	**(4,356,335)**	**3,530,046**	**21,820**	**(804,469)**	**-**	**(804,469)**
Pension deficit	**2,536,273**	**202,232**	**(139,504)**	**2,599,001**	**2,599,001**	-
Fair value gains	**(192,416)**	**-**	**10,583**	**(181,833)**	**-**	**(181,833)**
Net tax assets / (liabilities)	**(103,124)**	**3,932,457**	**(212,122)**	**3,617,211**	**4,603,513**	**(986,302)**

31 December 2017	Net balance at 1 January	Recognized in profit or loss	Other	Net	Deferred tax Assets	Deferred tax liabilities
Property and equipment	3,658,441	(2,146,216)	397,129	1,909,354	1,909,354	-
Property and equipment	(4,257,916)	(56,036)	(42,383)	(4,356,335)	-	(4,356,335)
Pension deficit	2,109,029	229,128	198,116	2,536,273	2,536,273	-
Fair value gains	(175,893)	-	(16,523)	(192,416)	-	(192,416)
Net tax assets / (liabilities)	1,333,661	(1,973,124)	536,339	(103,124)	4,445,627	(4,548,751)

There are no unrecognized deferred tax assets or liabilities as at year end.

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Status of assessment

Zakat assessments for the Company have been finalized with the General Authority of Zakat and Tax (GAZT) and final Zakat certificates obtained for the years up to 2012. The Company has submitted the Zakat returns for all the years up to 2017. The Group has made an additional provision, for the periods 2013 to 2017 of SR19.5 million (31 December 2017: SR nil), based on the assessments made by GAZT for the years up to 2012.

All subsidiaries are filing Zakat and / or income tax returns regularly as per their country of incorporation regulations and there is no dispute that requires any additional provisions.

23. TRADE AND OTHER PAYABLES

	31 December 2018	31 December 2017
Trade payables	**737,884,817**	1,099,309,797
Tickets under settlement	**-**	5,112,374
	737,884,817	1,104,422,171
Non-trade payables	**95,638,143**	65,781,280
Salaries and benefits	**68,613,855**	70,014,866
Rents and utilities	**7,328,421**	8,137,918
Payable of defined contribution plan	**10,265,773**	14,107,673
Loan commission payable	**6,144,471**	18,540,184
Others	**19,225,674**	16,835,046
	207,216,337	193,416,967
Total trade and other payables	**945,101,154**	1,297,839,138

Information about the Group’s exposure to currency and liquidity risks is included in note 37.

24. CONTRACT LIABILITIES

	31 December 2018	31 December 2017
Customer advances	**393,308,618**	362,943,090
Customer loyalty claims	**2,555,049**	2,704,699
	395,863,667	365,647,789

25. PROVISIONS

	31 December 2018	31 December 2017
Legal case	**25,000,000**	25,000,000

Legal case

Blue Sky Travel (“BST”) is the Company’s supplier and an associate which is 49% owned by the Company. During 2013, a legal claim was lodged by one of the shareholders of BST against the Company. Following trial in the USA, there was a judgment of USD 11.9 million (SAR 44.8million) against the Company. A further verdict has been received in Dec 2015 whereby USD 1.9 million (SAR 7.5 million) has been confirmed as payable to BST. The Company considered a provision of SAR 25 million in 2013, with a view that the final verdict has not been issued by court; this is based on the management’s best estimate. The Company believes that there is a right of appeal against other party. Accordingly, no reversal has been made in the financial statements.

26. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 December 2018, the Group has capital commitments of SR 60 million (31 December 2017: 91 million) with respect to property developments, software development and construction of new office premises.

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Contingencies

At 31 December 2018, the Group has letter of guarantees amounting SR 389 million (31 December 2017: 295 million) issued by the Company's banks in favor of certain suppliers. Included within this are advances for letter of guarantee margins amounting SR 41.2 million (31 December 2017: 28.7 million) see note 15 for details.

Operating lease commitments

The Group leases a number of warehouses and retail units under operating leases. These leases typically run for a period of one year, with an option to renew the lease after one year. Lease payments are renegotiated every year to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The warehouse and branch leases were entered into many years ago as combined leases of land and buildings. The Group determined that the land and building elements of the warehouse and branch leases are operating leases. The rent paid to the landlord is adjusted to market rentals at regular intervals, and the Group does not have an interest in the residual value of the land and buildings. As a result, it was determined that substantially all of the risks and rewards of the land and buildings are with the landlord.

Future minimum lease payments

At year end, the future minimum lease payments under non-cancellable leases were payables as follows:

	31 December 2018	31 December 2017
Less than one year	**79,908,721**	58,619,369
Between one and five years	**122,593,627**	93,013,064
More than five years	**25,040,416**	28,651,055
	227,542,764	180,283,488

Amounts recognized in profit or loss

	31 December 2018	31 December 2017
Lease expense	**63,958,169**	56,983,655

27. RELATED PARTIES TRANSACTIONS AND BALANCES

27.1 Related parties' transactions

Senior management remuneration

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive Officer (CEO), Directors and Executives of the Company is as follows:

	31 December 2018				**31 December 2017**			
	CEO	**Directors**	**Executives**	**Total**	**CEO**	**Directors**	**Executives**	**Total**
Managerial remuneration	**2,160,000**	**-**	**3,672,000**	**5,832,000**	2,160,000	-	6,156,000	8,316,000
Housing & Travel allowance	**756,000**	**-**	**1,117,200**	**1,873,200**	756,000	-	1,912,200	2,668,200
Business Trips	**573,113**	**-**	**184,490**	**757,603**	258,380	-	428,691	687,071
Bonus	**834,000**	**-**	**1,152,000**	**1,986,000**	834,000	-	1,351,000	2,185,000
End of Service Benefits	**148,500**	**-**	**398,956**	**547,456**	114,063	-	498,333	612,396
Board Member Fees	**-**	**4,091,000**	**-**	**4,091,000**	-	3,846,190	-	3,846,190
Total	**4,471,613**	**4,091,000**	**6,524,646**	**15,087,259**	4,122,443	3,846,190	10,346,224	18,314,857

Aggregate amount charged in these financial statements in respect of Directors fees for attending Board and other Committee meetings amounted to SR 358,000 and SR 138,000, respectively (2017: SR 348,000 and SR 116,000 respectively). The Directors fees for attending Board and other Committee meetings were paid as prescribed in the Articles of Association.

Directors of the Company control 0.69% (31 December 2017: 0.67%) of the voting shares of the Company.

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Senior management remuneration (continued)

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non key management personnel related companies on an arm's length basis.

Related party transactions mainly represent purchases, sales and services rendered which are at arm's length and undertaken at mutually agreed terms and approved by management.

		31-Dec-18				
Related party	**Relationship**	**Sales**	**Purchases**	**Receipts**	**Payments**	**Other costs / (revenues)**
Voyage Amro Travel	Associate	-	33,849	-	-	78,194,289
Al Shamel International Holding Company	Associate	7,734	6,895,241	-	6,393,243	477,692
Wadi Middle East S.A.R.L.	Associate	-	-	37,501,685	-	-
CHME Limited	Associate	156,680	-	167,963	-	194,000
Jean Abboud	Minority shareholder of CTS	-	-	-	-	(806,100)
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	9,735,250
Riyadh Cables Group	Common directorship	91,187	-	79,344	-	-
Gulf International Trading and Real Estate Company	Common directorship	319,399	-	309,272	-	(3,795)
National Agriculture Development Co.	Common directorship	7,515,885	-	6,454,346	-	-
Forbes Middle East	Ownership interest by majority shareholder of ATG	-	-	-	-	(1,234,549)
Nile Air	Ownership interest by majority shareholder of ATG	282,180	12,125,279	3,007,580	8,132,307	3,841,488
Riyadh Airport Company	Common directorship	-	-	-	-	281,065
Saudi Batal Design Company	Ownership interest by majority shareholder of ATG	606,701	-	565,016	-	-
Al Tayyar Real Estate Development Company	Ownership interest by majority shareholder of ATG	-	-	-	-	(326,866)
Careem Inc.	Associate / Ownership interest by Board member	-	-		-	(164,505)
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	138,921
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	-	64,176

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27.1 Related parties' transactions (continued)

		31 December 2017				
Related party	**Relationship**	**Sales**	**Purchases**	**Receipts**	**Payments**	**Other costs / (revenues)**
Voyage Amro Travel	Associate	-	3,445,124	-	6,727,099	-
Al Shamel International Holding Company	Associate	12,559	611,187	-	1,939,114	(402,668)
Thaker Investment and Real Estate Co.	Associate	-	-	-	89,855,831	-
Wadi Middle East S.A.R.L.	Associate	-	-	-	37,501,685	-
CHME Limited	Associate	201,037	6,293,637	194,856	6,099,637	-
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	(10,801,092)
Riyadh Cables Group	Common directorship	239,377	-	286,186		-
Gulf International Trading and Real Estate Company	Common directorship	594,380	-	639,255	-	-
National Agriculture Development Co.	Common directorship	7,350,799	-	8,301,084	-	2,960,165
Bonyan Almdaen Company	Ownership interest by majority shareholder of ATG	-	-	-	-	(156,622)
2share United Communications	Ownership interest by majority shareholder of ATG	27,930	-	-	229,187	(1,323,518)
Forbes Middle East	Ownership interest by majority shareholder of ATG	-	-	-	-	(74)
Nile Air	Ownership interest by majority shareholder of ATG	41,373	13,738,235	46,376,871	39,887,414	7,009,339
Saudi Batal Design Company	Ownership interest by majority shareholder of ATG	743,795	-	764,000	-	(1,744,420)
Al Imtiaz Food Company	Ownership interest by majority shareholder of ATG	-	-	-	-	(67,500)
Al Tayyar Real Estate Development Company	Ownership interest by majority shareholder of ATG	-	-	-	236,718,920	182,408
Careem Inc.	Associate / Ownership interest by Board member	-	-	-	-	176,371
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	(67,662)
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	-	1,118,252
Ahmed Al Tigani Ahmed	Minority shareholder of ATS	-	-	-		351,500
Farook Al Jarasy	Minority shareholder of MCT	-	-	-	5,000,000	15,137

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27.2 Related party balances

Related party balances at year end are as below:

Due from related parties	**30 December 2018**	31 December 2017
Mohaideb Ali Al Mohaideb	**22,208**	-
Thaker Investment and Real Estate Co.	**-**	107,558,134
Wadi Middle East S.A.R.L.	**-**	37,501,685
Forbes Middle East	**375,501**	1,610,050
Saudi Batal Design Company	**112,249**	70,564
2share United Communications	**27,930**	27,930
Nile Air	**8,006,553**	10,883,437
Riyadh Cables Group	**33,289**	21,446
National Agriculture Development Co.	**3,071,419**	2,009,880
Careem Inc.	**-**	164,505
Al Tayyar Real Estate Development Company	**-**	326,866
Riyadh Airports Company	**281,065**	-
Gulf International Trading and Real Estate Company	**15,055**	8,723
CHME Limited (CHM)	**-**	-
Farook Al Jarasy	**-**	10,319,779
Jean Abboud	**1,876,071**	2,682,171
Majid Al Nafai	**29,478**	-
	13,850,818	173,185,170

Due to related parties	**31 December 2018**	31 December 2017
Voyage Amro Travel	**1,263,075**	79,423,515
Abdullah Al Ajlani	**2,327,353**	2,391,529
Al Shamel International Holding Company	**254,273**	237,701
Mohaideb Ali Al Mohaideb	**-**	116,713
CHME Limited (CHM)	**-**	182,717
Majid Al Nafai	**-**	9,705,772
	3,844,701	92,057,947

28. REVENUE

Commission element	**2018**	2017
Airline ticketing & incentives	**1,088,236,029**	1,307,916,916
Hotel booking	**84,249,361**	80,516,747
Shipments	**18,558,136**	14,245,902
Train ticketing	**22,906,011**	16,498,878
	1,213,949,537	1,419,178,443
Other revenue		
Package holidays	**452,409,559**	467,365,852
Car rentals	**170,367,098**	121,280,636
Property and room rentals	**86,368,915**	65,167,369
Chartered flights	**1,238,467**	10,543,440
Others	**23,276,087**	23,482,585
	733,660,126	687,839,882
	1,947,609,663	2,107,018,325

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28. REVENUE (continued)

In respect of recognizing revenue as commissions, management considers that the following factors indicate that the Group acts as an agent.

- another service supplier is primarily responsible for fulfilling the contract;
- the Group does not have inventory risk;
- the Group does not have discretion in establishing prices for the other supplier's services and, therefore, the benefit that the Group can receive from those services is limited; and
- the Group's consideration is in the form of commission.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, type of revenue and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its reportable segments (see note 38).

	2018						
	Reportable segments						
Primary geographical markets	**Ticketing**	**Tourism**	**Transportation**	**Hospitality**	**Property**	**All other segments**	**Total**
Kingdom of Saudi Arabia	**1,017,966,331**	**226,468,443**	**175,256,939**	**79,031,171**	**7,337,744**	**12,735,912**	**1,518,796,540**
United Kingdom	**101,817,474**	**309,932,532**	**-**	**-**	**-**	**-**	**411,750,006**
Egypt	**1,249,698**	**7,451,995**	**14,906,762**	**-**	**-**	**346,178**	**23,954,633**
United Arab Emirates	**(14,571,748)**	**(9,379,925)**	**-**	**-**	**-**	**1,055,686**	**(22,895,987)**
Sudan	**-**	**-**	**-**	**-**	**-**	**-**	**-**
India	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Spain	**-**	**971,648**	**-**	**-**	**-**	**9,138,311**	**10,109,959**
Lebanon	**4,680,285**	**1,214,227**	**-**	**-**	**-**	**-**	**5,894,512**
Malaysia	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	1,111,142,040	**536,658,920**	**190,163,701**	**79,031,171**	**7,337,744**	**23,276,08**	**1,947,609,663**
Timing of revenue recognition							
Services transferred at a point in time	**1,111,142,040**	**84,249,361**	**18,558,136**	**79,031,171**	**-**	**-**	**1,292,980,708**
Services transferred over time	**-**	**452,409,559**	**171,605,565**	**-**	**7,337,744**	**23,276,087**	**654,628,955**
	1,111,142,040	**536,658,920**	**190,163,701**	**79,031,171**	**7,337,744**	**23,276,087**	**1,947,609,663**

	2017						
	Reportable segments						
Primary geographical markets	**Ticketing**	**Tourism**	**Transportation**	**Hospitality**	**Property**	**All other segments**	**Total**
Kingdom of Saudi Arabia	1,198,166,260	202,992,021	135,279,912	62,854,519	2,312,850	11,592,816	1,613,198,378
United Kingdom	112,005,768	334,948,842	-	-	-	-	446,954,610
Egypt	252,467	5,490,942	10,790,066	-	-	92,306	16,625,781
United Arab Emirates	10,868,871	1,754,439	-	-	-	44,660	12,667,970
India	-	-	-	-	-	3,788,338	3,788,338
Spain	-	239,585	-	-	-	7,964,465	8,204,050
Lebanon	3,122,428	1,616,229	-	-	-	-	4,738,657
Malaysia	-	840,541	-	-	-	-	840,541
	1,324,415,794	547,882,599	146,069,978	62,854,519	2,312,850	23,482,585	2,107,018,325
Timing of revenue recognition							
Services transferred at a point in time	1,324,415,794	80,516,747	14,245,902	62,854,519	-	-	1,482,032,962
Services transferred over time	-	467,365,852	131,824,076	-	2,312,850	23,482,585	624,994,363
	1,324,415,794	547,882,599	146,069,978	62,854,519	2,312,850	23,482,585	2,107,018,325

(Saudi Riyals)

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	31 December 2018	31 December 2017
Receivables, which are included in 'Trade and other receivables	**1,253,939,061**	1,756,468,321
Contract liabilities	**393,308,618**	362,943,090

The contract liabilities primarily relate to the gross bookings which is the advance consideration received from governmental and corporate customer contracts, for which commission will be recognized once the service is delivered in the future.

Significant changes in the contract liabilities balances during the year are as follows:

	31 December 2018	31 December 2017
Contract liabilities		
Contract liability at the beginning of the year	**362,943,090**	449,377,358
Contract liabilities that was recognized as revenue during the year	**(354,273,167)**	(436,959,831)
Cash received in advance of performance and not recognized as revenue during the year	**384,638,695**	350,525,563
Contract liability at the beginning of the year	**393,308,618**	362,943,090

Transaction price allocated to the remaining performance obligations

As of 31 December 2018, the amount allocated to the customer loyalty program is SR 2.6 million (31 December 2017: 2.7 million). This will be recognized as revenue as the customer loyalty program points are redeemed, which is expected to occur over the next one year.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Group applies the practical expedient in paragraph C5(c) of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognize that amount as revenue.

29. SELLING EXPENSES

	2018	2017
Employee benefits	**186,700,236**	186,204,319
Sales commission and incentives	**29,074,443**	26,352,155
Advertising	**74,836,046**	39,850,611
Rentals	**63,958,169**	56,983,655
Depreciation (note 7)	**14,094,879**	20,138,288
Amortization (note 10)	**5,014,476**	3,329,105
	373,678,249	332,858,133

(Saudi Riyals)

30. ADMINISTRATIVE EXPENSES

	2018	2017
Employee benefits	**315,712,449**	308,077,540
Consultancy	**15,658,985**	31,273,952
Insurance	**18,790,853**	19,178,261
Depreciation (note 7)	**20,133,283**	30,207,432
Communication	**15,818,428**	21,888,261
Charities and donations	**-**	10,479,844
Contribution for employees social security and welfare fund	**-**	6,323,708
Information technology	**28,867,437**	22,737,240
Travel	**10,963,316**	9,186,789
Repairs and maintenance	**13,613,544**	5,521,066
Stationery	**4,780,271**	6,241,908
Utilities	**11,168,835**	7,592,347
Amortization (note 10)	**7,521,715**	4,993,657
Entertainment expenses	**1,775,112**	2,375,673
Vehicles maintenance	**2,169,327**	3,012,235
Other expenses	**5,589,840**	5,704,621
	472,563,395	494,794,534

31. OTHER EXPENSES

	2018	2017
Loss on disposal of property and equipment	**44,322,661**	-
Loss from discontinuing segments, net	**398,548**	-
Elimination on liquidation of a subsidiary	**4,868,970**	
	49,590,179	-

32. OTHER INCOME

	2018	2017
Gain on disposal of property and equipment	**-**	7,516,850
Dividend income	**58,320**	-
Foreign currency exchange gain	**4,241,541**	5,991,136
Gain on sale of investment property	**-**	26,584,624
Gain from disposal of equity-accounted investees Ventures	**-**	1,397,539
Interest income from investment	**298,278**	-
Gain on sale of investment	**271,359**	-
Income from insurance claim	**4,888,579**	1,349,055
Final settlement income from contract cancellation	**-**	5,700,000
Others	**3,870,753**	1,692,983
	13,628,830	50,232,187

33. Impairment losses

	2018	2017
Impairment loss on property and equipment	**-**	(65,971,262)
Impairment loss on investment property	**-**	(19,706,446)
Impairment loss on other assets	**(116,062,437)**	-
Impairment loss on goodwill (see note 10)	**(6,965,504)**	(36,156,624)
Impairment loss on equity-accounted investees (see note 12)	**(6,419,483)**	-
Impairment loss on equity instrument at fair value through comprehensive income (see note 13)	**-**	(1,000,000)
	(129,447,424)	(122,834,332)

(Saudi Riyals)

34. DISPOSAL OF SUBSIDIARIES

During the year, the Company disposed of its interest in the following subsidiaries:

- On 31 October 2018, the Company disposed its 80% owned subsidiary, Fuego Travel & Tours SDN. BHD (FTTSB), Malaysia, for an agreed amount of SR 873,923. The Company recognized a net loss of SR 478,421 from this disposal.
- On 15 October 2018, the Company liquidated its entire 100% shareholding in Calculus Technologies, LLC (CTL), India. The Company recognized a net gain of SR 669,075 from this liquidation.

Net assets on disposal

The following table summarizes the net assets of subsidiary at disposal date:

	FTTSB	CTL	Total
Property and equipment	**131,901**	**195,492**	**327,393**
Goodwill	**-**	**-**	**-**
Trade and other receivables	**4,361,867**	**1,065,653**	**5,427,520**
Cash and cash equivalents	**197,221**	**89,181**	**286,402**
Trade and other payables	**(3,000,558)**	**(1,990,698)**	**(4,991,256)**
Total net assets disposed off	**1,690,431**	**(640,372)**	**1,050,059**
% of ownership	**80%**	**100%**	
Net assets on disposal	**1,352,344**	**(640,372)**	**711,972**

Loss / (gain) on disposal for year 2018

Gain / (loss) in relation to the subsidiaries disposed of was recognized as follows:

	FTTSB	CTL	Total
Consideration agreed	**873,923**	**28,703**	**902,626**
Net assets on disposal	**(1,352,344)**	**640,372**	**(711,972)**
	(478,421)	**669,075**	**190,654**

Loss / (gain) on disposal for year 2017

Gain / (loss) in relation to the subsidiaries disposed of was recognized as follows:

	AMM	ATS	Total
Consideration received	90,000	4,218,750	4,308,750
Net assets on disposal	(2,952,065)	(1,964,040)	(4,916,105)
	(2,862,065)	2,254,710	(607,355)

35. FINANCE INCOME AND COST

	2018	2017
Finance income		
Finance income on term deposits	**11,453,922**	22,632,673
Finance cost		
Bank charges	**(19,198,780)**	(17,660,109)
Commission expense	**(46,262,485)**	(40,160,921)
Finance costs	**(65,461,265)**	(57,821,030)
Net finance cost for the purpose of cash flow statement	**(54,007,343)**	(35,188,357)

36. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

The calculation of basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

	2018	2017
Profit attributable to ordinary shareholders	**(144,957,446)**	496,796,473
Weighted-average number of ordinary shares at the end of the year	**209,650,000**	209,650,000
Basic and diluted	**(0.69)**	2.37

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Other market price risk, and
- Liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Investments in quoted and unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Fixed rate bank loans

(Saudi Riyals)

Financial instruments by category

	Carrying amount			Fair value			
31 December 2018	**FVOCI – equity instrument**	**Financial assets at amortized cost**	**Total Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value							
Equity investments	**57,032,675**	**40,298,278**	**97,330,953**	57,032,675	40,298,278	-	**97,330,953**
Current:							
Cash and cash equivalents	-	**263,887,892**	**263,887,892**	-	-	-	**263,887,892**
Short term investment	-	**400,000,000**	**400,000,000**	-	-	-	**400,000,000**
Trade and other receivables	-	**1,553,939,061**	**1,553,939,061**	-	-	-	**1,553,939,061**
Due from related parties	-	**13,850,818**	**13,850,818**	-	-	-	**13,850,818**
Total financial assets	**57,032,675**	**2,271,976,049**	**2,329,008,724**	57,032,675	40,298,278	-	**2,329,008,724**
Financial liabilities							
Non-current:							
Loans and borrowings	-	**480,096,391**	**480,096,391**	-	-	-	**480,096,391**
Current:							
Bank overdraft	-	**31,304,212**	**31,304,212**	-	-	-	**31,304,212**
Loans and borrowings	-	**233,209,619**	**233,209,619**	-	-	-	**233,209,619**
Trade and other payables	-	**839,667,431**	**839,667,431**	-	-	-	**839,667,431**
Due to related parties	-	**3,844,701**	**3,844,701**	-	-	-	**3,844,701**
Total financial liabilities	-	**1,588,122,354**	**1,588,122,354**	-	-	-	**1,588,122,354**

(Saudi Riyals)

Financial instruments by category (continued)

	Carrying amount			Fair value			
31 December 2017	**FVOCI – equity instrument**	**Financial assets at amortized cost**	**Total Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value							
Equity investments	-	-	-	-	-	-	-
Current:							
Cash and cash equivalents	-	981,198,632	981,198,632	-	-	-	981,198,632
Trade and other receivables	-	1,756,468,321	1,756,468,321	-	-	-	1,756,468,321
Due from related parties	-	173,185,170	173,185,170	-	-	-	173,185,170
Total financial assets	-	2,910,852,123	2,910,852,123	-	-	-	2,910,852,123
Financial liabilities							
Non-current:							
Loans and borrowings	-	880,433,761	880,433,761	-	-	-	880,433,761
Current:							
Bank overdraft	-	10,399,165	10,399,165	-	-	-	10,399,165
Loans and borrowings	-	497,429,810	497,429,810	-	-	-	497,429,810
Trade and other payables	-	1,188,743,635	1,188,743,635	-	-	-	1,188,743,635
Due to related parties	-	92,057,947	92,057,947	-	-	-	92,057,947
Total financial liabilities	-	2,669,064,318	2,669,064,318				2,669,064,318

For the purpose of financial instruments by category, following items of trade and other receivables and trade and other payables have been taken into account:

Trade and other receivables

	Note	2018	2017
Trade receivables, net	14	**1,253,939,061**	1,756,468,321
Receivable from disposal of Thakher Investment and Real Estate Co.	14	**300,000,000**	-
		1,553,939,061	1,756,468,321

Trade and other payables

	Note	2018	2017
Trade payables	23	**737,884,817**	1,099,309,797
Tickets under settlement	23	**-**	5,112,374
Non-trade payables	23	**95,638,143**	65,781,280
Loan commission payable	23	**6,144,471**	18,540,184
		839,667,431	**1,188,743,635**

(Saudi Riyals)

Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, short term investments, trade and other receivables, trade and other payables and short term loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, short term investments, trade and other receivables, trade and other payables and short term loans and borrowings approximates their fair value.

The details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of loans and borrowings, which are classified in level 3 of the fair value hierarchy, have been fully described in relevant notes.

There were no transfers between levels during the period.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Risk Management Committee.

The Risk Management Committee determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval of the Risk Management Committee, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	31 December 2018	31 December 2017
Cash at bank (note 17)	**254,607,747**	973,908,826
Trade receivables - third parties (note 14)	**1,253,939,061**	1,756,468,321
Trade receivables – related parties (note 27.2)	**13,850,818**	173,185,170
	1,522,397,626	2,903,562,317

The carrying amount of financial assets represents the maximum credit exposure.

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Credit risk (continued)

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings.
- Trade receivables are shown net of allowance for impairment of trade receivables and sales returns.
- Financial position of related parties is stable.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. Trade receivables outstanding balance comprises of 81% in KSA, 15% in UK and 4% in other countries. The two largest customers account approximately for 17% of outstanding trade receivables at 31 December 2018.

As at 31 December 2018, and 31 December 2017, the ageing of trade receivables that were not impaired was as follows:

	31 December 2018	31 December 2017
Neither past due nor impaired	**640,468,081**	415,695,806
Past due 1-30 days	**272,268,210**	133,729,523
Past due 31-90 days	**123,438,689**	142,695,328
Past due 91-180 days	**108,028,833**	255,288,967
Past due 181-365 days	**104,027,833**	777,638,028
Past due over 365 days	**5,707,415**	31,420,669
	1,253,939,061	1,756,468,321

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Collective impairment
Balance at 1 January 2017	**241,128,153**
Provision	**1,776,813**
Balance at 31 December 2017	**242,904,966**
Impact of transition to IFRS 9 on 1 January 2018 on trade and other receivables	**19,581,352**
Impairment loss on 1 January 2018 under IFRS 9	**262,486,318**
Reversal	**(70,295,537)**
Balance at 31 December 2018	**192,190,781**

The Risk Management Committee monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commission rates (commission rate risk), foreign exchange rates (foreign currency risk) or other market factors (other price risk). The details related to these risks are more fully described below:

Commission rate risk

Fair value and cash flow interest rate risks are the exposures to various risk associated with the effect of fluctuations in the prevailing interest rates on the Group’s financial position and cash flows. The Group is not exposed to fair value and cash flow commission rate risks as investments in long term Murabaha finance have a fixed income rate or a fixed finance rate.

Management of the Group does not enter into future agreement to hedge its interest rate risk. However, these are monitored on regular basis and corrective measures initiated wherever required. All of the borrowings are on fixed interest rates; therefore, interest rate sensitivity analysis has not been disclosed.

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Foreign Currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analyzed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is predominantly exposed to currency risk on purchases and sales made from major suppliers and customers based in EGP, GBP, AUD, CAD and USD. Purchases and sales from these suppliers and customers are made on a central basis. Management of the Group does not enter into future agreement to hedge its currency risk. However, these are monitored on regular basis and corrective measures initiated wherever required.

Apart from these particular cash-flows the Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

31 December 2018	**EGP**	**GBP**	**AUD**	**CAD**	**USD**
Cash and cash equivalents	**6,758,247**	**135,429,386**	**-**	**-**	**4,365,119**
Trade and other receivables	**36,206,547**	**204,843,414**	**-**	**9,743,357**	**11,390,240**
Due from related parties	**33,775,711**	**16,687,836**	**-**	**-**	**-**
Bank overdraft	**(24,238)**	**(24,380,887)**	**-**	**-**	**(3,817,084)**
Trade and other payables	**(34,395,272)**	**(271,739,706)**	**(125,917,290)**	**(5,074,595)**	**(138,755,368)**
Due to related parties	**(38,682,894)**	**(193,653,865)**	**-**	**-**	**(488,858)**
Net statement of financial position exposure	**3,638,101**	**(132,813,822)**	**(125,917,290)**	**4,668,762**	**(127,305,951)**

31 December 2017	**EGP**	**GBP**	**AUD**	**CAD**	**USD**
Cash and cash equivalents	10,462,320	144,445,368	-	-	5,042,806
Trade and other receivables	27,623,721	179,117,638	-	-	25,129,608
Due from related parties	33,606,424	-	-	-	-
Equity accounted investees	-	-	-	6,419,483	9,268,648
Loans and borrowings	-	-	-	-	(28,491,381)
Bank overdraft	(194,202)	-	-	-	(9,659,738)
Trade and other payables	(14,261,247)	(287,278,179)	(125,824,169)	(79,423,515)	(103,688,535)
Due to related parties	(51,576,911)	(189,858,966)	-	-	(494,820)
Net statement of financial position exposure	5,660,105	(153,574,139)	(125,824,169)	(73,004,032)	(102,893,412)

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Egyptian pound, Great Britain pounds, Australian dollars, Canadian dollar and US dollars against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and would have increased / (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular commission rates, remain constant and ignores any impact of forecast sales and purchases.

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Foreign Currency risk (continued)

<u>Sensitivity Analysis (continued)</u>

	Strengthening	Weakening
31 December 2018		
EGP (1%)	**36,381**	**(36,381)**
GBP (1%)	**(1,328,138)**	**1,328,138**
AUD (1%)	**(1,259,173)**	**1,259,173**
CAD (1%)	**46,688**	**(46,688)**
USD (1%)	**(1,273,060)**	**1,273,060**
31 December 2017		
EGP (1%)	56,601	(56,601)
GBP (1%)	(1,535,741)	1,535,741
AUD (1%)	(1,258,242)	1,258,242
CAD (1%)	(730,040)	730,040
USD (1%)	(1,028,934)	1,028,934

Other price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to price risk with respect to strategic equity investments in other companies where those complement the Group's operations. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

The Group has diversified its investment portfolio in order to manage the price risk arising from investments in quity securities.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing commission rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'commission rate risk' section above.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances and (as noted above) the value of the Group's investments. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed overdraft facility.

The liquidity risk of each Group entity is managed centrally by the Group treasury function. Each operation has a facility with group treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the board in advance, enabling the Group's cash requirements to be anticipated. Where facilities of Group entities need to be increased, approval must be sought from the Group finance director. Where the amount of the facility is above a certain level, agreement of the board is needed.

(Saudi Riyals)

Liquidity risk (continued)

Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted, and include estimated interest payments.

		Contractual cash flow					
31 December 2018	**Carrying amount**	**Total**	**3 months or less**	**3 to 12 months**	**1 to2 Years**	**2 to 5 Years**	**More than 5 years**
Liabilities							
Loans and borrowings	**713,306,010**	**801,827,610**	**164,993,258**	**90,976,336**	**90,976,336**	**272,929,008**	**181,952,672**
Bank overdraft	**31,304,212**	**31,304,212**	**31,304,212**	**-**	**-**	**-**	**-**
Trade and other payables	**945,101,154**	**945,101,154**	**945,101,154**	**-**	**-**	**-**	**-**
Trade payables to related parties	**3,844,701**	**3,844,701**	**3,844,701**	**-**	**-**	**-**	**-**
	1,693,556,077	**1,782,077,677**	**1,145,243,325**	**90,976,336**	**90,976,336**	**272,929,008**	**181,952,672**

		Contractual cash flow					
31 December 2017	**Carrying amount**	**Total**	**3 months or less**	**3 to 12 months**	**1 to2 Years**	**2 to 5 Years**	**More than 5 years**
Liabilities							
Loans and borrowings	1,377,863,571	1,556,279,165	446,780,704	53,043,458	183,782,043	460,277,075	412,395,885
Bank overdraft	10,399,165	10,399,165	10,399,165	-	-	-	-
Trade and other payables	1,297,839,138	1,297,839,138	1,297,839,138	-	-	-	-
Trade payables to related parties	92,057,947	92,057,947	92,057,947				
	2,778,159,821	2,956,575,415	1,847,076,954	53,043,458	183,782,043	460,277,075	412,395,885

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Fair value and fair value hierarchy

The Group measures financial instruments, such as equity accounted investees at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value and fair value hierarchy (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement. External valuers are involved for valuation of significant assets. The involvement of external valuers is decided by the Group after discussion with the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The Company has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and, short term investments and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values largely because of short term maturity of these instruments. Company has disclosed the fair values of long term murabaha finance measured. The fair value of murabaha finance facility is approximately the same as the carrying value.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

(Saudi Riyals)

Capital disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and total of other reserves).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

There have been no changes in the strategy for capital maintenance or externally imposed capital requirements from the previous year. Capital for the reporting periods are summarized as follows:

	31 December 2018	31 December 2017
Total equity	**5,668,766,650**	6,035,357,670
Cash and cash equivalents	**(263,887,892)**	(981,198,632)
Capital	**5,404,878,758**	5,054,159,038
Total equity	**5,668,766,650**	6,035,357,670
Borrowings	**713,306,010**	1,377,863,571
Bank Overdraft	**31,304,212**	10,399,165
Overall financing	**6,413,376,872**	7,423,620,406
Capital-to-overall financing ratio	**84%**	68%

38. OPERATING SEGMENTS

Basis for segmentation

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

The following summary describes the operations of each reportable segment:

Reportable segments	**Operations**
Ticketing	Providing air, ferry and train ticketing services across the Group.
Tourism	Providing tourism, package holidays and rooms on rent across the Group.
Transportation	Providing car rental, chartered flights and delivery of shipments across the Group.
Property rentals	Providing investment property on operating lease mainly in the Kingdom of Saudi

Other operations include sundry services such as events management, IT support, advertising, drivers professional fee, insurance brokerage, triptique and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2018 or 2017.

The Group’s Executive Committee reviews the internal management reports of each segment at least quarterly.

Inter-segment pricing is determined on an arm’s length basis.

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Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	2018						
	Reportable segments						
	Ticketing	Tourism	Transportation	Hospitality	Property rentals	All other segments	Total
External revenues	**-**	**452,409,559**	**171,605,565**	**79,031,171**	**7,337,744**	**23,276,087**	**733,660,126**
Inter-segment revenue	**-**	**-**	**23,685,854**	**-**	**69,000,000**	**-**	**92,685,854**
External commissions	**1,111,142,040**	**84,249,361**	**18,558,136**	**-**	**-**	**-**	**1,213,949,537**
Segment revenue	**1,111,142,040**	**536,658,920**	**213,849,555**	**79,031,171**	**76,337,744**	**23,276,087**	**2,040,295,517**
Segment profit before zakat and tax	**432,876,503**	**52,727,039**	**8,224,219**	**(31,349,147)**	**44,393,308**	**(564,930,826)**	**(58,058,904)**
Finance income	**9,835,824**	**1,198,065**	**284,954**	**-**	**-**	**135,079**	**11,453,922**
Finance expense	**(56,347,527)**	**(6,863,478)**	**(1,438,014)**	**(38,261)**	**(146)**	**(773,839)**	**(65,461,265)**
Depreciation and amortization	**(33,541,270)**	**(4,085,534)**	**(68,107,299)**	**(40,963,764)**	**(15,387,800)**	**(460,633)**	**(162,546,300)**
Share of profit / (loss) of equity-accounted investees	**1,408,256**	**(120,586)**	**-**	**(4,335,099)**	**-**	**(64,026,073)**	**(67,073,502)**
Other material non-cash items:							
Impairment losses on financial assets	**62,662,818**	**7,632,719**	**-**	**-**	**-**	**-**	**70.295,5357**
Impairment losses on non-financial assets	**(19,101,739)**	**(2,787,551)**	**-**	**-**	**-**	**(107,558,134)**	**(129,447,424)**
Elimination of goodwill			**-**	**-**	**-**	**(4,868,970)**	**(4,868,970)**
Segment assets	**3,457,070,783**	**421,092,626**	**707,103,898**	**2,989,669,593**	**1,371,076,154**	**47,477,101**	**8,993,490,155**
Equity-accounted investees	**21,040,626**	**13,437,575**	**-**	**15,620,626**	**-**	**-**	**50,098,827**
Capital expenditure	**(49,351,233)**	**(6,011,286)**	**(205,704,419)**	**(23,406,127)**	**-**	**(677,757)**	**(285,150,822)**
Segment liabilities	**1,410,353,632**	**171,789,804**	**656,440,640**	**57,982,362**	**8,566,607**	**19,368,855**	**2,324,501,900**

	2017						
	Reportable segments						
	Ticketing	Tourism	Transportation	Hospitality	Property Rentals	All other segments	Total
External revenues	-	467,365,852	131,824,076	62,854,519	2,312,850	23,482,585	687,839,882
Inter-segment revenue	421,135,332	75,095,860	24,373,951	-	41,088,982	-	561,694,125
External commissions	1,324,415,794	80,516,747	14,245,902	-	-	-	1,419,178,443
Segment revenue	1,745,551,126	622,978,459	170,443,929	62,854,519	43,401,832	23,482,585	2,668,712,450
Segment profit / (loss) before zakat and tax	453,054,523	45,243,005	(1,962,400)	(7,193,840)	25,066,897	5,973,317	520,181,502
Finance income	19,637,594	1,961,053	775,113	-	-	258,913	22,632,673
Finance expense	(35,572,902)	(3,552,387)	(566,619)	-	-	(469,013)	(40,160,921)
Depreciation and amortization	(30,968,348)	(3,092,566)	(55,875,653)	(22,832,122)	(12,346,630)	(408,304)	(125,523,623)
Share of profit (loss) of equity-accounted investees	(2,303,260)	(1,835,031)	(70,030,249)	(2,499,113)	(226,703)	(50,944,408)	(127,838,764)
Other material non-cash items:							
Impairment losses on financial assets	(1,615,487)	(161,326)	(5,700,495)	(10,000,000)	-	-	(17,477,308)
Impairment losses on non-financial assets	-	(36,156,624)	-	(47,508,012)	(38,169,696)	-	(121,834,332)
Segment assets	4,441,894,071	443,577,157	445,168,261	3,539,558,862	1,425,772,547	58,564,347	10,354,535,245
Equity-accounted investees	26,051,853	13,558,161	9,268,648	19,955,725	801,600,100	51,055,338	921,489,825
Capital expenditure	(218,756,265)	(21,845,474)	(145,009,195)	(47,127,804)	-	(2,884,202)	(435,622,940)
Segment liabilities	2,880,172,695	287,620,280	87,671,977	9,719,625	14,918,818	37,973,763	3,318,077,158

(Saudi Riyals)

Reconciliations of information on reportable segments to IFRS measures

	2018	2017
Revenues		
Total revenue for reportable segments	**2,017,019,430**	2,645,229,865
Revenue for other segments	**23,276,087**	23,482,585
Elimination of inter-segment revenue	**(92,685,854)**	(561,694,125)
Consolidated revenue	**1,947,609,663**	2,107,018,325
Profit before zakat and tax		
Total profit before zakat and tax for reportable segments	**506,871,922**	514,208,185
Profit before zakat and tax for other segments	**(564,930,826)**	5,973,317
Consolidated profit before zakat and tax	**(58,058,904)**	520,181,502

	31 December 2018	31 December 2017
Assets		
Total assets for reportable segments	**8,946,013,054**	10,295,970,898
Assets for other segments	**47,477,101**	58,564,347
Inter-segment eliminations	**(1,000,221,605)**	(991,759,920)
Consolidated assets	**7,993,268,550**	9,362,775,325
Liabilities		
Total liabilities for reportable segments	**2,305,133,045**	3,280,103,395
Liabilities for other segments	**19,368,855**	37,973,763
Consolidated liabilities	**2,324,501,900**	3,318,077,158

Other material items

31 December 2018	**Reportable segments totals**	**Adjustments**	**Consolidated totals**
Finance income	**11,318,843**	**135,079**	**11,453,922**
Finance expense	**(64,687,426)**	**(773,839)**	**(65,461,265)**
Capital expenditure			
Depreciation and amortization	**(162,085,667)**	**(460,633)**	**(162,546,300)**
Reversal on impairment of trade and other receivables	**70,295,537**	**-**	**70,295,537**
Impairment loss on financial assets	**(21,889,290)**	**(107,558,134)**	**(129,447,424)**
Elimination of goodwill	**-**	**(4,868,970)**	**(4,868,970)**

Other material items

31 December 2017	**Reportable segments totals**	**Adjustments**	**Consolidated Totals**
Finance income	22,373,760	258,913	22,632,673
Finance expense	(39,691,908)	(469,013)	(40,160,921)
Capital Expenditure	432,738,738	2,884,202	435,622,940
Depreciation and amortization	(125,115,319)	(408,304)	(125,523,623)
Impairment on trade and other receivables	(17,477,308)	-	(17,477,308)
Impairment on property and equipment and intangible assets	(122,834,332)	-	(122,834,332)

(Saudi Riyals)

Information about reportable segments (continued)

Geographic information

The ticketing and tourism segments are managed on a worldwide basis, but the transportation and property rentals are primarily located in the Kingdom of Saudi Arabia and Egypt.

The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and all foreign countries. In presenting the following information, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

Revenue

	31 December 2018	31 December 2017
Kingdom of Saudi Arabia	**1,518,796,540**	1,613,198,378
All foreign countries		
United Kingdom	**411,750,006**	446,954,610
Egypt	**23,954,633**	16,625,781
United Arab Emirates	**(22,895,987)**	12,667,970
India	**-**	3,788,338
Spain	**10,109,959**	8,204,050
Lebanon	**5,894,512**	4,738,657
Malaysia	**-**	840,541
	428,813,123	493,819,947
	1,947,609,663	2,107,018,325

Non-current assets

	31 December 2018	31 December 2017
Kingdom of Saudi Arabia	**5,117,756,557**	5,892,085,183
All foreign countries		
United Kingdom	**84,966,461**	90,503,437
Egypt	**36,418,474**	39,456,174
United Arab Emirates	**9,699,120**	4,096,355
India	**-**	222,086
Spain	**2,410,843**	2,506,894
Lebanon	**656,501**	626,678
Malaysia	**-**	170,440
	134,151,399	137,582,064
	5,251,907,956	6,029,667,247

39. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure or amendments to the accompanying consolidated financial statements.

40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the board of directors on 26 February 2019 corresponding to 21 Jamada II 1440.