باتك للإستثمار والأعمال اللوجستية
Batic Investments & Logistics Company

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS & INDEPENDENT AUDITOR'S REPORT
For the Year Ended 31 December 2023

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)
Consolidated financial statements and independent auditor's report
For the Year Ended 31 December 2023

Index

Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Batic Investments and Logistics Company (Saudi Joint Stock Company) (the "Company"), and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive profit or loss, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standard) that is endorsed in the Kingdom of Saudi Arabia that is relevant to our audit of the financial statements. We also have fulfilled our other ethical responsibilities in accordance with this Code. 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)(continued)

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition **Revenues mainly include: Security guard services, ATM feeding services, transportation services, smart parking services, insured money transfer services, maintenance and operation services, and other services, with a total of SR 480.6 million for the year ended 31 December 2023.** **We considered this as a key audit matter given the diversity of the Group's business activities. In addition, there are certain inherent risks that relate primarily to the judgment involved in recognizing revenue at a point in time or over a period of time.** **Refer to note 2 for the accounting policy related to revenue recognition, notes 21 and 26 for the related disclosures.**	Our audit procedures performed included, among others, the following: • Evaluated the Group's accounting policies, as they specifically relate to revenue recognition, in accordance with the requirements of IFRS (15) and in accordance with the IFRIC (12). • Conducted a detailed test on a sample of revenue transactions and verify the source of the documents. Tested the accuracy of invoices based on the sample. • Conducted a detailed test on a sample of payments related to the supply and construction of the smart parking project and ensured that their revenues are recognized in accordance with the IFRIC. • Implemented analytical procedures by comparing expected revenues with actual revenues and analyzing differences. • Implemented cut-off testing to ensure that revenue is recognized when control is transferred to the customer in the correct accounting period. • Performed substantive analytical reviews to understand how the revenue has trended over the year. • Evaluated the adequacy of the relevant disclosures in the consolidated financial statements.

Other Information included in the Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report. The Group's 2023 annual report is expected to become available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Group's 2023 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with governance are 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of 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.

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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BATIC INVESTMENTS AND LOGISTICS COMPANY (Saudi Joint Stock Company)(continued)

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

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

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

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

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

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

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

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

for Ernst and Young Professional Services

Fahad M. Al-Toaimi
Certified Public Accountant
License No. (354)

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 10 Ramadan 1445H
(20 March 2024)

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	**197,940,063**	161,035,744
Right-of-use assets	6	**65,384,602**	42,352,804
Investment properties	7	**200,971,898**	194,461,685
Intangible Assets	8	**722,742,316**	634,473,683
Investment at fair value through profit or loss (FVPL)	9	**2,042,704**	2,042,704
Other debit balances – non-current portion		**3,303,268**	4,404,357
TOTAL NON-CURRENT ASSETS		**1,192,384,851**	1,038,770,977
CURRENT ASSETS			
Inventories	10	**4,158,686**	8,817,262
Trade receivables, prepayments, and other receivable balances	11	**169,196,519**	166,443,944
Due from related parties	19	-	1,436,168
Short-term financial assets at FVPL	9	**69,306,973**	81,191,135
Cash and cash equivalents	12	**40,497,279**	57,738,920
TOTAL CURRENT ASSETS		**283,159,457**	315,627,429
TOTAL ASSETS		**1,475,544,308**	1,354,398,406
EQUITY AND LIABILITIES			
EQUITY			
Capital	1	**600,000,000**	600,000,000
Statutory reserve		-	48,996,657
Retained earnings / (Accumulated losses)		**818,113**	(39,913,752)
Business combination reserve		**(144,687,468)**	(143,926,868)
TOTAL EQUITY ATTRIBUTE TO THE COMPANY'S SHAREHOLDERS		**456,130,645**	465,156,037
Non-controlling interest		**9,512,098**	12,946,140
TOTAL EQUITY		**465,642,743**	478,102,177
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term loans	13	**146,754,738**	163,989,260
Trade payables – non-current portion	17	**5,352,750**	-
Lease liabilities – non-current portion	16	**49,487,452**	29,040,883
Obligation under the Service Concession Agreement – non-current portion	20	**554,360,496**	463,651,326
Employees' defined benefit liabilities	14	**30,967,434**	36,539,072
TOTAL NON-CURRENT LIABILITIES		**786,922,870**	693,220,541
CURRENT LIABILITIES			
Current portion of long-term loans and short-term loans	13	**36,236,570**	28,016,540
Obligation under the service concession agreement – Current portion	20	**38,669,758**	23,521,813
Lease liabilities – current portion	16	**16,163,100**	12,528,608
Shareholder's accruals	15	**35,666,823**	35,781,423
Trade payables, accrued expenses and other payable balances	17	**89,161,337**	78,133,513
Zakat provision	18	**7,081,107**	5,093,791
TOTAL CURRENT LIABILITES		**222,978,695**	183,075,688
TOTAL LIABILTIES		**1,009,901,565**	876,296,229
TOTAL LIABILITIES AND EQUITY		**1,475,544,308**	1,354,398,406

Chief Financial Officer — Managing Director — Chairman of the Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE PROFIT OR LOSS
For the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022
Revenue	21	**480,572,141**	427,495,117
Cost of revenue	22	**(423,138,672)**	(384,340,887)
Gross Profit		**57,433,469**	43,154,230
General and administrative expenses	24	**(43,990,076)**	(47,108,055)
(Provision) of impairment of financial assets	11	**(16,613,276)**	(15,660,000)
(Provision) of slow-moving inventories	10	**(1,884,548)**	-
Operating Loss		**(5,054,431)**	(19,613,825)
Unrealized profits on investments at FVPL	9	**10,115,838**	1,553,209
Dividends income		**150,000**	150,000
Other income, net	23	**4,366,957**	3,424,485
Finance charge	25	**(18,155,653)**	(12,682,818)
Net loss before Zakat		**(8,577,289)**	(27,168,949)
Zakat expense	18	**(6,133,819)**	(4,782,397)
Net loss for the year		**(14,711,108)**	(31,951,346)
Attributable to:			
Equity holders of the parent		**(13,890,857)**	(30,837,648)
Non-controlling interest		**(820,251)**	(1,113,698)
		(14,711,108)	(31,951,346)
OTHER COMPREHENSIVE LOSS			
Items that will not be re-classified subsequently to the consolidated statement of profit or loss:			
Actuarial gains / (losses) on employees' defined benefits liabilities	14	**5,933,334**	(3,675,710)
TOTAL COMREHENSIVE LOSS FOR THE YEAR		**(8,777,774)**	(35,627,056)
Attributable to:			
Equity holders of the parent		**(8,264,792)**	(34,322,043)
Non-controlling interest		**(512,982)**	(1,305,013)
		(8,777,774)	(35,627,056)
Basic and diluted loss per share from net loss attributable to the shareholders of the parent	27	**(0.02)**	(0.05)

Chief Financial Officer

Managing Director

Chairman of the Board of Directors

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Capital	*Statutory reserve*	*Retained Earnings / (Accumulated losses)*	*Business combination reserve*	***Total shareholders' equity***	*Non-controlling interest*	***Total***
Balance as at 1 January 2022	300,000,000	48,996,657	(416,709)	(122,747,412)	225,832,536	10,187,252	236,019,788
Share capital increase	300,000,000	-	-	-	300,000,000	-	300,000,000
Share capital increase cost	-	-	(5,175,000)	-	(5,175,000)	-	(5,175,000)
Net loss for the year	-	-	(30,837,648)	-	(30,837,648)	(1,113,698)	(31,951,346)
Other comprehensive loss	-	-	(3,484,395)	-	(3,484,395)	(191,315)	(3,675,710)
Total comprehensive loss for the year	-	-	(34,322,043)	-	(34,322,043)	(1,305,013)	(35,627,056)
Additional shares of a subsidiary (note 1)	-	-	-	(21,179,456)	(21,179,456)	-	(21,179,456)
Change in non-controlling interest	-	-	-	-	-	4,063,901	4,063,901
Balance as at 31 December 2022	600,000,000	48,996,657	(39,913,752)	(143,926,868)	465,156,037	12,946,140	478,102,177
Balance as at 1 January 2023	**600,000,000**	**48,996,657**	**(39,913,752)**	**(143,926,868)**	**465,156,037**	**12,946,140**	**478,102,177**
Net loss for the year	-	-	**(13,890,857)**	-	**(13,890,857)**	**(820,251)**	**(14,711,108)**
Other comprehensive gains	-	-	**5,626,065**	-	**5,626,065**	**307,269**	**5,933,334**
Total comprehensive loss for the year	-	-	**(8,264,792)**	-	**(8,264,792)**	**(512,982)**	**(8,777,774)**
Transferred from statutory reserve to retained earnings	-	**(48,996,657)**	**48,996,657**	-	-	-	-
Addition to the business combination reserve during the period	-	-	-	**(3,214,147)**	**(3,214,147)**	-	**(3,214,147)**
Change in non-controlling interest	-	-	-	**2,453,547**	**2,453,547**	**(2,921,060)**	**(467,513)**
Balance as at 31 December 2023	**600,000,000**	**-**	**818,113**	**(144,687,468)**	**456,130,645**	**9,512,098**	**465,642,743**

Chief Financial Officer

Managing Director

Chairman of the Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

BATIC INVESTMENTS AND LOGISTICS COMPANY
(Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASHFLOWS (continued)

For the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	31 December 2023	31 December 2022
OPERATING ACTIVITIES			
Loss before Zakat		**(8,577,289)**	(27,168,949)
Adjustments to reconcile loss before zakat to net cash flows:			
Depreciation of property and equipment	5	**25,617,088**	26,241,640
Depreciation of investment properties	7	**626,314**	484,732
Amortization of intangible assets	8	**20,784,425**	15,739,667
Depreciation of right of use of assets	6	**14,457,656**	9,333,865
Provision of impairment of financial assets	11	**16,613,276**	15,660,000
Provision of slow-moving inventories	10	**1,884,548**	-
Dividends		**(150,000)**	(150,000)
Unrealized gain from investments at FVPL		**(10,115,838)**	(1,553,209)
Realized gain from investment fund	23	**(335,978)**	(125,647)
Employees' defined benefits liabilities	14	**9,639,427**	11,479,406
Finance charge	25	**18,155,651**	12,682,818
(Gains)/losses from sale of property, equipment, and intangible assets	23	**(843,327)**	883,382
Revenues from disposal of investments in a subsidiary, net		**(1,793,222)**	(1,904,349)
Profit from derecognition of lease liabilities		**(59,454)**	-
Profit from a deposit and interest income received	23	**(488,265)**	(388,333)
Working capital adjustments:			
Inventories	10	**2,709,796**	(1,082,746)
Trade receivables, prepayments and other receivables		**(18,231,643)**	18,248,942
Trade payables, accrued expenses and other payables		**25,739,534**	20,764,130
Cash flows from operating activities		**95,632,699**	99,145,349
Employees' defined benefit obligation paid	14	**(9,219,187)**	(15,808,149)
Zakat paid	19	**(4,146,503)**	(6,579,555)
Cash flows generated from operating activities		**82,267,009**	76,757,645
INVESTING ACTIVITIES			
Additions to investment properties	7	**(16,390,894)**	(156,647,988)
Additions to property and equipment	5	**(56,294,825)**	(26,961,515)
Additions to intangible assets	8	**(9,977,078)**	(11,862,744)
Additions to short-term financial assets at FVTPL		**-**	(83,757,500)
Additional shares of a subsidiary	1	**(6,934,597)**	(19,800,000)
Proceeds from disposal of short-term financial assets at FVPL		**22,000,000**	15,049,597
Proceeds from investment in investment fund		**335,978**	125,647
Dividends received from long-term financial assets at FVPL		**150,000**	150,000
Proceeds from deposit profits		**488,265**	388,333
Proceeds from disposal of intangible assets		**-**	45,609
Proceeds from sale of property and equipment		**3,871,112**	10,854,127
Change in Advances paid to purchase property and equipment		**-**	(46,039)
Cash flow from the selling of subsidiaries, net cash excluded		**(504,781)**	-
Cash flows used in investing activities		**(63,256,820)**	(272,462,473)

The accompanying notes from 1 to 35 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASHFLOWS (continued)
For the year ended 31 December 2023
(All amounts in Saudi Riyals unless otherwise stated)

FINANCING ACTIVITIES			
Change in shareholders accruals		**(114,600)**	16,949,836
Share capital increase	1	-	300,000,000
Share capital increase cost		-	(5,175,000)
Payments of lease liabilities	16	**(15,752,017)**	(11,889,291)
Proceeds from loans	13	**16,061,475**	101,336,857
Repayment of loans	13	**(25,075,967)**	(174,586,704)
Payment from finance costs		**(7,742,647)**	(5,439,382)
Repayment of notes payable		**(3,628,074)**	(5,024,401)
Cash flows (used in) / from financing activities		**(36,251,830)**	216,171,915
Net change in cash and cash equivalents		**(17,241,641)**	20,467,087
Cash and cash equivalents at the beginning of the year	12	**57,738,920**	37,271,833
Cash and cash equivalents at the end of the year	12	**40,497,279**	57,738,920
Significant non-cash transactions were as follows:			
Right-of-use assets		**38,541,302**	42,684,694
Lease obligation		**38,555,997**	42,872,337
Adjustment on obligation under service concession agreement	8-1	-	44,564,401
Additions to intangible assets	8-1	**(99,075,980)**	(210,937,284)

Chief Financial Officer	Managing Director	Chairman of the Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

1. Corporate Information

Batic Investments and Logistics Company (the "Company" or "Batic") - a Saudi Joint Stock Company - the previous name (Saudi Transport and Investment Company - "Mubarrad") formed under the Regulations for Companies and is registered in the Riyadh, Kingdom of Saudi Arabia ("KSA") under Commercial Registration No. 1010052902 dated 13 Rabi Al-Thani 1404H (corresponding to 16 January 1984).

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

The main activities of the Company and its subsidiaries (referred to collectively as "the Group") include, but are not limited to, the following:

1- Activities of head offices.
2- General construction of residential buildings.
3- Goods land transportation .
4- Logistic services.
5- Provision of private civil security guard services.
6- Transportation of cash, precious metals, and valuable documents to and from banks and ATM machines.
7- Cash and mail collection and sorting.
8- Wholesale and retail trade in surveillance, security, safety, electronic devices, and their maintenance and operation.
9- Building maintenance, cleaning, crowd organization, and management.
10- General building cleaning.
11- Purchase and sale of lands and real estate, subdivision, map selling activities, management and leasing of owned or leased properties (residential and non-residential), construction of residential buildings and general non-residential building construction, management and leasing of residential and non-residential properties, and real estate management activities for a commission.
12- Building maintenance services.
13- Towing and roadside assistance activities.
14- Repair and maintenance of wireless telephone devices.
15- Wholesale of medical devices, equipment, and supplies.

The Company's head office is located in Riyadh - Al-Olaya District - Al-Arz Street - P.O. Box 7939.

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

Capital

The shareholders of the Company in their meeting held on to 2 Jumada Al-Ula 1443H (corresponding to 6 December 2022) decided to increase the share capital of the Company from SR 300,000,000 to SR 600,000,000 (divided into 60,000,000 shares of SR 10 each). The regulatory procedures for increasing the capital have been completed, including the approval of the Capital Market Authority, which was obtained on 26 Rabi Al-Awwal 1443H (corresponding to 2 November 2022) and was completed during the year 2022.

On 21 June 2023, the extraordinary general assembly of the Company's shareholders approved amending the Company's bylaws in accordance with the new companies' system, the amended corporate governance regulations issued by the Capital Market Authority and their executive regulations. The most important of these amendments are:

- Splitting the nominal value of the share from (10) ten Riyals per share to (1) one Riyal per share, so that the number of Company shares becomes (600,000,000) six hundred million shares instead of (60,000,000) sixty million shares.

- Cancelling the limit of the Company's term specified in the Company's bylaws at (50) years.

- Cancelling the statutory reserve item in the bylaws and transfer the entire balance of the statutory reserve on the date of the assembly to the accumulated losses account.

(All amounts in Saudi Riyals unless otherwise stated)

1 CORPORATE INFORMATION (continued)

Group's Structure

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

		31 December 2023		*31 December 2022*	
	Country of Domicile	*% of direct investment*	*% of indirect investment*	*% of direct investment*	*% of indirect investment*
Arab Company for Security and Safety Services - AMNCO (Limited Liability Company)	Kingdom of Saudi Arabia	94.89%	-	94.89%	-
Saudi Transport and Investment Company (MUBARRAD) (A Single Person - Limited Liability Company)	Kingdom of Saudi Arabia	100%	-	100%	-
BATIC Real Estate Company (One Person Company - Limited Liability Company)	Kingdom of Saudi Arabia	100%	-	100%	-
ABEEN Healthcare (One Person Company - Limited Liability Company)	Kingdom of Saudi Arabia	100%	-	100%	-
AMNCO Facility Management Company Limited - (Limited Liability Company) (Note 1-1)	Kingdom of Saudi Arabia	-	94.89%	-	66.42%
SMART Cities ICT Solutions Company (Limited Liability Company (note 1-2)	Kingdom of Saudi Arabia	80.4%	7.59%	79.4%	5.31%
MOASHRAT Al-Estijabah Company (Limited Liability Company) (Note 3-1)	Kingdom of Saudi Arabia	-	-	-	90.14%

1-1 During the year, the Group increased indirect investment by 28.47% through the acquisition by one of the Group's companies of the remaining shares of AMNCO Facility Management Company, which represents 30% of the total shares, through an agreement to purchase shares from other shareholders on 11 Safar 1445H (corresponding to 27 August 2023). The regulatory procedures were completed during the third quarter of 2023.

1-2 During the year, the Company acquired additional shares of 1% from other shareholders through a purchase agreement on 11 Rajab 1444H (corresponding to 12 February 2023). The Company completed the regulatory during Q1 procedures and indirect investment increased by 2.28% as a result of the Group's acquisition of 30% of AMNCO Facility's shares, which owns 8% of the shares of Smart City Solutions Company (Note 1-1).

1-3 During the year, the Group sold all of its ownership rights, which represented 90.14% of the total shares of MOASHRAT Al-Estijabah Company, and the regulatory procedures were completed after obtaining the approval of the Company's Board of Directors on 18 Rajab 1444H (9 February 2023).

2 MATRERIAL ACCOUNTING POLICIES

Statement of Compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed in KSA and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (referred to thereafter as "IFRS").

Basis Of Measurement
These consolidated financial statements have been prepared in accordance with the cost convention unless otherwise stated in the relevant accounting policies referred to below.

Presentation and functional currency
These consolidated financial statements are presented in Saudi Riyal (SR), which is the Group's functional and presentation currency. These consolidated financial statements have been rounded-off to the nearest Saudi Riyal, unless otherwise stated.

Basis of Consolidation
The financial statements comprise the consolidated financial statements of the Company and its subsidiaries as at 31 December 2023. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure to risk, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. In support of this assumption and, when the Group has less than a majority of the voting rights or similar rights in the investee, the Group takes into consideration all relevant facts and circumstances when determining whether it exercises control over the investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When a Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the consolidated statement of comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interest ("NCI") represents the interest in subsidiary companies, not held by the Group. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Cash and cash equivalents
Cash and bank balances shown in the consolidated statement of financial position consist of cash at banks, cash on hands and short-term deposits that are subject to insignificant changes in 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 realized or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading
- It expects to realize the asset within twelve months after the reporting date; 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.

Cash and cash equivalents (continued)
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. The Company classifies all other liabilities are classified as non-current.

Financial Instruments
Initial recognition, subsequent measurement, and derecognition

Financial assets
Initial recognition and measurement
Trade receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes party to the contractual provisions of the instrument.
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.
The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flows characteristics and the Company’s business model.
The Company has the following financial assets:

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

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in consolidated statement of income when the asset is derecognized, modified or impaired.
The Group’s financial assets at amortised cost includes trade receivables and amounts due from related parties.

Trade Receivables
Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in “Revenue from contracts with customers”.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Investments at fair value through other comprehensive income (FVOCI)
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as held at FVOCI. Designation at FVOCI is not permitted if the equity investments is held for trading or if it is contingent consideration recognized by an acquirer in a business combination to which IFRS (3) applies. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity investments held at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserves. The cumulative gain or loss will not be reclassified to consolidated statement of income on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these equity investments are recognized in consolidated statement of income when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

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 when:

- The right 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 risks and rewards of the asset, or
  b) When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset.

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Impairment of financial assets
The Group assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and a loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.
With regard to trade receivables, the Group uses the simplified approach permitted by the IFRS, which requires that expected losses be recognized over the life of these receivables starting from their initial recognition when calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based in its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Financial Liabilities

Initial recognition and measurement
Financial liabilities are initially recognized when the Group becomes party to the contractual provisions of the instrument.

All financial liabilities are recognized initially at fair value, and, in the case of bank facilities and payables, these are stated net of directly attributable transaction costs.

The Group's financial liabilities consist of trade payables, term loans and due to related parties.

Term loans
This is the category most relevant to the Group. After initial recognition, interest-bearing term loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in consolidated statement of income when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of income.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. 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 consolidated statement of 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.

Inventories
Inventories are measured at lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of the inventories includes the purchase price and all expenses incurred in acquiring the inventories and bringing it to its current location and condition. Net realizable value represents the expected sales price in the ordinary course of business less the applicable variable selling expenses. A provision is charged for obsolete, slow moving and damaged inventory, when necessary.

IFRS 16:
Right-of-use assets
On initial recognition, at inception of the contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is identified if most of the benefits are flowing to the Group and the Group can direct the usage of such assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings:	3 - 5 years	Trucks:	5 – 6 years

The Group applies the cost model, and measures right of use assets at cost:
- less any accumulated depreciation and any accumulated impairment losses; if any, and
- adjusted for any re-measurement of the lease liability for lease modifications, if any.

If there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to the transaction, etc., these need to be added to the RoU asset value.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Lease liabilities (Rental income)
On initial recognition, the lease liability is the present value of all remaining payments to the lessor. After the commencement date, the Group measures the lease liability by:

a) Increasing the carrying amount to reflect incremental financing rate on the lease liability;
b) Reducing the carrying amount to reflect the lease payments made; and

Re-measuring the carrying amount to reflect any re-assessment or lease modification.

The lease payments are discounted using the incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the consolidated statement of comprehensive income Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items relating to office equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Group as a lessor (rental income)
When the Group acts as a lessor, it determines at the inception of the lease whether each lease is a finance lease or operating lease. To classify each lease, the Group makes an overall assessment whether the lease transfers substantially all the risks and rewards incidental to the ownership of the underlying asset. If that is the case then the lease finance lease, otherwise it is an operating lease.
The Group does not have any finance leases as a lessor. The Group recognises lease payments under the operating leases as income on straight-line basis over the lease term.

Property and equipment
Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs (if any) for long-term projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings,	20 - 33 years	Workshop and prefabricated house fittings	10 - 15 years
Trucks, trailers, cooling unit and cars	4 - 15 years	Machinery, tools, security equipment's	7 - 10 years
Furniture and office devices	4 - 5 years	Decorations	5 – 10 years

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Projects under construction
Projects under construction are presented at cost and are not depreciated. Depreciation on projects under construction commences when the assets are ready for their intended use and transferred to property and equipment. Finance charges in respect of loans used to finance the construction of the qualifying assets are capitalized during the period of time necessary to complete and prepare the asset for its intended use.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Investment Properties

Investment properties represent non-current assets acquired either to generate rental income or capital appreciation or both, and which are not intended for sale during the normal course of business, or for use in the production or supply of goods or services or for administrative purposes. Real estate investment is measured at cost upon initial recognition thereafter, at cost less accumulated depreciation and impairment losses, if any.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of comprehensive income in the year of derecognition.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment Properties are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:
Buildings: 30 years

Intangible Assets

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 at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.
The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation 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 profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible Assets are amortised on a straight-line basis over the estimated useful lives of the assets, as follows:

Software: 5 years
Assets arising from service concession arrangements (IFRIC 12).
The Group's operations in relation to the smart parking project are carried out under long-term concession arrangements. The Group recognizes concession rights in the Smart Parking Project resulting from concession service arrangements, which are controlled by the public sector (the “grantor”) or regulate the services provided and fixed prices as well as control any remaining significant interest in the infrastructure such as property and equipment in the case of the grantor’s infrastructure or which was created or purchased by the Group as part of a concession service arrangement.
The Group recognizes an intangible asset arising from a service concession arrangement when it has a right to benefit from the concession infrastructure usage fees. Intangible assets received as consideration for the provision of construction or development services in a service concession arrangement are measured at fair value on initial recognition by reference to the fair value of the services.

Parking concession rights include all costs incurred in connection with the parking. Service concessions also include certain property, plant and equipment classified as intangible assets under IFRIC 12 “Service Concession Arrangements”. The intangible arrangement in a service concession is the period during which the Group can charge the public for the use of smart parking until the end of the concession period of 25 years or over the life of the underlying assets - whichever is shorter.

Gains or losses arising from de-recognition of service concession assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss when the asset is derecognized.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Impairment in non-financial assets

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 assets or Cash generating units ("CGU") fair value less costs of disposal and its value in use. 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 Cash Generating Unit 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 selling completion, 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 entities or other available fair value indicators.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.
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. This reversal is recognized in the separate statement of profit or loss and other comprehensive income unless the asset is included at the revaluation value, in which case, this reversal is treated as an increase in revaluation. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be measured individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). If there is an indication that the Company's asset may depreciate, then the recoverable amount is determined for the cash-generating unit to which the Company's asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method upon transfer of control to the Group. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the consolidated statement of profit or loss as incurred.

When the Group acquires a business, it assesses the identifiable 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 of the acquiree.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value with limited exceptions.
Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value at the acquisition-date of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Impairment in non-financial assets (continued)

If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts recognized at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then a gain on bargain purchase at a differential price is recognized in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing for goodwill acquired from the business combination and from the date of acquisition, it will be allocated to cash-generating units ("CGU") that are expected to benefit from the consolidation regardless of whether the other assets or liabilities acquired have been allocated to those units.

If goodwill is not allocated to designated cash-generating units because of an incomplete initial calculation, the initial impairment loss will not be tested unless impairment indicators are available to enable the Group to distribute the carrying amount of the goodwill to the cash generating units or the group of cash generating units expected to benefit from business combination.

Where goodwill is allocated to the cash generating unit and part of the operations of that unit are disposed of, goodwill associated with the discontinued operation will be included in the carrying amount when determining the gain or loss on disposal of the operation. The goodwill in such circumstances is measured on the basis of the value of a similar disposed operation and the remaining portion of the cash-generating unit.

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.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another relevant IFRS approved in Kingdom.

Any contingent consideration to be paid (if any) will be recognized at fair value at the acquisition date and classified as equity or a financial liability.

Contingent consideration classified as a financial liability is subsequently remeasured at fair value with the changes in fair value recognized in the consolidated statement of profit or loss.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for the business combination is not completed by the end of the reporting period which constitutes the period in which the combination occurred, the Group presents the items whose value calculation has not been completed in a temporary manner in the consolidated financial statements.

During the measurement period, which is not more than one year from the acquisition date, the temporary value recognized on the acquisition date is retroactively adjusted to reflect the information obtained about the facts and circumstances that existed at the date of acquisition and if it is determined that this will affect the measurement of amounts recognized as of that date.

The Group recognizes additional assets or liabilities during the measurement period if new information becomes available about facts or circumstances that existed at the date of the acquisition and if it will result in recognition of assets or liabilities from that date. The measurement period ends once the group obtains all information that existed at the acquisition date or as soon as it becomes sure of the absence of more information.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Dividends

The Group recognises the liabilities to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. Final dividends are recognized as a liability at the time or at the period of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors. A corresponding amount is recognized directly in consolidated statement of changes in equity.

Zakat

The Company and its subsidiaries are subject to Zakat in accordance with the zakat regulation issued by the Zakat, Tax and Customs Authority ("ZATCA") in the KSA, which is also subject to interpretations. Zakat is levied at a fixed rate of 2.5% on adjusted Zakat profit whichever is higher or on a net equity basis using the basis specified in the Zakat Regulation (Zakat Base) whichever is higher. The management establishes provisions where appropriate on the basis of amounts expected to be paid to the ZATCA and periodically evaluates positions taken in the Zakat returns with respect to situations in which applicable Zakat regulation is subject to interpretation. Zakat provision is charged to the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the final assessments are finalized.

Value-Added Tax ("VAT")

Expenses and assets are recognized in net of the amount of VAT, unless VAT incurred in connection with the purchase of assets or services is not refundable from the tax authority, in which case VAT is recognized as part of the cost of purchasing the asset or as part of the expense item as applicable, receivables and payables appearing with the VAT amount included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Accruals

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

Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where management of the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, when appropriate, the risks specific to the liability. When discount is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless it is probable that resources will outflow with economic benefits is unlikely.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Employees' defined benefits

Short term employees' benefits

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

Defined contribution plans

Retirement benefit in the form of General Organization of Social Insurance (GOSI) is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the GOSI. The Group recognises contribution payable to the GOSI as an expense when due.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net pension liability recognized in the consolidated statement of financial position in respect of defined benefit post-employment plans is the present value of the projected defined benefit obligation (DBO) at the statement of financial position date. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method. Re-measurement amounts, if any, are recognized and reported within other reserves under the consolidated statement of changes in equity with corresponding debit or credit to consolidated statement of other comprehensive income that comprises of actuarial gains and losses on the defined benefits obligation.

Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred, and then subsequently recognized at amortized cost with amortizing any difference between the proceeds (net of transaction costs) and the recovered value in the consolidated statement of comprehensive income over the period of the borrowing using the effective commission method.

The fees paid to enter the borrowing facility are calculated as transaction costs of the loan, provided there is a possibility of withdrawing some or all of the facilities. In this case, the fee is deferred until the withdrawal occurs. In the event that there is no evidence that some or all of the facilities may be withdrawn, the fees are capitalized and recorded in the advance payments for liquidity services, and they are amortized over the period of the facilities related to them.

Finance costs mainly represent expenses payable on borrowings obtained from financial institutions at normal commercial rates and are recorded in expenses in the consolidated statement of comprehensive income in the period in which they are incurred.

Borrowing costs directly related to the acquisition, construction or production of any qualifying asset are capitalized during the period of time required to complete and prepare the asset for its intended use. All borrowing costs are recognized in expenses on a time basis using the actual interest rate method.

Fair Values Measurement

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 is 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 to 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 by using the asset in its highest and best use or by selling it to another market participant that would use 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.

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Revenues

The Group recognises revenue based on a five-step model as set out in IFRS (15):
Step (1): A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and set out the criteria for every contract that must be met.
Step (2): A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step (3): Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step (4): Allocate the transaction price: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step (5): Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from rendering of services

Revenue from providing services is recognized in the accounting period in which the group provides the agreed services to its customers. Revenue is calculated for fixed-value and incomplete contracts at the end of the period in proportion to the service provided until the end of the period from the total service agreed upon in the contract.

Revenues from Real estate segment

Revenue from the real estate segment includes income from rental, property management and property sales.

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

Construction, equipping and operating services revenue

Revenue relating to construction and fit-out services under service concession arrangements is recognized over time in line with the Group's accounting policy for construction contract revenue recognition. Operational or service revenue is recognized in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration is allocated to a recipient by reference to the relative independent selling prices of the services provided.

Cost of revenue

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

Expenses

Expenses are recognized when incurred on an accrual basis of accounting. Expenses are classified as:

a) Sales and marketing These include expenses resulting from the Company's efforts in selling and marketing.
b) General and administrative expenses: All other expenses, except for financing costs, are classified as general and administrative expenses.

Allocations between cost of revenue, selling and marketing expenses and general and administrative expenses, when required, are made on consistent basis.

Finance income and costs

Funding income includes interest income that is recognized when accrued in the consolidated profit or loss statement, using the effective interest rate method. Dividend income is recognized in consolidated statement of profit or loss on the date that the Group’s right to receive payment is established.
Finance costs comprise financial charges on term loans that are recognized in consolidated statement of profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss using the effective interest method.
Foreign currency gains and losses are reported on a net basis within finance cost.

(All amounts in Saudi Riyals unless otherwise stated)

2 MATRERIAL ACCOUNTING POLICIES (Continued)

Foreign Currencies

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated financial statements date. All differences are recognized in consolidated statement of income.

Segmental Information

A segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed by the Group's Chief Operating Decision maker to make decision about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3- NEW STANDARDS ISSUED, AND STANDARDS ISSUED AND EFFECTIVE

Standards and amendments to IFRS effective on 1 January 2023 or after (unless otherwise stated),

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

These amendments had no impact on the Group's consolidated financial statements.

The Group did not carry early adopt any other standard or interpretation or amendment issued, but not yet effective.

NEW STANDARDS ISSUED, AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new, amended, and issued standards and interpretations, which are not effective yet as at 31 December 2023, have not been adopted early by the Group and will be adopted on their effective date as applicable. The adoption of these standards and interpretations is not expected to have any material impact on the Group on the effective date.

Standard, Amendment or Interpretation	**Effective date**
- Amendments to IAS (1): Classification of Liabilities as Current or Non-current	1 January 2024
- Amendment to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
- Lack of exchangeability – Amendments to IAS 21	1 January 2025

4 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Core estimates and assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

The following are the key assumptions concerning the future, and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment in non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The value in use is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF method as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Expected credit losses for trade receivables

The Group has applied the simplified approach of impairment in accordance with IFRS 9 and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based in its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Employees' defined benefit liabilities

Defined benefit liabilities for employees are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation ("DBO") is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Useful lives and residual values of property and equipment

Management reviews the useful lives and residual values of property and equipment annually. Any change in the estimated useful life or depreciation pattern will be accounted for prospectively. There was no change in the useful life of property and equipment during the year.

Going Concern

The financial statements have been prepared on a going concern basis. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

(All amounts in Saudi Riyals unless otherwise stated)

5 PROPERTY AND EQUIPMENT

31 December 2023	***Lands (Note 5-2)***	***Buildings, Decorations, and Fittings***	***Trucks, trailers, refrigeration unit and vehicles***	***Workshop and prefabricated house fittings***	***Machinery, Tools and security equipment***	***Furniture and office devices***	***Project under progress (5-3)***	***Total***
Cost								
At the beginning of the year	41,220,672	21,013,474	261,674,326	8,341,896	21,566,643	17,926,531	1,572,368	**373,315,910**
Additions		132,330	34,431,005	833,314	4,334,456	1,084,476	15,479,244	**56,294,825**
Transferred from projects under progress		6,361,535	-	550,885	3,900,310	536,425	(11,349,155)	**-**
Transferred from (to) investment properties	9,666,478	(412,111)	-	-	-	-	-	**9,254,367**
Disposals (note 5-1)			(21,764,784)	(64,100)	(4,240,695)	(404,703)	-	**(26,474,282)**
At 31 December 2023	50,887,150	27,095,228	274,340,547	9,661,995	25,560,714	19,142,729	5,702,457	**412,390,820**
Accumulated depreciation								
At the beginning of the year	-	10,450,280	169,844,673	5,514,258	16,329,943	10,141,012	-	**212,280,166**
Charged on the year	-	2,027,036	18,520,996	313,905	3,284,799	1,470,352	-	**25,617,088**
Disposals	-	-	(18,895,346)	(63,425)	(4,221,884)	(265,842)	-	**(23,446,497)**
At 31 December 2023	-	12,477,316	169,470,323	5,764,738	15,392,858	11,345,522	-	**214,450,757**
Net book value								
As at 31 December 2023	**50,887,150**	**14,617,912**	**104,870,224**	**3,897,257**	**10,167,856**	**7,797,207**	**5,702,457**	**197,940,063**

5-1 In 2023, the Group sold property and equipment with a total net book value of SR 3,027,785 (2022: SR 12,025,289) for cash consideration of SR 3,871,112 (2022: SR 10,854,127). Net gains and losses on disposals are recognized in the consolidated statement of profit or loss.

5-2 Land with a book value of SR 22 million was mortgaged as security against a short-term loan worth SR 20 million under the Tawarruq system for financing working capital. The facility has not been utilized as at 31 December 2023 (Note 13).

5-3 The projects under implementation balance at 31 December 2023 represent the cost of establishing cash centers for one of the subsidiaries in various regions in the Kingdom of Saudi Arabia This item includes contractor costs as well as other miscellaneous expenses eligible for capitalization.

(All amounts in Saudi Riyals unless otherwise stated)

5 PROPERTY AND EQUIPMENT (CONTINUED)

31 December 2022	***Lands (Note 5-2)***	***Buildings, Decorations, and Fittings***	***Trucks, trailers, refrigeration unit and vehicles***	***Workshop and prefabricated house fittings***	***Machinery, Tools and security equipment***	***Furniture and office devices***	***Project under progress***	***Total***
Cost								
At the beginning of the year	45,520,315	20,219,456	273,169,821	8,001,140	19,413,085	17,124,443	-	**383,448,260**
Additions	-	2,404,275	19,092,845	340,756	2,378,031	1,173,240	1,572,368	**26,961,515**
Transferred from investment properties	9,797	9,527	-	-	-	-	-	**19,324**
Disposals (note 5-1)	(4,309,440)	(1,619,784)	(30,588,340)	-	(224,473)	(371,152)	-	**(37,113,189)**
At 31 December 2022	41,220,672	21,013,474	261,674,326	8,341,896	21,566,643	17,926,531	1,572,368	**373,315,910**
Accumulated depreciation								
At the beginning of the year	-	8,701,805	174,996,845	5,157,386	13,377,227	8,893,163	-	**211,126,426**
Charged on the year	-	2,573,622	18,755,247	356,872	3,015,516	1,540,383	-	**26,241,640**
Related to disposals	-	(825,147)	(23,907,419)	-	(62,800)	(292,534)	-	**(25,087,900)**
At 31 December 2022	-	10,450,280	169,844,673	5,514,258	16,329,943	10,141,012	-	**212,280,166**
Net book value								
As at 31 December 2022	**41,220,672**	**10,563,194**	**91,829,653**	**2,827,638**	**5,236,700**	**7,785,519**	1,572,368	**161,035,744**

Depreciation charge has been allocated in the consolidated statement of income for the years ended 31 December as the following:

	Note	**31 December 2023**	**31 December 2022**
Cost of revenue	22	**24,289,299**	24,450,865
General and administration expenses	24	**1,327,789**	1,790,775
		25,617,088	26,241,640

(All amounts in Saudi Riyals unless otherwise stated)

6 RIGHT OF USE ASSETS

The Group has lease contracts for buildings and trucks with lease periods ranging from 3 years to 6 years, and they are used in the Group's operational operations. The Group's obligations under lease contracts are secured by the lessor's title to the leased assets. In general, the Group is prohibited from assigning or subleasing leased assets.

The Company also has certain leases with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Below is the movement of the right-of-use assets under the application of IFRS 16, Leases:

	Buildings	*Trucks*	*Total*
Balance as at 1 January 2022	10,430,859	-	10,430,859
Additions	9,972,146	32,900,191	42,872,337
Depreciation charged to year	(4,398,430)	(4,935,435)	(9,333,865)
Disposals	(1,616,527)	-	(1,616,527)
Balance as at 31 December 2022	**14,388,048**	**27,964,756**	**42,352,804**
Additions	5,730,251	32,811,051	38,541,302
Depreciation charged during the year	(6,493,643)	(7,964,013)	(14,457,656)
Disposals	(1,051,848)	-	(1,051,848)
Balance as at 31 December 2023	**12,572,808**	**52,811,794**	**65,384,602**

During the year ending 31 December 2023, the Group canceled some lease contracts before their expiry. Consequently, these disposals resulted in profits amounting to SR 59,454, which were recognized in the consolidated statement of comprehensive profit or loss.

Amortization charge for the year has been allocated in the consolidated statement of comprehensive income as follows:

	31 December 2023	*31 December 2022*
Cost of revenue (Note 22)	**13,079,519**	7,786,155
General and administration expenses (note 24)	**1,378,137**	1,547,710
	14,457,656	9,333,865

7 INVESTMENT PROPERTIES

31 December 2023	*Undeveloped plots of land*	*Improvement on undeveloped lands*	*Plots of land Under development*	*Investment properties*	*2023*
1 January	**23,701,638**	**1,325,000**	**155,393,969**	**16,135,174**	**196,555,781**
Additions	**-**	**-**	**16,390,894**	**-**	**16,390,894**
Transfers from / to property and equipment	**4,500,000**	**-**	**(14,540,592)**	**786,225**	**(9,254,367)**
31 December	**28,201,638**	**1,325,000**	**157,244,271**	**16,921,399**	**203,692,308**
Accumulated depreciation					
1 January	**-**	**(761,879)**	**-**	**(1,332,217)**	**(2,094,096)**
General depreciation	**-**	**(132,498)**	**-**	**(493,816)**	**(626,314)**
31 December	**-**	**(894,377)**	**-**	**(1,826,033)**	**(2,720,410)**
Net book value	**28,201,638**	**430,623**	**157,244,271**	**15,095,366**	**200,971,898**

(All amounts in Saudi Riyals unless otherwise stated)

7 INVESTMENT PROPERTIES (continued)

31 December 2022	*Undeveloped plots of land*	*Improvement on undeveloped lands*	*Plots of land Under development*	*Investment properties*	*2022*
1 January	23,701,638	1,325,000	-	14,900,479	39,927,117
Additions	-	-	155,393,969	1,254,019	156,647,988
Transfer (to) property and equipment	-	-	-	(19,324)	(19,324)
31 December	23,701,638	1,325,000	155,393,969	16,135,174	196,555,781
Accumulated depreciation					
1 January	-	(629,375)	-	(979,989)	(1,609,364)
General depreciation	-	(132,504)	-	(352,228)	(484,732)
31 December	-	(761,879)	-	(1,332,217)	(2,094,096)
Net book value	23,701,638	563,121	155,393,969	14,802,957	194,461,685

The Group re-evaluated the Group's real estate investments using the fair value model instead of the cost model to ensure that there is no impairment in the value of the investment properties.

The fair value of the land was determined based on the evaluation operations conducted by Qayyim Real Estate Valuation Company; an independent appraiser certified with license No. 1210000052 by the "Saudi Authority for Accredited Valuers." The fair value measurement was classified into the third level based on the applied valuation methods.

Below is the main valuation method used to value investment properties:

Description of investment properties	**Location**	**Valuation method**
Land, building and equipment	Riyadh	Income method
Land	Jeddah	Market method
Land	Al Madina Al Munawara	Market method
Land	Abha	Cost method
Land	Buraydah	Market method
Land	Jazan	Market method
Land	Riyadh	Cost method

Description of investment properties	*Location*	*Net book value*	*Fair value*	*Note*
Land, building and fixtures	Riyadh	33,577,355	65,138,000	7-1
Land	Jeddah	22,132,261	22,198,867	
Land	Al Madina Al Munawara	157,244,270	250,901,000	7-2
Land	Abha	4,300,000	6,583,400	
Land	Buraydah	9,243,093	9,270,270	
Land	Jazan	997,500	1,126,700	
Land	Riyadh	4,500,000	10,130,000	
Contribution in land	Jeddah	2,000,000	-	7-3

7-1 Land and buildings at a cost of SR 33,577,355 million were mortgaged as security against a long-term bank loan amounting to SR 34 million and the loan balance at 31 December 2023 SR 10 million(Note 13).
As at 31 December 2023, a portion of the land and building with a net book value of SR 18.5 million was used as the Group's head office and was therefore classified as property and equipment.

7-2 This consists of land under development for a residential project in Medina, city. The Group began infrastructure development activities for the property. This property is held for capital appreciation and will not be occupied substantially for use by the Group or its operations or for sale in the ordinary course of business.

The cost of land is the cash equivalent price at the recognition date, plus amounts paid to contractors for development, planning, design, site preparation, borrowing costs, and other related costs.
During 2023, capitalized borrowing costs amounted to SR 8.0 million (2022: SR 3.5 million) (Note 25). The project is expected to be completed in 2025.

7-3 It represents a contribution to land northeast of Jeddah with another party under a contract. The land is currently for sale.

(All amounts in Saudi Riyals unless otherwise stated)

8 INTANGIBLE ASSETS

	Note	***31 December 2023***	*31 December 2022*
Smart parking concession rights (IFRIC 12)	8-1	**640,485,906**	552,266,644
Goodwill	8-2	**78,245,709**	78,245,709
Others	8-2	**4,010,701**	3,961,330
		722,742,316	634,473,683

8-1 Smart Parking Concession Rights (IFRIC 12)

31 December 2023	***Equipment and supplies***	***Service concession arrangement***	***Total***
Cost			
1 January	**60,426,474**	**517,678,742**	**578,105,216**
Additions	**8,759,237**	**99,075,980**	**107,835,217**
31 December	**69,185,711**	**616,754,722**	**685,940,433**
Amortization:			
1 January	**4,890,956**	**20,947,616**	**25,838,572**
Charged during the year	**5,375,624**	**14,240,331**	**19,615,955**
31 December	**10,266,580**	**35,187,947**	**45,454,527**
Net book value:			
31 December	**58,919,131**	**581,566,775**	**640,485,906**

December 31, 2022	*Equipment and supplies*	*Service concession arrangement*	*Total*
Cost			
1 January	49,103,014	351,305,860	400,408,874
Additions	11,458,844	210,937,284	222,396,128
Adjustment (note 8-1-1)	-	(44,564,402)	(44,564,402)
Disposals	(135,384)	-	(135,384)
31 December	60,426,474	517,678,742	578,105,216
Amortization:			
1 January	1,874,768	9,757,597	11,632,365
Charged during the year	3,032,601	12,832,682	15,865,283
Adjustments	-	(1,642,663)	(1,642,663)
Disposals	(16,413)	-	(16,413)
31 December	4,890,956	20,947,616	25,838,572
Net book value:			
31 December	55,535,518	496,731,126	552,266,644

* Amortization expenses was charged to cost of revenue (note 22).

8-1-1 During the fiscal year 2019, one of the subsidiaries entered into an agreement with the Ministry of Municipal and Rural Affairs (the "Ministry") for the construction, development, and operation of parking lots in the cities of Dammam, Khobar and Dhahran for an annual amount to be paid in advance at the beginning of each year. The Group sent correspondence to the Ministry regarding that the annual rent includes value-added tax in accordance with the regulations issued by Zakat, Tax and Customs Authority (“ZATCA”) which concluded that the amount of rent mentioned in the agreement did not stipulate that it includes value-added tax and therefore it is considered inclusive of value-added tax and adjusted accordingly.

(All amounts in Saudi Riyals unless otherwise stated)

8 INTANGIBLE ASSETS (continued)

8-2 OTHER INTANGIBLE ASSETS

31 December 2023	***Goodwill***	***Trademark***	***Revenues from continuing contracts***	***Current customer's database***	***Technology and systems***	***Total***
Cost						
1 January	**79,745,709**	**2,726,000**	**5,893,000**	**2,053,000**	**14,601,480**	**105,019,189**
Additions	**-**	**-**	**-**	**-**	**366,566**	**366,566**
Work in progress	**-**	**-**	**-**	**-**	**851,275**	**851,275**
At 31 December	**79,745,709**	**2,726,000**	**5,893,000**	**2,053,000**	**15,819,321**	**106,237,030**
Amortization / impairment						
1 January	**1,500,000**	**1,044,967**	**5,893,000**	**1,967,458**	**12,406,725**	**22,812,150**
Amortization	**-**	**136,300**	**-**	**85,542**	**946,628**	**1,168,470**
At 31 December	**1,500,000**	**1,181,267**	**5,893,000**	**2,053,000**	**13,353,353**	**23,980,620**
Net book value						
31 December 2023	**78,245,709**	**1,544,733**	**-**	**-**	**2,465,968**	**82,256,410**

31 December 2022	*Goodwill*	*Trademark*	*Revenues from continuing contracts*	*Current customer's database*	*Technology and systems*	*Total*
Cost						
1 January	81,270,427	2,726,000	5,893,000	2,053,000	14,200,330	106,142,757
Additions	-	-	-	-	403,900	403,900
Disposals	(1,524,718)	-	-	-	(2,750)	(1527,468)
At 31 December	79,745,709	2,726,000	5,893,000	2,053,000	14,601,480	105,019,189
Amortization / impairment						
1 January	1,500,000	908,667	5,893,000	1,710,833	11,283,428	21,295,928
Amortization	-	136,300	-	256,625	1,124,122	1,517,047
Disposals	-	-	-	-	(825)	(825)
At 31 December	1,500,000	1,044,967	5,893,000	1,967,458	12,406,725	22,812,150
Net book value						
31 December 2022	78,245,709	1,681,033	-	85,542	2,194,755	82,207,039

(All amounts in Saudi Riyals unless otherwise stated)

8 INTANGIBLE ASSETS (continued)

8-2 OTHER INTANGIBLE ASSETS (continued)

Impairment of goodwill
International Accounting Standard (36) "Impairment of Assets" requires that the impairment test for goodwill to be performed on an annual basis regardless of whether there is any indication of impairment of goodwill or not.

The Group annually conducts an impairment assessment in the value of goodwill. As at 31 December 2023, the goodwill resulted from the acquisition of Arab Company for Security and Safety Services (AMNCO) amounted to SR 70 million and for AMNCO Facilities Management Company Ltd. (AMNCO Facility) amounted to SR 8.2 million net of SR 1.5 million as an impairment in the value of goodwill during the valuation of goodwill in 2018.
The Group considered the two aforementioned companies as cash generating units in their own right, and all goodwill was allocated to the cash generating units in accordance with the IAS 36.

The recoverable amount is determined on the basis of the information used in the projected business plans for the five-year period following the date of the consolidated financial statements and the cash flows related thereto, and impairment is tested on the basis of the value of the future cash flows for a period of five years based on reasonable and objective assumptions to estimate the cash flow according to the latest approved budgets of management.

During the year 2023 and 2022, there were no impairment losses in the book value of the goodwill as at the end of the consolidated financial statement's period.

Carrying amount of goodwill is allocated to each of the CGUs:

	AMNCO FACILITY MANAGEMENT COMPANY		***AMNCO COMPANY***	
	31 December 2023	*31 December 2022*	***31 December 2023***	*31 December 2022*
Goodwill	**8,178,489**	8,178,489	**70,067,220**	70,067,220
Trademark	**-**	-	**1,544,733**	1,681,033
Current customer's database	**-**	-	**-**	85,542

The Group performed its annual impairment test in 2023 and 2022. The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections which are based on financial budgets approved by management covering five years period as well as the factors used in computing terminal value. The following are the key assumptions used in estimating the recoverable amount.

	AMNCO FACILITY MANAGEMENT COMPANY		***AMNCO Company***	
	31 December 2023	*31 December 2022*	***31 December 2023***	*31 December 2022*
Discount rate	**15.84%**	13.12%	**12.74%**	13.95%
Growth rate	**2.00%**	2.00%	**2.00%**	2.00%

9 FINANCIAL INVESTMENTS AT FVTPL

9-1 Long term financial investments

Cost	***Business activity***	***Ownership %***	***31 December 2023***	*31 December 2022*
Shares in "TRUKKIN" Company	Transportation	11.40%	**1,742,704**	1,742,704
United Company for Dairy Farms	Veterinary medicines	4.14%	**300,000**	300,000
			2,042,704	2,042,704

"TRUKKIN" Company is currently in development stage as of the date of the issuance of these consolidated financial statements. The management believes that the carrying value of the investments approximate to the fair value at 31 December 2023 and 2022.

(All amounts in Saudi Riyals unless otherwise stated)

9 FINANCIAL INVESTMENTS AT FVTPL (CONTINUED)

9-2 Short-term financial investments at FVPL

Portfolio management investments are managed by Al-Istithmar Capital Company under the Discretionary Portfolio Management (DPM) agreement concluded between the Group and Al-Istithmar Capital Company, compatible with Islamic Sharia, and in addition to the investment in Alteia Global Fund (formerly Barak Al-Khaleeji Limited), compatible with Islamic Sharia. The investment (short-term investment) is classified at FVTPL as the Group holds it for sale in the short-term period, and unrealized gains or losses on the portfolio are recorded in the statement of comprehensive income.

	Note	***31 December 2023***	*31 December 2022*
Portfolio management investments	9-2-1	**65,549,473**	77,433,635
Alteia Global Fund (formerly Barak Al-Khaleeji Limited)	9-2-2	**3,757,500**	3,757,500
		69,306,973	81,191,135

9.2.1 Movement for the year was as follows:

	31 December 2023	*31 December 2022*
At 1 January	**77,433,635**	10,930,023
Addition during the year	**-**	80,000,000
Disposals during the year	**(22,000,000)**	(15,049,597)
Unrealized gains	**10,115,838**	1,553,209
At 31 December	**65,549,473**	77,433,635

9.2.2 Movement for the year was as follows:

	31 December 2023	*31 December 2022*
1 January	**3,757,500**	-
Addition during the year (Note 9-2-3)	**-**	3,757,500
31 December	**3,757,500**	3,757,500

9-2-3 During 2022, the Group invested in 33.33% of Alteia Global Fund (formerly Barak Al-Khaleeji Limited), based in Cayman Island, for an amount of US$1 million, which is compitable with Islamic Sharia.

10 INVENTORIES

	31 December 2023	*31 December 2022*
Electronic locks for automated teller machines	**2,805,949**	2,805,114
Money transfer machine, supplies and equipment	**952,315**	2,595,889
Fleet maintenance parts and supplies	**1,121,006**	2,024,118
Workers' uniforms	**897,163**	1,282,315
Others	**266,801**	109,826
Provision for impairment of inventories	**(1,884,548)**	-
	4,158,686	8,817,262

11 TRADE RECEIVABLES, PREPAYMENTS, AND OTHER RECEIVABLE BALANCES

	31 December 2023	*31 December 2022*
Trade receivables, net (Note 11-1)	**141,387,491**	120,738,346
Prepayments and other receivable balances (11-2)	**27,809,028**	45,705,598
Trade receivables, prepayments and other debit balances	**169,196,519**	166,443,944

(All amounts in Saudi Riyals unless otherwise stated)

11 TRADE RECEIVABLES, PREPAYMENTS, AND OTHER DEBIT BALANCES (CONTINUED)

11-1 TRADE RECEIVABLES

	31 December 2023	*31 December 2022*
Trade receivables	**161,320,546**	135,211,332
Allowance for expected credit losses on trade receivables (Note 11-1-1)	**(19,933,055)**	(14,472,986)
Trade receivables, net	**141,387,491**	120,738,346

- Trade receivables are non-interest -bearing and generally mature within 30-90 working days.
- A balance of SR 444 thousand due for more than 360 days has been included in trade receivables. The Group has a mortgage guarantee of a residential building of a fair value amounting to SR 1.8 million.

11-1-1 The movement in the provision for expected credit losses for trade receivables was as follows:

	31 December 2023	*31 December 2022*
1 January	**14,472,986**	11,329,863
(Reversal) / provision during the year	**7,713,276**	7,010,000
Write-off during the year	**(2,253,207)**	(2,423,460)
Transferred to other receivable provision (note 11-2-2)	**-**	(1,443,417)
31 December	**19,933,055**	14,472,986

Below is an analysis of the aging of receivables and credit risks:

31 December 2023	***Total***	***Current***	***0-90 days***	***91-180 days***	***181-270 days***	***360-271 days***	***More than 360 days***
Book value	**161,320,546**	**64,739,202**	**56,859,148**	**9,667,143**	**5,393,056**	**2,990,695**	**21,671,302**
Expected credit losses	**19,933,055**	**517,045**	**974,193**	**603,800**	**1,350,667**	**1,599,757**	**14,887,593**
Expected credit losses rate	**12%**	**1%**	**2%**	**6%**	**25%**	**53%**	**69%**

31 December 2022	*Total*	*Current*	*0-90 days*	*91-180 days*	*270-181 days*	*271-360 days*	*More than 360 days*
Book value	135,211,332	57,020,144	32,773,704	4,189,383	4,152,449	6,793,032	30,282,620
Expected credit losses	14,472,986	1,235,006	710,046	162,668	132,906	673,227	11,559,133
Expected credit losses rate	11%	2%	2%	4%	3%	10%	38%

11-2 PREPAYMENTS AND OTHER DEBIT BALANCES

	Note	***31 December 2023***	*31 December 2022*
Custody receivables	*11-2-1*	**15,675,684**	13,072,279
Less: provision for custody receivables	*11-2-2*	**(15,366,738)**	(6,821,738)
Custody receivables, net		**308,946**	6,250,541
Prepaid expenses		**17,763,699**	23,361,334
Advance to suppliers		**2,137,747**	261,552
Letters of guarantees insurance		**2,123,903**	10,156,620
employees receivables and petty cash		**2,064,958**	1,622,739
Due from the sale of a subsidiary		**1,101,089**	1,101,089
Value added tax		**-**	990,019
Others		**2,308,686**	1,961,704
		27,809,028	45,705,598

(All amounts in Saudi Riyals unless otherwise stated)

11 TRADE RECEIVABLES, PREPAYMENTS, AND OTHER DEBIT BALANCES (CONTINUED)

11-2 PREPAYMENTS AND OTHER RECEIVABLE BALANCES (CONTINUED)

11-2-1 The majority of money changers' receivables are receivables held for more than one year. The management creates provisions for it according to the age of those balances.

11-2-2 The movement in the allowance for expected credit losses for other debit balances was as follows:

	31 December 2023	*31 December 2022*
1 January	**6,821,738**	29,128,692
Charged during the year	**8,900,000**	8,650,000
Write-off during the year	**(355,000)**	(32,400,371)
Transferred from trade receivables provision (11-1-1)	**-**	1,443,417
31 December	**15,366,738**	6,821,738

12 CASH AND CASH EQUIVALENTS

	31 December 2023	*31 December 2022*
Cash at banks	**37,822,761**	35,205,573
Cash on hand	**2,674,518**	2,533,347
Short-term deposit (90 days) (Note 12-1)	**-**	20,000,000
	40,497,279	57,738,920

12-1 Short-term deposit with an interest rate of 5% per annum, compatible with Islamic Sharia. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

13 LOANS

The Group obtained facilities agreements under the Islamic Tawarruq system from local banks to finance the group's working capital requirements. All of them are compatible with Islamic Sharia regulations. The loans are guaranteed by a real estate mortgage, promissory notes, and a guarantee from the Parent Company.
Part of those loans is secured by a mortgage on the Group's land in Riyadh.

As at 31 December 2023, the Group had obtained short-term facility agreements amounting to SR 121.8 million (2022: SR 81.7 million) and the outstanding balance was SR 15.6 million in letters of guarantee only (2022: SR 14.8 million).

13-2 Long-term loans

The Group obtained facilities from local banks, all are compatible with Islamic Sharia, in the form of short-term loans, mid-term project financing, and final and initial letters of guarantee. The following table summarizes details and outstanding balances of the Group's facilities:

Banks	*Entity*	*Currency*	*Maturity Date*	***31 December 2023***	*31 December 2022*
Local bank (Note 13-2-1)	Batic	SR	30 June 2024	**10,200,000**	17,000,000
Local bank	Smart Cities Solutions	SR	1 December 2026	**46,302,748**	55,306,060
Local bank	Mubarrad	SR	11 November 2025	**4,995,061**	7,740,422
Local bank	Mubarrad	SR	17 September 2025	**7,841,244**	11,959,318
Local bank	Mubarrad	SR	11 February 2028	**13,652,255**	-
Local bank (Note 13-2-2)	Batic Real Estate Company	SR	9 May 2025	**100,000,000**	100,000,000
Total long-term loans				**182,991,308**	192,005,800
Less: Current portion of long-term loans				**(36,236,570)**	(28,016,540)
Non-current portion of long-term debts				**146,754,738**	163,989,260

(All amounts in Saudi Riyals unless otherwise stated)

13 LOANS (CONTINUED)

13-2 Long-term loans (continued)

These loans carry charges ranging from 3% to 8.5% (31 December 2022: 3% to 8%).

As at 31 December 2023, the Group had obtained facility agreements amounting to SR 282.5 million (31 December 2022: SR 327.50 million) and the outstanding balance as at 31 December 2023 amounted to SR 183 million (31 December 2022: SR 192 million).

13-2-1 The loan is secured by a real estate mortgage with a net book value of SR 33.6 million (31 December 2022: SR 33.9 million), a promissory note amounting to SR 23.8 million signed by the subsidiary Company AMNCO, a legal assignment of revenues from AMNCO, and an insurance policy. The bank will be the first beneficiary.

13-2-2 The credit facility agreement is secured by a promissory note and a real estate mortgage with a book value of SR 157.2 million (31 December 2022: 151.9 million).

The movement of loans during the year is as follows:

	31 December 2023	*31 December 2022*
1 January	**192,005,800**	265,255,647
Proceeds during the year	**16,061,475**	101,336,857
Repayment during the year	**(25,075,967)**	(174,586,704)
31 December	**182,991,308**	192,005,800
Total non-current portion	**146,754,738**	163,989,260
Total current portion	**36,236,570**	28,016,540

The maturity profile the loan is as follows:

	31 December 2023	*31 December 2022*
Within 1 year	**36,236,570**	28,016,540
1 to 2 years	**23,501,181**	31,416,541
Between 2 - 5 years	**123,253,557**	132,572,719
Total	**182,991,308**	192,005,800

14 EMPLOYEES' DEFINED BENEFITS LIABILITIES

1- The Group grants defined benefits ("Benefits Program") to its employees, considering the requirements of the labor law in the Kingdom of Saudi Arabia. The benefits granted under this benefit program represent a lump sum calculated on the basis of employees' latest salaries and allowances and their accumulated years of service at the date of termination of service.

2- The benefit obligation recorded in the consolidated statement of financial position regarding the defined end-of-service reward program represents the present value of the defined benefit obligation at the date of preparing the consolidated financial statements.

3- Defined benefits are calculated periodically by qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using the yields on high-quality corporate bonds denominated in the currency in which the benefits will be paid.

The remeasurement amounts of actuarial gains and losses on the defined benefit obligation, if any, are recognized and included in the remeasurement of employees' end-of-service benefits in the consolidated statement of comprehensive income, and the accumulated actuarial gains or losses are included in the consolidated statement of changes in equity.

(All amounts in Saudi Riyals unless otherwise stated)

14 EMPLOYEES' DEFINED BENEFITS LIABILITIES (CONTINUED)

	31 December 2023	*31 December 2022*
At 1 January	**36,539,072**	37,371,043
Current service cost and interest cost	**9,639,427**	11,479,406
Balances transferred from (disposal) / acquisition of a subsidiary	**(58,544)**	(178,938)
Actuarial (gains)/losses (recognized in the consolidated statement of other comprehensive income)	**(5,933,334)**	3,675,710
Paid during the year	**(9,219,187)**	(15,808,149)
At 31 December	**30,967,434**	36,539,072

The most recent actuarial valuation was performed by an independent, qualified actuary "Alkhwarizmi Actuarial Services Company" using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	***31 December* 2023**	31 December 2022
Discount rate average	**4.68%**	3.66%
Average duration of the liability (in years)	**6**	6
Rate of salary increases	**3.96%**	4.13%

The cost of employees' defined benefit liabilities is recognized in statement of profit or loss, except for the actuarial loss which is recognized in other comprehensive income.

The movement of remeasurement profits and losses of employees' benefits recognized in other comprehensive income is as follows:

	***31 December* 2023**	31 December 2022
At the beginning of the year	**(7,689,153)**	(4,204,758)
Actuarial (gains)/losses during the year	**5,626,065**	(3,484,395)
At the end of the year	**(2,063,088)**	7,689,153

Sensitivity analysis

The sensitivity analyses presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability:

	31 December 2023	31 December 2022
Increase in discount rate at 0.5%	**(31,598,883)**	(35,725,488)
Decrease in discount rate at 0.5%	**32,791,156**	37,465,187
Increase in rate of salary increase at 0.5%	**32,782,525**	37,460,829
Decrease in rate of salary increase at 0.5%	**(31,601,657)**	(35,721,523)

The following are the expected payments to the employees in future years:

	31 December 2023	31 December 2022
Within the next 12 months (next annual reporting period)	**6,896,879**	7,008,949
Between 2 and 5 years	**31,004,751**	29,793,716
After 5 years	**23,734,142**	31,890,405

(All amounts in Saudi Riyals unless otherwise stated)

15 SHAREHOLDERS ACCRUALS

	31 December 2023	*31 December 2022*
Shareholders' dues, compensation for certificate holders after capital increase, priority rights 2022	**16,899,938**	16,982,697
Dividends payable	**15,592,527**	15,622,264
Fractional capital reduction	**1,881,308**	1,883,412
Creditor of surplus subscription	**1,293,050**	1,293,050
	35,666,823	35,781,423

16 LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities recognized and the movements during the year:

	31 December 2023	*31 December 2022*
1 January	**41,569,491**	10,119,774
Additions during the year	**38,541,314**	42,684,694
Interest charged during the year (note 25)	**2,430,109**	1,107,994
Paid during the year	**(15,752,017)**	(11,889,291)
Disposals	**(1,138,345)**	(453,680)
31 December, divided into:	**65,650,552**	41,569,491
Long-term lease liabilities	**49,487,452**	29,040,883
Short-term lease liabilities	**16,163,100**	12,528,608

The following are the amounts recognized in consolidated statement of profit or loss:

	31 December 2023	*31 December 2022*
Depreciation expense of right of use assets	**14,457,656**	9,333,865
Interest expenses on lease liabilities (note 25)	**2,430,109**	1,107,994
	16,887,765	10,441,859

Below is the maturity of lease liabilities:

	31 December 2023	*31 December 2022*
Less than one year	**16,163,100**	12,528,608
Between 2 to 5 years	**44,299,015**	29,040,883
More than five years	**5,188,437**	**-**

The Group decided not to recognize short-term and low-value leases as right-of-use assets. Therefore, lease payments associated with these contracts were recognized as expense during the year in the consolidated statement of profit or loss of SR 12,688,282 (2022: SR 8,526,029).

Group as Lessor
The Group has entered into operating leases. These leases are short term leases. Rental income recognized by the Group during the year is SR 2,281,503 (2022: SR 1,733,080).

(All amounts in Saudi Riyals unless otherwise stated)

17 TRADE PAYABLES, ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	Note	***31 December 2023***	*31 December 2022*
Trade payable		**34,382,663**	20,138,668
Accrued expenses		**33,168,991**	29,111,568
Workers' accruals		**21,363,639**	17,393,896
Value-added tax		**3,942,130**	5,100,937
Notes payable – Current portion		**-**	3,561,300
Due to related parties	19	**-**	180,000
Others		**1,656,664**	2,647,144
31 December		**94,514,087**	**78,133,513**
Non-current portion		**5,352,750**	-
Current portion		**89,161,337**	78,133,513

18 ZAKAT PROVISION

18-1 Movement in zakat provision:

	31 December 2022	*31 December 2022*
1 January	**5,093,791**	6,890,949
Charged for the year	**6,133,819**	4,782,397
Paid during the year	**(4,146,503)**	(6,579,555)
31 December	**7,081,107**	5,093,791

18-2 Zakat Assessments

The Company and its subsidiaries submitted separate zakat declarations to Zakat, Tax and Customs Authority (ZATCA) for all years to the year ended 31 December 2023 and obtained the final zakat certificate and obtained a final certificate valid until 30 April 2024.
Staring from 2020, the Company and its subsidiaries (Saudi Transport and Investment Company "Mubarrad" and the Batic Real Estate Company) submitted a consolidated Zakat declaration.

Batic Investments and Logistics
The Company received the final Zakat assessments that have been agreed with ZATCA for the years from 2008 to 2014 and for the year 2018 up to 2020. The differences were paid, and the zakat assessments were closed for these years.

On 21 October 2020, the Company received Zakat assessments for the years ended 31 December 2015, 2016, and 2017, with an additional amount of SR 2,520,796. The Company paid SR 105,573 and submitted an objection for the remaining claim. On 20 December 2020, ZATCA rejected the objection. On 11 February 2021, the objection was escalated to the General Secretariat of Zakat, Tax, and Customs Committee (GSZTC). GSZTC rejected the Company's objection, and the Company appealed against the decision. The lawsuit was suspended due to consideration of the objection by the Zakat and Tax Dispute Settlement Committee, and on 15 August 2023, the settlement result was issued, and the Company decided not to accept the settlement committee's offer and to continue the appeal procedures. The appeal decision was issued on 29 November 2023, which stipulated accepting the company's objection and canceling the entire zakat differences due.

On 20 June 2023, the Company received a request for additional information to examine the zakat declaration for the years 2021 and 2022. The required information was delivered to ZATCA, and until the date of the financial statements, the examination decision has not been issued.

Arab Security & Safety Services Company (AMNCO)
The Company received the final Zakat assessments and settled them with ZATCA for the years up to 2018.

Saudi Transport and Investment Company ("Mubarrad")
The Company received the final Zakat assessments and settled them with ZATCA for the years from 2018 up to 2020.
On 20 June 2023, the Company received a request for additional information to examine the zakat declaration for the years 2021 and 2022 within the consolidated declaration. The required information was delivered to ZATCA, and until the date of the financial statements, the review decision has not been issued.

(All amounts in Saudi Riyals unless otherwise stated)

18 ZAKAT PROVISION (continued)
18-2 Zakat Assessments (continued)

Batic Real Estate Company
The Company received the final zakat assessment and was settled with ZATCA for the year 2020.
On 20 June 2023, the Company received a request for additional information to examine the zakat declaration for the years 2021 and 2022 within the consolidated declaration. The required information was submitted to ZATCA, and until the date of the financial statements, the review decision has not been issued.

AMNCO FACILITY MANAGEMENT COMPANY LIMITED
The Company received the final Zakat assessments and settled them with ZATCA for the years up to 2021.

19 RELATED PARTIES TRANSACTIONS BALANCES

Related parties represent associates, partners, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of payment for these transactions are approved by the Company's management.

The following are transactions with related parties included in the consolidated statement of comprehensive income:

2023	***Sales***	***Purchases***	***Expenses***
Family Investment Company	-	-	-
Jazan Energy & Development Co (Jazadco)	-	-	-
2022	*Sales*	*Purchases*	*Expenses*
Family Investment Company	151,250	-	-
Jazan Energy & Development Co (Jazadco)	131,890	-	-

Balances with related parties included in the statement of financial position are as follows:

a) Amounts due from related parties
The breakdown of amounts due from related parties under common control of the Parent Company is as follows:

	31 December 2023	*31 December 2022*
Jasara Holding Company	-	1,036,215
Others	-	399,953
	-	1,436,168

The above balances are unsecured, interest free and have no fixed repayment schedule. The management estimates the allowance regarding the amounts due from related parties at the reporting date at an amount equal to lifetime ECL. No receivable balance due from any related parties at the reporting date is past due, taking into consideration the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related parties' balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period when assessing the allowance for balances due from related parties.

b) Amounts due to related parties
The breakdown of amounts due to related parties under common control of the Parent Company is as follows:

	31 December 2023	*31 December 2022*
Others (former partner of a subsidiary) (note 17)	-	180,000

(All amounts in Saudi Riyals unless otherwise stated)

19 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

c) Compensation of key management personnel

Key management personnel of the Group comprise of key members of the management having authority and responsibility for planning, directing and controlling the activities of the Group. The compensation of senior management personnel and the compensation of the Board of Directors are as follows:

The amounts disclosed in the table below are the amounts recognized as an expense during the reporting period related to key management personnel.

	31 December 2023	*31 December 2022*
Salaries, other short-term benefits, and board compensation	**5,878,924**	7,684,289
End of service benefits	**245,029**	261,627

The following amounts are payable in respect of terminal benefits to key management personnel:

	31 December 2023	*31 December 2022*
End of service indemnities and annual leave	**1,961,981**	2,059,467

Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or amounts. Outstanding balances at year-end arise in the normal course of business. For the year ended 31 December 2023 and 2022, the amounts owed by related parties are not impaired.

20 OBLIGATIONS UNDER THE SERVICE CONCESSION AGREEMENT (IFRIC 12)

The current and non-current portion of the obligation under the Service Concession Agreement is as follows:

	31 December 2023	*31 December 2022*
1 January	**487,173,139**	329,746,251
Addition during the year	**95,254,564**	193,694,396
Adjustments during the year	-	(44,564,402)
Financing expenses on obligation under service concession arrangement	**10,602,551**	8,296,894
31 December	**593,030,254**	487,173,139
Less: Current portion	**(38,669,758)**	(23,521,813)
Non-current portion	**554,360,496**	463,651,326

The maturity profile of the obligation under service concession arrangement:

	31 December 2023	*31 December 2022*
One year	**38,669,758**	23,521,813
One year to five years	**212,060,346**	113,119,785
More than five years	**342,300,150**	350,531,541
	593,030,254	487,173,139

(All amounts in Saudi Riyals unless otherwise stated)

21 REVENUES

21-1 Revenue classification

Segment	*Geographical area*	*31 December 2023*	*31 December 2022*
Security guards	Local	**127,035,584**	109,576,943
ATM feed	Local	**82,724,134**	85,356,689
Land transportation	Local	**112,894,311**	90,746,381
cash in transit, counting and sorting money and correspondence	Local	**49,382,383**	45,037,775
Maintenance and operation	Local	**43,197,259**	36,591,415
Investment properties	Local	**2,281,503**	1,642,330
Smart parking	Local	**57,033,881**	46,890,640
Equipment and construction revenues (Note 21-3)	Local	**6,023,086**	9,517,738
Communications and information technology	Local	-	1,219,715
Home medical services	Local	-	915,491
Total		**480,572,141**	427,495,117

21-2 Timing of revenue recognition

	31 December 2023	*31 December 2022*
At a point in time	**243,926,622**	198,969,151
Over time	**230,622,433**	219,008,228
Equipment and construction revenues	**6,023,086**	9,517,738
Total	**480,572,141**	427,495,117

21-3 Income and (costs) of equipment and construction (IFRIC I2)

	31 December 2023	*31 December 2022*
Equipment and construction revenues	**6,023,086**	9,517,738
Equipment and construction cost	**(6,023,086)**	(9,517,738)

In accordance with IFRIC 12 “Service Concession Agreements”, the Group recorded construction processing revenues of SR 6 million (2022: SR 9.5 million) to supply and build the smart parking project. Equipment and construction revenues represent the fair value of equipment and construction services, as the fair value of equipment and construction services provided in management’s estimation is close to the cost of equipment and construction.

22 COST OF REVENUES

	31 December 2023	*31 December 2022*
Salaries, wages and related costs	**257,919,912**	243,691,369
Operational Depreciations	**37,995,132**	32,721,752
Fuel and lubricants	**27,158,319**	21,170,368
Amortization	**20,262,629**	14,332,695
Spare parts and maintenance	**15,368,390**	16,005,140
Government Fees	**13,292,048**	11,999,345
Rentals	**12,587,724**	8,312,330
Medical insurance and treatment	**7,300,137**	6,457,352
Fleet, cargo and real estate insurance	**7,202,173**	6,049,851
Equipment and construction cost	**6,023,086**	9,517,738
Materials, consumable equipment, stationery and fixtures	**5,689,594**	2,134,164
Customer clearance	**1,415,129**	1,437,617
Others	**10,924,399**	10,511,166
	423,138,672	384,340,887

(All amounts in Saudi Riyals unless otherwise stated)

23 OTHER INCOME / (EXPENSES)

	31 December 2023	*31 December 2022*
Gains on sale of an investment in a subsidiary	**1,793,222**	2,960,176
Gain from investment fund	**335,978**	125,647
Profit from deposit	**488,265**	388,333
Gains/(losses) from sale of property and equipment	**843,327**	(883,382)
Others	**906,165**	833,711
	4,366,957	3,424,485

24 GENERAL AND ADMINISTRATION EXPENSES

	31 December 2023	*31 December 2022*
Salaries, wages and related costs	**31,160,779**	30,983,233
Professional and consulting fees	**3,699,634**	5,016,408
Depreciation	**2,705,926**	3,338,485
Medical insurance and treatment	**1,566,321**	1,035,964
Board and Committee member remuneration and allowance for attending meetings	**828,000**	1,185,000
Government fees	**808,122**	944,336
Subscriptions	**746,488**	626,230
Amortization	**521,796**	1,406,972
Rents	**100,558**	213,699
Others	**1,852,452**	2,357,728
	43,990,076	47,108,055

25 FINANCE COSTS

	31 December 2023	*31 December 2022*
Obligation under the service concession agreement	**10,602,551**	8,296,894
Financing expenses	**13,105,056**	6,827,158
Interest expenses on lease liability	**2,430,109**	1,107,994
Less: capitalized loans costs (Note 7)	**(7,982,063)**	(3,549,228)
	18,155,653	12,682,818

26 SEGMENT INFORMATION

The Group's management has defined the operational segments based on the reports reviewed by the Board of Directors on the basis of which strategic decisions are taken. For administrative purposes, the Group is organized into 10 business units based on their services, and the following are the operating segments of the Group:

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

26 SEGMENT INFORMATION (continued)

Real estate segment
The real estate sector consists of buying, selling and developing lands, constructing buildings on them, investing them by selling or renting them to group entities and external parties, and establishing and operating commercial and industrial projects.

Security guard sector
It includes providing security guards and shift services to banks and companies.

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

Cash in transit, Counting and sorting of money and correspondence segment
It includes transportation and insurance services for the transfer of money and valuables money counting and sorting services and postal correspondence.

Facility management sector
It includes maintenance and operation of buildings, property management and marketing for others

Smart parking segment
It includes rent parking to others.

Medical equipment supply segment
It includes the supply of medical equipment to medical entities and institutions.

Home medical services and physiotherapy segment
It includes providing home medical services and physiotherapy for individuals and for others.

Communications and information technology sector
It includes the installation, maintenance and wholesale of electronic security devices, fire prevention and protection equipment and electronic alarm systems remotely or physically.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from is measured consistently with operating profit or loss in the consolidated financial statements.

(All amounts in Saudi Riyals unless otherwise stated)

26 SEGMENT INFORMATION (continued)

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss from operations and is measured consistently with operating profit or loss in the consolidated financial statements.

The table below represents the revenues and costs of each of the group's sectors, in addition to its assets and liabilities for the year ending 31 December 2023.

	Investment property	***Transportation segment***	***Security guard sector***	***ATM feeding sector***	***Cash in transit and correspondence sector***	***Maintenance and operation***	***Communications and information technology***	***Smart parking solutions***	***Supply of medical equipment***	***Home medical services***	***Other and settlements***	***Total***
Revenues	**5,436,531**	**112,894,311**	**127,975,547**	**82,724,134**	**49,382,383**	**47,750,642**	**-**	**63,056,967**	**-**	**-**	**(8,648,374)**	**480,572,141**
Costs of revenues	**(2,562,197)**	**(100,871,079)**	**(126,045,814)**	**(72,973,535)**	**(43,632,400)**	**(42,577,433)**	**-**	**(40,372,485)**	**(1,333)**	**-**	**5,897,604**	**(423,138,672)**
Gross profit	**2,874,334**	**12,023,232**	**1,929,733**	**9,750,599**	**5,749,983**	**5,173,209**	**-**	**22,684,482**	**(1,333)**	**-**	**(2,750,770)**	**57,433,469**
TOTAL ASSETS	**255,174,150**	**215,628,580**	**86,238,213**	**77,983,700**	**48,230,274**	**18,766,778**	**-**	**668,095,155**	**4,405,003**	**-**	**101,022,455**	**1,475,544,308**
TOTAL LIABILITIES	**173,568,013**	**77,360,649**	**37,559,806**	**21,882,301**	**17,918,542**	**11,559,248**	**-**	**691,526,176**	**4,241,400**	**-**	**(25,714,570)**	**1,009,901,565**

The table below represents the revenues and costs of each of the group's sectors, as well as its assets and liabilities for the year ending 31 December 2022.

	Investment property	*Transportation segment*	*Security guard sector*	*ATM feeding sector*	*Cash in transit and correspondence sector*	*Maintenance and operation*	*Communications and information technology*	*Smart parking solutions*	*Supply of medical equipment*	*Home medical services*	*Other and settlements*	*Total*
Revenue	3,884,276	89,264,844	111,028,595	85,356,689	45,037,775	41,216,995	1,219,715	56,408,378	-	915,491	(6,837,641)	427,495,117
Costs of revenues	(2,175,699)	(85,632,818)	(106,254,420)	(76,832,916)	(43,733,414)	(36,545,529)	(1,688,432)	(35,674,912)	(7,867)	(1,823,115)	6,028235	(384,340,887)
Gross profit	1,708,577	3,632,026	4,774,175	8,523,773	1,304,361	4,671,466	(468,717)	20,733,466	(7,867)	(907,624)	(809,406)	43,154,230
TOTAL ASSETS	235,202,230	165,257,500	88,316,526	83,842,346	50,645,555	20,191,274	1,081,532	579,896,224	5,512,507	-	124,452,712	1,354,398,406
TOTAL LIABILITIES	158,685,873	74,280,584	38,157,400	23,021,639	18,186,133	17,605,629	2,969,134	601,310,981	5,420,547	-	(63,341,691)	876,296,229

(All amounts in Saudi Riyals unless otherwise stated)

27 LOSS PER SHARE

The number of shares for comparative periods has been adjusted retrospectively to reflect the sharing of shares (Note 1 Capital). Because this represents a change in the number of underlying shares, without a corresponding change in resources, the weighted average number of underlying shares outstanding over all periods presented is adjusted retrospectively.
Basic profit/(loss) per share is calculated against the profit/(loss) related to common shares by dividing the net profit/(loss) attributable to holders of common shares by the weighted average number of common shares outstanding during the period. Diluted earnings/(loss) per share are similar to basic earnings/(loss) per share as the Company has no diluted shares on issue.

	31 December 2023	*31 December 2022*
Net loss for the year - attributable to shareholders of the parent company	**(13,890,857)**	(30,837,648)
Weighted average number of common shares to calculate basic loss per share	**600,000,000**	589,320,000
Diluted basic loss or earnings per share from the net loss for the year	**(0.02)**	(0.05)

28 CONTINGENCIES AND CAPITAL COMMITMENTS

28-1 Contingencies
As at 31 December 2023, the Group has potential liabilities in the form of bank guarantees amounting to SR 17.8 million issued during the regular business cycle (2023: SR 29.7 million).

28-2 Capital commitments
The Group has capital commitments amounting to SR 28 million (2022: SR 26 million) related to contracts for constructions and purchase equipment and devices to establish and operate the Group’s projects.

29 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

29-1 FINANCIAL ASSETS

	31 December 2023	*31 December 2022*
Financial assets at amortized cost:		
Trade and other receivables	**169,196,519**	166,443,944
Due from related parties	**-**	1,436,168
Short-term financial assets measured at FVPL	**69,306,973**	81,191,135
	238,503,492	249,071,247
Cash and cash equivalent	**40,497,279**	57,738,920
Total financial assets	**279,000,771**	306,810,167

29 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

29-2 FINANCIAL LIABILITIES

	Interest rate	*Maturity Date*	***31 December 2023***	31 December 2022
CURRENT LIABILITIES				
Trade payables, accrued expenses and other credit balances	Interest free	Less than one year	**89,161,337**	78,133,513
Lease liabilities	3% - 8%	Less than one year	**16,163,100**	12,528,608
Due to related parties	Interest free	Less than one year	**-**	180,000
Shareholder’s accruals	Interest free	Less than one year	**35,666,823**	35,781,423
			140,991,260	126,623,544
NON CURRENT LIABILITIES				
Obligation under service concession arrangement	3% - 8%		**554,360,496**	463,651,326
Long-term loans	Note 13		**182,991,308**	192,005,800
Lease liabilities	3% - 8%		**49,487,452**	29,040,883
Trade payables – non-current portion	Note 17		**5,352,750**	-
			792,192,006	684,698,009

30 Fair Value

Financial instruments comprise financial asset and financial liabilities.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group's financial assets consist of bank balances and cash, trade receivables, other current financial assets, and due from related parties. Financial liabilities consist of lease liabilities, trade payables, short term loans, shareholders’ receivables, and due to related parties.

The above financial assets and liabilities, except for lease labilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of lease liabilities is not significantly different to its carrying value as the lease liabilities are determined based on discount rates which gets re-priced at regular intervals.

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

the Group is exposed to a variety of financial risk: Market risk (including foreign exchange risk, price risk, interest rate risk for cash flows and fair value), credit risk and liquidity risk. Management assesses risks to counter each of these risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two kinds of market risk: Commission rate prices and foreign currency risk financial instruments affected by market risk include short term loans and payables denominated in foreign currency. There were no changes in these circumstances from the previous year.

Foreign Currency risk
The Company is not exposed to any significant foreign exchange risk as the majority of its transactions are in Saudi Riyals.

Interest rate risk
Financial instruments are exposed to the risk of value fluctuations as a result of changes in the interest rates of assets and liabilities with floating interest rate. The actual interest rates and the periods during which financial assets and liabilities are repriced or matured are indicated in the related notes.

(All amounts in Saudi Riyals unless otherwise stated)

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Commission rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Company's short-term loans have a short tenure and carry a variable rate of interest and is carried at amortized cost. Accordingly, management believes that the Company is not subject to any significant interest rate risk because it is a practice of the Company to settle all short-term debt obligations at the time of maturity which is generally one months.

Commission rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before zakat is affected through the impact on variable rate borrowings, as follows:

	45 basis points increase	*45 basis points decrease*
31 December 2023	**864,026**	**(864,026)**
1 December 2022	1,193,650	(1,193,650)

Fair value risks

The fair value of financial instruments traded in active markets is based on market prices declared at the date of the consolidated statement of financial position. The market is an active market in the event that declared prices are available and regularly available from the financial markets, agents, intermediaries, industrial federations, pricing service companies or regulatory bodies, where they represent the actual and regularly repeated transactions in the market concluded on a strictly commercial basis. The declared market prices used for the Company's financial assets are the current demanding prices. These tools are included in level 1.

The fair value of non-market financial instruments is based on valuation methods. These methods make the most of the noteworthy available market data and depend on the minimum possible estimates made by the entity. If all important data required to measure the fair value of tools are noteworthy, they are included in level 2 and if one or more of the important data is not based on noteworthy market data, the tools are included in level 3.

The following table provides an analysis of the financial instruments included at fair value in terms of the valuation method.
The different levels of evaluation are as follows:

Level 1: Market prices (unadjusted) prevailing in active markets for matching assets or liabilities.

Level 2: Data other than declared prices included in Level 1, noteworthy for assets or liabilities, whether direct (i.e., prices) or indirect (derived from prices).

Level 3: Evaluation methods in which all inputs used have a significant impact on the fair value recorded but are not based on noteworthy market information (which is not noteworthy).

Investment held at fair value through profit or loss	***Level 1***	***Level 2***	***Level 3***	***Total***
As at 31 December 2023				
Shares in "TRUKKIN" Company	**-**	**-**	**1,742,704**	**1,742,704**
United Dairy Farms Group	**-**	**-**	**300,000**	**300,000**
Investment at FVPL	**-**	**69,306,973**	**-**	**69,306,973**
	-	**69,306,973**	**2,042,704**	**71,349,677**

Investment held at fair value through profit or loss	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2022				
Shares in "TRUKKIN" Company	-	-	1,742,704	1,742,704
United Dairy Farms Group	-	-	300,000	300,000
Investment at FVPL	-	81,191,135	-	81,191,135
	-	81,191,135	2,042,704	83,233,839

(All amounts in Saudi Riyals unless otherwise stated)

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, other current financial assets and related parties' balances) and from its financing activities, including balances with banks.

Trade receivables

The average credit period granted is 90 days. No interest is charged on the outstanding trade receivables.
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money, liabilities, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure for credit risk represents, on reporting date, the carrying amount for each class of the financial assets.

Liquidity risk and going concern

It is the risk that a Group will have difficulties in obtaining funds to meet liabilities associated with financial instruments. Liquidity is managed on a regular basis to ensure availability of sufficient funds to meet any future liabilities.

Liquidity risk management is carried out by holding sufficient cash and current securities, and providing financing through sufficient binding credit facilities, and the ability to liquidate market positions. Due to the nature of the Group business, the Group aims to maintain the flexibility of the financing process by providing binding credit channels.

The following table summarizes the maturity of the Group's undiscounted financial liabilities based on undiscounted contractual payments as at December 31:

	2023			
	Less than one year	***Between 2 - 5 years***	***Over 5 years***	***Total***
Trade and other credit balances	**89,161,337**	**5,352,750**	**-**	**94,514,087**
Loans	**36,236,570**	**146,754,738**	**-**	**182,991,308**
Obligation under service concession arrangement	**38,669,758**	**212,060,346**	**342,300,150**	**593,030,254**
Shareholder's accruals	**35,666,823**	**-**	**-**	**35,666,823**
Notes payables	**-**	**-**	**-**	**-**
Lease liabilities	**16,163,100**	**44,299,015**	**5,188,437**	**65,650,552**
Zakat provision	**7,081,107**	**-**	**-**	**7,081,107**

	2022			
	Less than one year	*Between 2 - 5 years*	*Over 5 years*	*Total*
Trade and other credit balances	74,572,213	-	-	74,572,213
Loans	28,016,540	163,989,260	-	192,005,800
Obligation under service concession arrangement	23,521,813	113,119,785	350,531,541	487,173,139
Shareholder's accruals	35,781,423	-	-	35,781,423
Notes payables	3,561,300	-	-	3,561,300
Lease liabilities	12,528,608	29,040,883	-	41,569,491
Zakat provision	5,093,791	-	-	5,093,791

31 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk and going concern principle (continued)
The calculation of net debt was as follows:

	31 December 2023	31 December 2022
Obligation under service concession arrangement	**593,030,254**	487,173,139
Loans	**182,991,308**	192,005,800
Lease liabilities	**65,650,552**	41,569,491
Notes payables	**-**	3,561,300
Cash and cash equivalents	**(40,497,279)**	(57,738,920)
Short-term financial assets measured at FVPL	**(69,306,973)**	(81,191,135)
Net debt	**731,867,862**	585,379,675
Equity	**465,642,743**	478,102,177
Equity and net debt	**1,197,510,605**	1,063,481,852
Gearing ratio	**61%**	55%
Current liquidity ratio	**1.27**	1.72
Unused credit facilities (in millions of Saudi riyals)	**82.00**	150.6

The management believes that the Group has ability to meet its obligation as:

a) The Group's current assets are more than its current liabilities.

b) The Group manages its liquidity risk by ensuring that bank borrowing facilities from multiple banks are available (note 13).

The Group operates in diversified industries (see Note 27). Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources and borrowing facilities from multiple banks to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

32 CAPITAL MANAGEMENT

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. For capital management purposes, capital was considered equal to the total equity of the Group.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022. At the statement of consolidated financial position date, gearing ratio analysis by the management was as follows:

	31 December *2023*	*31 December 2022*
Equity	**465,642,743**	478,102,177
Liabilities	**1,009,901,565**	876,296,229
Total capital structure	**1,475,544,308**	1,354,398,406
Financial solvency ratio	**68.44%**	64.70%

33 SUBSEQUENT EVENTS

No significant events have occurred subsequent to the date of the consolidated financial statements and before the issuance of these consolidated financial statements, which require adjustment to, or disclosure.

34 COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with the current period presentation.

35 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Company's board of directors on 14 March 2024 (corresponding to 4 Ramadan 1445H).