SEERA HOLDING GROUP
(A Saudi Joint Stock Company)

Consolidated Financial Statements
For the year ended 31 December 2022
And
Independent Auditor's Report

SEERA HOLDING GROUP
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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كي بي إم جي للاستشارات المهنية
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Seera Holding Group

Opinion

We have audited the consolidated financial statements of Seera Holding Group ("the Company") (and its subsidiaries) ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory 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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 39 to the financial statements, which indicates that the comparative information presented as at and for the year ended 31 December 2021 has been restated. Our opinion is not modified in respect of this matter.

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© 2023 كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً " شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

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Independent Auditor's Report

To the Shareholders of Seera Holding Group (continued)

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 year. 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.

Recognition of revenue

See Note 28 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group recognized revenue of SR 2.27 billion for the year ended 31 December 2022 (31 December 2021: SR 1.33 billion). Revenue comprises commission-based revenues from airline ticketing and incentives, hotel booking, shipments, and train ticketing and non-commission based revenues from package holidays, car rentals, property and room rentals, chartered flights, and others. As disclosed in note 6.21 of the consolidated financial statements, revenue is measured based on the consideration specified in a contract with a customer and recognizes revenue when it transfers control over a service to a customer and / or provides services on behalf of other suppliers. Revenue recognition is considered as a key audit matter due to the presumed fraud risk over revenue recognition and diverse set of revenue streams which require significant assessment under the accounting and presentation requirements of IFRS and the complexity of related IT systems and processes.	In responding to this area, our audit procedures included: – Assessing the appropriateness of the revenue recognition policy that is applied to different revenue streams to assess whether it is in accordance with the applicable accounting framework. – Reviewing management assessment for identifying and satisfaction of performance obligation for revenues from contract with customers as principal vs agent and recording of revenue over the period of time or point in time. – Evaluating the appropriateness of assumptions and judgements made to measure and assess the transaction price. – Obtaining our understanding of the Group's processes and controls, with the assistance of our specific team members from IT relating to the IT environment in which the business systems operate. – Identifying and testing relevant anti-fraud controls including automated controls. – Performing detailed review of relevant terms of sales contracts. – Performing tests of details over sales recorded during the year on a sample basis. – Performing procedures on the appropriateness of disclosures in accordance with the applicable accounting framework.

Independent Auditor's Report

To the Shareholders of Seera Holding Group (continued)

Key Audit Matters (continued)

Impairment of trade receivables

See Note 14 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group has a balance of SR 1.23 billion of trade receivables as on 31 December 2022 (31 December 2021: SR 1.24 billion). The Group recognizes a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses reflects changes in credit risk since initial recognition of the respective financial instrument. The Group applies the simplified approach to calculate impairment on trade receivable and this always recognizes lifetime ECL on such exposures. ECL on these financial assets are estimated using a flow rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Due to complexity, subjectivity, uncertainty and use of multiple assumptions involved in the calculation of ECL which increases the susceptibility to misstatement due to error, we have identified this as a key audit matter.	Our audit procedures included: – Evaluating the appropriateness of the accounting policies based on IFRS 9's requirements, our business understanding and the economic environment. – Evaluating the reasonableness of management's key judgements in estimating expected credit losses (ECLs), including selection and application of methods/models, significant assumptions, and data sources and selection of the point estimate. – Identifying and evaluating the design and implementation of relevant controls. – Involving specialists to assess appropriateness of significant assumptions / judgements. – Evaluating the completeness, accuracy and relevance of data. – Evaluating the appropriateness and test the mathematical accuracy of models applied. – Evaluating the reasonableness of and testing the specific provision adjustment including management overlays. – Performing procedures on the appropriateness of disclosures in accordance with the applicable accounting framework.

Independent Auditor's Report

To the Shareholders of Seera Holding Group (continued)

Key Audit Matters (continued)

Residual value of vehicles

See Note 7 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Vehicles owned by the Group as at 31 December 2022 amounted to SR 1,473 million (2021: SR 1,048 million) representing 23.5% (2021: 17.6%) of total non-current assets which are measured at cost less accumulated depreciation and any impairment. The management is required to assess the residual value at least at each financial year-end and evaluate if there are any revision required. Depending on the results of such analysis, changes may be accounted as a change in accounting estimate through changes in prospective depreciation. The future residual values are mostly influenced by the estimated useful life of the vehicle, potential usage, customer base, manufacturer, overall state of the vehicle, as well as the evolution of the used-vehicles markets given the on-going supply chain issues. The residual values for the vehicles operated by the Group varies at the actual time of disposal depending on the aforementioned factors, thus, the future value estimation as performed by the management is based on a number of estimations and judgmental assumptions. The Group revised the residual values of its vehicle fleet during the year ended 31 December 2022, considering both external and internal factors to the Group such as: actual sales of used vehicles throughout the year and previous years, correlation of such values at the year end with the factors mentioned above. Due to the significance of the value of vehicles, the significance of the estimation uncertainty involved in determining the residual values of the vehicles, we consider this to be a key audit matter.	Our audit procedures included: – Obtaining an understanding of the residual value policy framework as designed and implemented at Group level. – Discussing and reviewing management's analysis of the impact on the residual value considering the estimated useful life of the vehicle, potential usage, customer base, manufacturer, overall state of the vehicles, as well as the evolution of the used-vehicles markets. – Evaluating the car sales information and data used for the estimation of the residual value. – Testing the mathematical accuracy of the entity's calculation of the depreciation in light of the revision of residual value estimate. – Performing procedures on the appropriateness of disclosures in accordance with the applicable accounting framework.

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Independent Auditor's Report

Other Matter

The consolidated financial statements of the Group as at and for the years ended 31 December 2021 and 31 December 2020 (from which the statement of financial position as at 1 January 2021 has been derived), excluding the adjustments described in Note 39 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 Sha'ban 1443 (H) (corresponding to 28 March 2022) and on 15 Sha'ban 1442 (H) (corresponding to 28 March 2021) respectively.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2022, we audited the adjustments described in Note 39 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021 and the statement of financial position as at 1 January 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2021 or 31 December 2020 (not presented herein) or to the consolidated statement of financial position as at 1 January 2021, other than with respect to the adjustments described in Note 39 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 39 are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made 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 annual report, when made available to us, 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 IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies 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, Board of Directors, are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report

To the Shareholders of Seera Holding Group (continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Seera Holding Group ("the Company") (and its subsidiaries) ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

Independent Auditor's Report

To the Shareholders of Seera Holding Group (continued)

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

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.

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Abdulaziz Abdulllah Alnaim
License No: 394

Riyadh on 11 Ramadan 1444H
Corresponding to: 2 April 2023

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022
(Saudi Riyals)

	Note	31 December 2022	31 December 2021 (Restated-note 39)	31 December 2020 (Restated-note 39)
ASSETS				
Non-current				
Property and equipment	7	**3,995,768,539**	3,608,000,167	3,497,748,280
Assets under construction and development	8	**51,462,741**	250,549,247	303,008,682
Capital work in progress – recoverable on disposal	9	**359,747,097**	359,747,097	359,747,097
Intangible assets and goodwill	10	**95,714,498**	121,055,561	57,169,909
Investment properties	11	**759,981,444**	769,316,266	802,629,000
Investments in equity-accounted investees	12	**115,539,364**	89,092,339	53,542,928
Investments	13	**619,103,877**	735,191,420	579,978,388
Advances for investments	15	**242,619,997**	-	-
Deferred tax asset	22	**22,856,334**	25,590,139	11,517,862
		6,262,793,891	5,958,542,236	5,665,342,146
Current				
Trade and other receivables	14	**1,201,059,663**	1,278,929,853	1,285,534,004
Receivable from disposal of investments in equity-accounted investee		**-**	-	241,651,870
Due from related parties	27	**2,020,303**	6,935,396	27,827,339
Prepayments and advances	15	**520,987,427**	328,100,407	335,724,553
Cash and cash equivalents	16	**539,276,998**	318,386,693	248,952,850
		2,263,344,391	1,932,352,349	2,139,690,616
TOTAL ASSETS		**8,526,138,282**	7,890,894,585	7,805,032,762
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent:				
Share capital	17	**3,000,000,000**	3,000,000,000	3,000,000,000
Share premium		**707,345,000**	707,345,000	707,345,000
Statutory reserve		**453,177,014**	453,177,014	453,177,014
Other reserves		**(84,115,328)**	(254,789)	22,907,769
Treasury shares	17	**(41,808,600)**	(60,538,200)	(64,900,000)
Retained earnings		**1,384,948,587**	1,407,779,763	1,790,906,087
		5,419,546,673	5,507,508,788	5,909,435,870
Non-controlling interest	18	**8,070,891**	(1,645,553)	361,464
TOTAL EQUITY		**5,427,617,564**	5,505,863,235	5,909,797,334
LIABILITIES				
Non-current				
Loans and borrowings	19	**600,373,377**	235,714,286	366,539,330
Lease liabilities	20	**160,996,591**	90,571,118	80,876,466
Employees' end of service benefits	21	**116,400,823**	125,532,249	112,503,015
Deferred tax liabilities	22	**117,083**	176,587	756,666
		877,887,874	451,994,240	560,675,477
Current				
Bank overdraft	16	**77,070,304**	5,466,147	1,108,487
Loans and borrowings	19	**703,798,701**	827,370,314	538,761,552
Lease liabilities	20	**60,252,169**	21,958,313	14,600,259
Zakat and income taxes	22	**93,978,010**	108,150,804	66,047,440
Trade and other payables	23	**1,070,750,273**	785,354,755	595,724,739
Due to related parties	27	**8,563,120**	-	1,278,755
Contract liabilities	24	**206,220,267**	162,736,777	92,038,719
Provisions	25	**-**	22,000,000	25,000,000
		2,220,632,844	1,933,037,110	1,334,559,951
TOTAL LIABILITIES		**3,098,520,718**	2,385,031,350	1,895,235,428
TOTAL EQUITY AND LIABILITIES		**8,526,138,282**	7,890,894,585	7,805,032,762

Majed Aydeh Al Nifaie (Board Member) **Abdullah Nasser Al Dawood** (Managing Director) **Muhammad Khalid** (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022
(Saudi Riyals)

	Note	31 December 2022	31 December 2021 (Restated-note 39)
Revenue	28	**2,270,707,099**	1,328,451,602
Cost of revenue	29	**(1,366,842,093)**	(721,553,949)
Gross profit		**903,865,006**	606,897,653
Selling expenses	30	**(410,471,401)**	(334,668,157)
Administrative expenses	31	**(597,851,933)**	(551,259,115)
Reversal / (provision) for expected credit loss on trade receivables	14	**1,510,635**	(78,169,532)
Net fair value gain on investments at fair value through profit or loss	13	**51,904,666**	17,318,353
Impairment losses	35	**(50,326,642)**	(7,424,962)
Other expenses	32	**(5,323,963)**	(20,351,149)
Other income	33	**110,004,568**	81,799,792
Operating profit / (loss)		**3,310,936**	(285,857,117)
Finance income	34	**10,314,287**	8,620,525
Finance costs	34	**(85,033,457)**	(62,334,772)
Net finance cost		**(74,719,170)**	(53,714,247)
Share of profit from equity-accounted investees	12	**20,132,808**	17,115,676
Loss before zakat and tax		**(51,275,426)**	(322,455,688)
Zakat and income tax	22	**5,531,053**	(50,424,952)
Loss for the year		**(45,744,373)**	(372,880,640)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement gain / (loss) of employees' end of service benefits	21	**20,105,252**	(6,725,156)
Valuation loss on investments at fair value through other comprehensive income	13	**(80,577,528)**	(41,413,102)
		(60,472,276)	(48,138,258)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	17	**13,521,015**	4,987,810
Other comprehensive loss for the year		**(46,951,261)**	(43,150,448)
Total comprehensive loss		**(92,695,634)**	(416,031,088)
(Loss) / income attributable to:			
Owners of the parent		**(47,729,661)**	(371,535,799)
Non-controlling interests	18	**1,985,288**	(1,344,841)
		(45,744,373)	(372,880,640)
Total comprehensive (loss) / income attributable to:			
Owners of the parent		**(95,004,820)**	(414,421,206)
Non-controlling interests		**2,309,186**	(1,609,882)
		(92,695,634)	(416,031,088)
Basic loss per share	36	**(0.16)**	(1.27)
Diluted loss per share		**(0.16)**	(1.27)

Majed Aydeh Al Nifaie (Board Member) | **Abdullah Nasser Al Dawood** (Managing Director) | **Muhammad Khalid** (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022
(Saudi Riyals)

				Other reserves										
	Share capital	Share premium	Statutory reserve	Translation reserve	Employee share option reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total	Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2022 (Balance as previously reported)	**3,000,000,000**	**707,345,000**	**453,177,014**	**(90,267,076)**	**39,140,024**	**84,670,673**	**12,864,692**	**(41,413,102)**	**4,995,211**	**(60,538,200)**	**1,370,380,670**	**5,475,359,695**	**(1,645,553)**	**5,473,714,142**
Impact of restatement (note 39)	-	-	-	-	-	-	**(5,250,000)**	-	**(5,250,000)**	-	**37,399,093**	**32,149,093**	-	**32,149,093**
Balance at 1 January 2022 restated	**3,000,000,000**	**707,345,000**	**453,177,014**	**(90,267,076)**	**39,140,024**	**84,670,673**	**7,614,692**	**(41,413,102)**	**(254,789)**	**(60,538,200)**	**1,407,779,763**	**5,507,508,788**	**(1,645,553)**	**5,505,863,235**
(Loss) / profit for the year	-	-	-	-	-	-	-	-	-	-	**(47,729,661)**	**(47,729,661)**	**1,985,288**	**(45,744,373)**
Other comprehensive income / (loss)	-	-	-	**13,521,015**	-	-	-	**(80,577,528)**	**(67,056,513)**	-	**19,781,354**	**(47,275,159)**	**323,898**	**(46,951,261)**
Total comprehensive loss / income	-	-	-	**13,521,015**	-	-	-	**(80,577,528)**	**(67,056,513)**	-	**(27,948,307)**	**(95,004,820)**	**2,309,186**	**(92,695,634)**
Net movement of staff general fund reserve	-	-	-	-	-	**(1,684,183)**	-	-	**(1,684,183)**	-	-	**(1,684,183)**	-	**(1,684,183)**
Net movement of charity fund reserve	-	-	-	-	-	-	**(48,822)**	-	**(48,822)**	-	-	**(48,822)**	-	**(48,822)**
Transactions with shareholders														
Share based payment expense (note 17)	-	-	-	-	**18,084,968**	-	-	-	**18,084,968**	-	-	**18,084,968**	-	**18,084,968**
Shares exercised by employees (note 17)	-	-	-	-	**(33,155,989)**	-	-	-	**(33,155,989)**	**18,729,600**	**14,426,389**	-	-	-
Changes in ownership interests														
Acquisition of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	**98,000**	**98,000**
Increase in ownership stake of subsidiary	-	-	-	-	-	-	-	-	-	-	**(9,309,258)**	**(9,309,258)**	**7,309,258**	**(2,000,000)**
Balance at 31 December 2022	**3,000,000,000**	**707,345,000**	**453,177,014**	**(76,746,061)**	**24,069,003**	**82,986,490**	**7,565,870**	**(121,990,630)**	**(84,115,328)**	**(41,808,600)**	**1,384,948,587**	**5,419,546,673**	**8,070,891**	**5,427,617,564**

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (Managing Director)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

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SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2022
(Saudi Riyals)

				Other reserves										
	Share capital	Share premium	Statutory reserve	Translation reserve	Employee share option reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total	Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2021 (Balance as previously reported)	3,000,000,000	707,345,000	453,177,014	(95,254,886)	24,234,887	85,698,942	8,228,826	-	22,907,769	(64,900,000)	1,758,350,742	5,876,880,525	361,464	5,877,241,989
Impact of restatement (note 39)	-	-	-	-	-	-	-	-	-	-	32,555,345	32,555,345	-	32,555,345
Balance at 1 January 2021 restated	3,000,000,000	707,345,000	453,177,014	(95,254,886)	24,234,887	85,698,942	8,228,826	-	22,907,769	(64,900,000)	1,790,906,087	5,909,435,870	361,464	5,909,797,334
Loss for the year	-	-	-	-	-	-	-	-	-	-	(371,535,799)	(371,535,799)	(1,344,841)	(372,880,640)
Other comprehensive income / (loss)	-	-	-	4,987,810	-	-	-	(41,413,102)	(36,425,292)	-	(6,460,115)	(42,885,407)	(265,041)	(43,150,448)
Total comprehensive income / (loss)	-	-	-	4,987,810	-	-	-	(41,413,102)	(36,425,292)	-	(377,995,914)	(414,421,206)	(1,609,882)	(416,031,088)
Net movement of staff general fund reserve	-	-	-	-	-	(1,028,269)	-	-	(1,028,269)	-	-	(1,028,269)	-	(1,028,269)
Net movement of charity fund reserve	-	-	-	-	-	-	(614,134)	-	(614,134)	-	-	(614,134)	-	(614,134)
Transactions with shareholders														
Share based payment expense (note 17)	-	-	-	-	23,757,917	-	-	-	23,757,917	-	-	23,757,917	-	23,757,917
Shares exercised by employees (note 17)	-	-	-	-	(8,852,780)	-	-	-	(8,852,780)	4,361,800	4,490,980	-	-	-
Changes in ownership interests														
Acquisition of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	12,500	12,500
Increase in ownership stake of subsidiary	-	-	-	-	-	-	-	-	-	-	(9,621,390)	(9,621,390)	(409,635)	(10,031,025)
Balance at 31 December 2021 restated	3,000,000,000	707,345,000	453,177,014	(90,267,076)	39,140,024	84,670,673	7,614,692	(41,413,102)	(254,789)	(60,538,200)	1,407,779,763	5,507,508,788	(1,645,553)	5,505,863,235

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (Managing Director)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022
(Saudi Riyals)

	Note	31 December 2022	31 December 2021 (restated)
Cash flows from operating activities			
Loss before zakat and tax		**(51,275,426)**	(322,455,688)
Adjustments for:			
- Depreciation	7,11	**366,247,366**	302,054,671
- Amortization	10	**30,447,583**	18,637,548
- Share based payment expense	17	**18,084,968**	23,757,917
- Impairment (reversal) / loss on trade receivables	14	**(1,510,635)**	78,169,532
- Write-off of trade receivables		**(706,810)**	(980,613)
- Impairment losses	35	**50,326,642**	7,424,962
- Net book value of vehicles disposed		**145,401,180**	59,779,730
- Finance costs	34	**85,033,457**	62,334,772
- Finance income	34	**(10,314,287)**	(8,620,525)
- Dividend income	33	**(12,275,931)**	(6,505,928)
- Net gain on investments	13	**(51,904,666)**	(17,318,353)
- Rent concessions		**-**	(1,897,899)
- Share of profit from equity-accounted investees, net of tax	12	**(20,132,808)**	(17,115,676)
- (Gain) / loss on sale of property and equipment	32,33	**(27,882,213)**	3,601,413
- Loss on sale of investment property	32	**-**	770,848
- Loss on disposal of intangibles		**1,211,655**	-
- Provision for employees' end of service benefits	21	**22,439,235**	25,544,552
Changes in working capital:			
- Trade and other receivables		**(16,571,168)**	(81,713,063)
- Prepayments and advances		**(392,958,246)**	33,084,310
- Related parties- net		**13,478,213**	8,578,959
- Trade and other payables		**243,746,551**	164,338,826
- Contract liabilities		**43,483,490**	70,673,320
Cash generated from operations		**434,368,150**	402,143,615
Additions to the vehicles		**(807,716,871)**	(600,028,435)
Finance expense paid		**(77,460,695)**	(55,196,734)
Lease liability finance expense paid		**(6,329,091)**	(4,721,339)
Short term lease paid		**(29,295,770)**	(24,457,086)
Finance income received		**9,832,100**	9,749,659
Employees' end of service benefits paid	21	**(11,465,409)**	(19,876,724)
Zakat and income taxes paid	22	**(7,982,301)**	(9,726,561)
Other reserves paid		**(1,733,005)**	(1,642,403)
Net cash used in operating activities		**(497,782,892)**	(303,756,008)
Cash flows from investing activities			
Proceeds from sale of property and equipment		**408,039,607**	220,023,379
Proceeds from sale of investments		**142,681,133**	180,229,684
Proceeds from sale of investment property		**-**	21,303,750
Dividend received	12	**34,400,000**	-
Additions to property and equipment		**(41,086,626)**	(27,684,688)
Additions to intangible assets	10	**(4,931,867)**	(2,755,556)
Acquisition of equity-accounted investees	12	**(40,712,119)**	(18,433,735)
Acquisition of subsidiaries, net of cash acquired	10	**(9,063,801)**	(14,596,365)
Additions to investments , net of dividend		**(42,990,521)**	(111,379,667)
Additions to asset under construction and development	8	**(28,960,441)**	(28,388,763)
Net cash generated from investing activities		**417,375,365**	218,318,039

Majed Aydeh Al Nifaie (Board Member) **Abdullah Nasser Al Dawood** (Managing Director) **Muhammad Khalid** (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2022
(Saudi Riyals)

	Note	31 December 2022	31 December 2021 (restated)
Cash flows from financing activities			
Proceeds from loans and borrowings		**2,264,639,003**	2,828,243,383
Repayment of loans and borrowings		**(2,023,551,525)**	(2,670,459,665)
Lease liabilities principal paid	20	**(39,210,938)**	(12,525,556)
Acquisition of interest of subsidiaries		**(1,587,339)**	-
Net cash generated from financing activities		**200,289,201**	145,258,162
Net increase in cash and cash equivalents		**119,881,674**	59,820,193
Cash and cash equivalents at 1 January	16	**312,920,546**	247,844,363
Effect of movements in exchange rates on cash held		**29,404,474**	5,255,990
Cash and cash equivalents at 31 December	16	**462,206,694**	312,920,546

	Note	31 December 2022	31 December 2021 (restated)
Non-cash item			
Advance for investment		**172,619,997**	-

Majed Aydeh Al Nifaie (Board Member) **Abdullah Nasser Al Dawood** (Managing Director) **Muhammad Khalid** (CFO)

The accompanying notes from 1 to 43 form an integral part of these consolidated financial statements.

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

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

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conferences and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services.

The Company's registered address is:

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

1.1 Interest in subsidiaries

Name of subsidiary	Activities	Country of incorporation	**31 December 2022**	31 December 2021
National Travel and Tourism Bureau Limited (NTTB)	Travel and tourism business	KSA	**100%**	100%
Al Sarh Travel and Tourism Limited (ASTT)	Travel and tourism business	KSA	**80%**	80%
Almosafer Air Company	Travel and tourism business	KSA	**100%**	100%
Seera Holiday for Travel and Tourism Company Limited (SHT)	Travel and tourism business	KSA	**100%**	100%
Seera Cargo Company (SCC)	Travel and cargo business	KSA	**100%**	100%
Al Tayyar Holidays Travel Group Company (ATE)	Travel and tourism business	Egypt	**100%**	100%
Al Tayyar Cargo and Custom Clearance Company (ATCC)	Travel and cargo business	Egypt	**100%**	100%
E Al Tayyar Tours Company (ALC)	Rent a car business	Egypt	**100%**	100%
Seera Holiday Travel and Tourism (SHTT)	Rent a car business	Egypt	**100%**	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	**100%**	100%
Seera Travel and Tourism (STD)	Tourism business	UAE	**100%**	100%
Taqniatech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	**100%**	100%
Seera Hospitality Company (SHC)	Hotel and property business	KSA	**100%**	100%
Lumi Rental Co. (LRC)	Rent a car business	KSA	**100%**	100%
High Speed Company for Transportation (HSC)	Transportation business	KSA	**100%**	100%
Tajawal Travel and Tourism Company Limited (TTC)	Travel and tourism business	KSA	**100%**	100%
Tajawal General Trading, LLC (TGT)	Travel and tourism business	UAE	**100%**	100%
Al Mousim Travel & Tours (AMTT)	Travel and tourism business	KSA	**100%**	100%
Mawasim Tourism and Umrah Services (MWT)	Tourism business	KSA	**100%**	100%
Fly IT (FIT)	SMS / MMS services	KSA	**60%**	60%
Muthmerah Real Estate Investment Company (MREIC)	Property rental business	KSA	**100%**	100%
Mawasem Travel and Tourism Limited (MTT)	Travel and tourism business	UK	**100%**	100%
Elegant Resorts Limited (ERL)	Tourism business	UK	**100%**	100%
Elite Private Jet Services Company (EPJS)	Own and operate aircraft	KSA	**100%**	100%
Al Hanove Tourism and Services Company (AHTS)	Tourism business	Egypt	**70%**	70%
Seera Call Centre	Tourism business	Egypt	**100%**	100%
Fayfa Travel & Tourism Agency Company (FTT)	Travel and tourism business	KSA	**100%**	100%
Saudi Conference & Incentive Tours Company (SCI)	Event management services	KSA	**100%**	100%
Seera Group Travel IT Spain S.L. (SGTI)	Travel and tourism business	Spain	**100%**	100%
Hanay Trading Company Limited (HTCL)***	Rent a car business	KSA	**100%**	80%
Almosafer Company for Travel and Tourism (MCT)	Tourism business	KSA	**100%**	100%
Portman Travel Group Limited	Travel and tourism business	UK	**100%**	100%
Sheraton Makkah Company (SMC)	Hotel	KSA	**100%**	100%
Ian Allan (Retail and Travel) Limited (IAT)	Travel and tourism business	UK	**100%**	100%
IF Only Holidays Limited (IOHL)	Tourism business	UK	**100%**	100%
Seera Hotels Company (SHC)	Hotel	KSA	**100%**	100%
Almosafer Company for Travel and Tourism (ACTT)	Travel and tourism business	Kuwait	**100%**	100%
Discover Saudi for Travel and Tourism (DSTT)	Tourism business	KSA	**100%**	100%
Seera Sports S.L.U (SSS)	Sports business association	Spain	**100%**	100%
Clarity Travel Limited	Travel and tourism business	UK	**100%**	100%
Portman Group Holdings Limited	Travel and tourism business	UK	**100%**	100%
Portman Travel (Ireland) Limited	Travel and tourism business	Ireland	**100%**	100%
Portman Holdings Limited	Travel and tourism business	UK	**100%**	100%
Portman Travel Limited	Travel and tourism business	UK	**100%**	100%
Gemall Limited	Travel and tourism business	UK	**100%**	100%
Portman Travel Solutions Limited	Travel and tourism business	UK	**100%**	100%
Portman Travel (BV) Limited	Travel and tourism business	UK	**100%**	100%
Elegant Resorts Transport	Tourism business	UK	**100%**	100%
Destination Sport Limited	Sports business association	UK	**100%**	100%
Inspiresport Group Limited	Sports business association	UK	**100%**	100%
Amazedm SAS	Sports business association	France	**100%**	100%
European Sports Destination Management GmbH	Sports business association	Germany	**100%**	100%
Amazedm GmbH	Sports business association	Austria	**100%**	100%
Amazedm TBC	Sports business association	Netherlands	**100%**	100%

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.1 Interest in subsidiaries (continued)

Name of subsidiary	Activities	Country of incorporation	31 December 2022	31 December 2021
Amazedm Ltd	Sports business association	UK	**100%**	100%
Amazedm GmbH	Sports business association	Switzerland	**100%**	100%
Amazedm TBC	Sports business association	Denmark	**100%**	100%
Amazedm TBC	Sports business association	Spain	**100%**	100%
Amazedm Srl	Sports business association	Italy	**100%**	100%
International Sports Tours Limited	Sports business association	UK	**100%**	100%
Inspiresport	Sports business association	Ireland	**100%**	100%
Inspiresport LLC	Sports business association	USA	**100%**	100%
Inspiresport Transport Service Limited	Sports business association	UK	**100%**	100%
Eitdal AlDhyafa	Hotel and Event management services	KSA	**100%**	100%
Sahat AlArdh (SAC)	Real estate	KSA	**50%**	50%
Seera Emaar Real Estate Development and Investment Company*	Real estate	KSA	**51%**	-
Marathon Tours, Inc**	Sports business association	USA	**100%**	-

* On 16th March 2022 the Company has acquired 51% shareholding in a newly established Company, Seera Emaar Real Estate Development and Investment Company, Registered in Riyadh, Kingdom of Saudi Arabia, with an issued share capital of SR 200,000.

**On 1 July 2022, Portman Group Holdings Limited (100% owned subsidiary of the Company) acquired 100% shareholding of Marathon Tours, Inc., incorporated in Massachusetts, United States of America for a total consideration of SR 29.4 million. The said acquisition resulted in a goodwill of SR 10.5 million to recorded in these consolidated financial statements. (See note 10 for details)

***On 22nd March 2022 the Company has acquired additional 20% ownership of its subsidiary Hanay Trading Company Limited for an additional consideration of SR 2 million.

1.2 Interest in equity accounted investees

Name of investees	Activities	Country of Incorporation	31 December 2022	31 December 2021
Felix Airways Limited (FAL)	Travel business	Yemen	30%	30%
Taqniatech Company for Communication Technology JV (TAQJV)	Telecommunication services	KSA	70%	70%
Al Tayyar Travel and Tourism – Abu Dhabi (TTAD)	Travel business	UAE	49%	49%
Voyage Amro Travel (VAT)	Travel business	Canada	49%	49%
2share United Communication Company (TUCC)	Call Centre services	KSA	35%	35%
Net Tours & Travels LLC (NT)	Tourism business	UAE	44.3%	44.3%
Saudi Heritage Hospitality Company (SHHC)	Hospitality services	KSA	20%	20%
Equinox Group Limited (EGL)	Hospitality services	UAE	40%	40%
Wadi Middle East S.A.R.L (WME)	Trading companies and distributors	LUX	33.3%	33.3%
CHME Limited (CHM)	Hospitality services	UAE	40%	40%
Riyadh Front for Exhibitions and Conventions (RFEC)	Event management services	KSA	40%	40%
My Family Meal for Ready-Made Meals*	Food services	KSA	37%	25%
Barmy Army Limited**	Cricket tour operator and fan subscription membership club	UK	35%	-
Sweetspot Travel Limited***	Team travel services	UK	47.5%	-

*During the year ended 31 December 2022 the Company acquired additional 12% interest in My Family Meal for Ready-Made Meals for a total consideration of SR 30.5 million.

**On 3 May 2022 Destination sports Limited a 100% owned subsidiary acquired 35% interest in Barmy Army Limited incorporated in England and Wales, United Kingdom for a total consideration of GBP 1.7 million equivalent to SR 7.9 million.

***On 14 April 2022, Destination sports acquired 47.5% interest in Sweetspot Travel Limited incorporated in England and Wales, United Kingdom for a for a total consideration of GBP 0.5 million equivalent to SR 2.3 million.

All investments in equity accounted investees have been fully impaired, except for Riyadh Front for Exhibitions and Conventions, My Family Meal for Ready-Made Meals, Barmy Army Limited and Sweetspot Travel Limited.

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.3 Branches

Branch Commercial Registration No.	Date	Location
1010219456	19/04/1427 H	Riyadh
4030152080	12/09/1425 H	Jeddah
5855006990	04/08/1406 H	Khamis Mushait
1010152673	24/10/1419 H	Riyadh
1010163035	22/08/1421 H	Riyadh
1010178558	22/04/1423 H	Riyadh
1010439521	19/02/1437 H	Riyadh
1010503594	10/05/1440 H	Riyadh
1010612837	18/02/1439 H	Riyadh
4651102972	28/10/1442 H	Al'Ula
1010434300	10/08/1436 H	Riyadh
4031049694	08/09/1427 H	Mecca
4031088011	22/12/1435 H	Mecca
4031102267	29/03/1439 H	Mecca
4650069223	21/02/1435 H	Madina
4650083854	03/04/1439 H	Madina
4031081469	05/02/1435 H	Mecca
1131054651	04/01/1436 H	Buraydah
1131054902	20/01/1436 H	Buraydah
4030256388	02/12/1434 H	Jeddah
4030256392	02/12/1434 H	Jeddah
4030256396	02/12/1434 H	Jeddah
1010174917	09/01/1423 H	Riyadh
1010205008	30/11/1425 H	Riyadh
1010259995	29/12/1429 H	Riyadh
1010463216	04/11/1437 H	Riyadh
1010573840	12/08/1440 H	Riyadh
1010573841	12/08/1440 H	Riyadh
1010574896	18/08/1440 H	Riyadh
4030285386	08/01/1437 H	Jeddah
4031095226	28/04/1437 H	Mecca
4031100817	25/11/1437 H	Mecca
4032029825	23/03/1431 H	Taif
4031235678	04/06/1441 H	Mecca
1010691384	18/07/1442 H	Riyadh
1010727184	28/11/1442 H	Riyadh
1010739576	29/01/1443 H	Riyadh
4030419560	12/11/1442 H	Jeddah
4030427962	25/01/1443 H	Jeddah
4030294438	27/07/1438 H	Jeddah
1010174914	09/01/1423 H	Riyadh
1010602932	10/03/1441 H	Riyadh
1010613744	30/03/1439 H	Riyadh
1131019984	10/05/1425 H	Buraydah
2051035800	10/11/1428 H	Al-Khobar
3550023790	28/05/1429 H	Tabuk
4030139646	01/06/1423 H	Jeddah
4650040877	25/02/1429 H	Madina
1010174899	09/01/1423 H	Riyadh
1010174900	09/01/1423 H	Riyadh
1010174915	09/01/1423 H	Riyadh
1010174918	09/01/1423 H	Riyadh
1010174920	09/01/1423 H	Riyadh
1010342346	28/07/1433 H	Riyadh

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
1010698814	24/08/1442 H	Riyadh
1010803596	01/11/1443 H	Riyadh
1011010938	19/10/1427 H	Al Kharj
1128005977	15/06/1425 H	Unayzah
1131017048	21/05/1423 H	Buraydah
1131057452	05/05/1438 H	Buraydah
1132003408	25/04/1428 H	Al Russ
2050079094	24/12/1432 H	Dammam
2051026830	07/08/1423 H	Al-Khobar
2051030710	20/01/1426 H	Al-Khobar
2051228900	22/04/1441 H	Al-Khobar
2055010609	16/06/1430 H	Al Jubail
2251496035	22/04/1441 H	Al Hofuf
3350017317	18/01/1425 H	Hail
3400019814	18/07/1437 H	Skaka
3451002721	01/07/1435 H	Turaif
3453004317	23/06/1435 H	Rafha
3550021381	01/12/1425 H	Tabuk
1010698814	24/08/1442 H	Riyadh
1010803596	01/11/1443 H	Riyadh
1011010938	19/10/1427 H	Al Kharj
1128005977	15/06/1425 H	Unayzah
1131017048	21/05/1423 H	Buraydah
1131057452	05/05/1438 H	Buraydah
1132003408	25/04/1428 H	Al Russ
2050079094	24/12/1432 H	Dammam
2051026830	07/08/1423 H	Al-Khobar
2051030710	20/01/1426 H	Al-Khobar
2051228900	22/04/1441 H	Al-Khobar
2055010609	16/06/1430 H	Al Jubail
2251496035	22/04/1441 H	Al Hofuf
3350017317	18/01/1425 H	Hail
3400019814	18/07/1437 H	Skaka
3451002721	01/07/1435 H	Turaif
3453004317	23/06/1435 H	Rafha
3550021381	01/12/1425 H	Tabuk
1010698814	24/08/1442 H	Riyadh
1010803596	01/11/1443 H	Riyadh
1011010938	19/10/1427 H	Al Kharj
1128005977	15/06/1425 H	Unayzah
1131017048	21/05/1423 H	Buraydah
1131057452	05/05/1438 H	Buraydah
1132003408	25/04/1428 H	Al Russ
2050079094	24/12/1432 H	Dammam
2051026830	08/07/1423 H	Al-Khobar
2051030710	20/01/1426 H	Al-Khobar
2051228900	22/04/1441 H	Al-Khobar
2055010609	16/06/1430 H	Al Jubail
2251496035	22/04/1441 H	Al Hofuf
3350017317	18/01/1425 H	Hail
3400019814	18/07/1437 H	Skaka
3451002721	01/07/1435 H	Turaif
3453004317	23/06/1435 H	Rafha
3550021381	01/12/1425 H	Tabuk
3550023792	28/05/1429 H	Tabuk

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
3550026438	11/03/1432 H	Tabuk
4030139615	27/05/1423 H	Jeddah
4030143742	07/05/1424 H	Jeddah
4030225154	25/04/1433 H	Jeddah
4030229075	05/07/1433 H	Jeddah
4030289739	25/08/1437 H	Jeddah
4030306833	17/11/1439 H	Jeddah
4031048640	25/11/1426 H	Mecca
4031080879	14/01/1435 H	Mecca
4032023506	13/01/1424 H	Taif
4032027669	26/05/1429 H	Taif
4032033171	16/06/1435 H	Taif
4650055547	04/05/1433 H	Madina
4650202118	01/12/1439 H	Madina
4700009058	01/12/1425 H	Yanbu
4700009073	03/01/1426 H	Yanbu
5850053522	15/08/1434 H	Abha
5850068157	02/04/1436 H	Abha
3550026438	11/03/1432 H	Tabuk
4030139615	27/05/1423 H	Jeddah
4030143742	07/05/1424 H	Jeddah
4030225154	25/04/1433 H	Jeddah
4030229075	05/07/1433 H	Jeddah
4030289739	25/08/1437 H	Jeddah
4030306833	17/11/1439 H	Jeddah
4031048640	25/11/1426 H	Mecca
4031080879	14/01/1435 H	Mecca
4032023506	13/01/1424 H	Taif
4032027669	26/05/1429 H	Taif
4032033171	16/06/1433 H	Taif
4650055547	04/05/1433 H	Madina
4650202118	01/12/1439 H	Madina
4700009058	01/12/1425 H	Yanbu
4700009073	03/01/1426 H	Yanbu
5850053522	15/08/1434 H	Abha
5850068157	02/04/1436 H	Abha
3550026438	11/03/1432 H	Tabuk
4030139615	27/05/1423 H	Jeddah
4030143742	07/05/1423 H	Jeddah
4030225154	25/04/1433 H	Jeddah
4030229075	05/07/1433 H	Jeddah
4030289739	25/08/1437 H	Jeddah
4030306833	17/11/1439 H	Jeddah
4031048640	25/11/1426 H	Mecca
4031080879	14/01/1435 H	Mecca
4032023506	13/01/1424 H	Taif
4032027669	26/05/1429 H	Taif
4032033171	16/06/1433 H	Taif
4650055547	04/05/1433 H	Madina
4650202118	01/12/1439 H	Madina
4700009058	01/12/1425 H	Yanbu
4700009073	03/01/1426 H	Yanbu
5850053522	15/08/1434 H	Abha
5850068157	02/04/1436 H	Abha

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
5855339863	15/09/1439 H	Khamis Mushait
5900010282	06/02/1426 H	Jazan
1010148875	26/10/1418 H	Riyadh
1010174974	10/01/1423 H	Riyadh
1010280241	04/03/1431 H	Riyadh
1010315925	16/10/1432 H	Riyadh
1010374984	03/07/1434 H	Riyadh
1010395001	16/01/1435 H	Riyadh
1010421750	22/10/1435 H	Riyadh
1010595871	20/01/1441 H	Riyadh
1131037213	04/11/1432 H	Buraydah
1131056611	16/04/1437 H	Buraydah
2050078020	22/10/1432 H	Dammam
2051046624	22/10/1432 H	Al-Khobar
2051058335	09/10/1435 H	Al-Khobar
3400019730	24/04/1437 H	Skaka
4030154855	01/03/1426 H	Jeddah
4030168092	13/03/1428 H	Jeddah
4030194530	16/11/1430 H	Jeddah
4030274476	09/10/1435 H	Jeddah
4030304459	16/09/1439 H	Jeddah
4650079802	29/01/1437 H	Madina
4700017817	06/07/1435 H	Yanbu
1010079694	06/04/1411 H	Riyadh
1010324433	13/02/1433 H	Riyadh
1010567276	18/07/1440 H	Riyadh
1010569335	27/07/1440 H	Riyadh
1010599904	18/02/1441 H	Riyadh
1010599908	18/02/1441 H	Riyadh
1010616188	11/04/1441 H	Riyadh
1010627470	23/06/1441 H	Riyadh
1010638731	22/10/1441 H	Riyadh
1010678326	19/05/1442 H	Riyadh
1010695162	08/08/1442 H	Riyadh
1010788058	04/08/1443 H	Riyadh
1131298375	21/07/1440 H	Buraydah
2050085522	11/10/1433 H	Dammam
2050125982	16/09/1440 H	Dammam
2050125983	16/09/1440 H	Dammam
2050125984	16/09/1440 H	Dammam
2051226156	16/09/1440 H	Al-Khobar
2051228260	08/03/1441 H	Al-Khobar
2055026257	11/02/1439 H	Al Jubail
2055126812	08/03/1441 H	Al Jubail
2251495553	09/02/1441 H	Al-Hofuf
3350161126	21/12/1443 H	Hail
3350162620	08/04/1444 H	Hail
3400120071	10/02/1442 H	Skaka
3550129516	27/10/1440 H	Tabuk
3550134190	05/02/1442 H	Tabuk
3550146188	05/01/1444 H	Tabuk
3550146264	06/01/1444 H	Tabuk
3552101601	05/02/1442 H	Al Wajh
4030279663	08/03/1436 H	Jeddah

(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS (continued)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
4030293122	05/05/1438 H	Jeddah
4030367715	18/02/1441 H	Jeddah
4030367717	18/02/1441 H	Jeddah
4030368604	02/03/1441 H	Jeddah
4030369035	08/03/1441 H	Jeddah
4031234013	11/04/1441 H	Mecca
4031268637	03/01/1444 H	Mecca
4032251684	10/01/1443 H	Taif
4650077802	10/05/1436 H	Madina
4650215319	08/03/1441 H	Madina
4650245988	27/11/1443 H	Madina
4651102370	20/04/1441 H	Al'Ula
4651102639	05/02/1442 H	Al'Ula
4700020105	20/02/1438 H	Yanbu
4700020204	10/06/1438 H	Yanbu
4700112044	05/02/1442 H	Yanbu
5800106763	13/11/1442 H	Baha
5855070552	05/05/1438 H	Khamis Mushait
5900120565	08/03/1441 H	Jazan
5900137507	09/04/1444 H	Jazan
4030293122	05/05/1438 H	Jeddah
4030367715	18/02/1441 H	Jeddah
4030367717	18/02/1441 H	Jeddah
4030368604	02/03/1441 H	Jeddah
4030369035	08/03/1441 H	Jeddah
4031234013	11/04/1441 H	Mecca
4031268637	03/01/1444 H	Mecca
4032251684	10/01/1443 H	Taif
4650077802	10/05/1436 H	Madina
4650215319	08/03/1441 H	Madina
4650245988	27/11/1443 H	Madina
4651102370	20/04/1441 H	Al'Ula
4651102639	05/04/1442 H	Al'Ula
4700020105	20/02/1438 H	Yanbu
4700020204	10/06/1438 H	Yanbu
4700112044	05/02/1442 H	Yanbu
5800106763	13/11/1442 H	Baha
5855070552	05/05/1438 H	Khamis Mushait
5900120565	08/03/1441 H	Jazan
5900137507	09/04/1444 H	Jazan

2. STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

(Saudi Riyals)

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective in current year

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Group, prior to the application of the amendments, did not have any onerous contracts.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of Property, Plant and Equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such samples, together with the costs of producing them, are now recognized in consolidated statement of profit or loss and other comprehensive income.

These amendments had no impact on consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9 & IFRS 16)

- IFRS 1: Subsidiary as a First-time Adopter (FTA)
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

3.2 New standards, interpretations and amendments not yet effective

Standards	Title	Effective date
IAS 1 and IFRS practice statement 2	Disclosure of Accounting policies	1 January 2023
IAS 8	Definition of Accounting Estimate	1 January 2023
IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 16	Amendment – Liability in a Sale and Leaseback	1 January 2024
IAS 1	(Amendment – Classification of Liabilities as Current or Non-current)	1 January 2024
IAS 1	(Amendment – Non-current Liabilities with Covenants)	1 January 2024

3.3 Others

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

The Company is yet to assess the impact of the above amendments in its financial statements.

4. BASIS OF PREPARATION

4.1 Overall considerations

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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in note 6.

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

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

- Financial assets at fair value through other profit or loss;
- Financial assets at fair value through other comprehensive income;
- Financial assets at amortised cost;
- Trade receivables at amortised cost;
- Loans and borrowings at amortised cost;
- Share based payments at Fair value: and
- Defined benefits plan are measured at present value of future obligations using projected unit credit method.

4.2 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022.

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. 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, or rights, to variable returns from its involvement in 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. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the Group’s voting rights and potential voting rights.

The Group re-assesses 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 year 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 Group 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 subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, unrealized income and expenses and cash flows relating to transactions are eliminated in full on consolidation.

Non-controlling interest are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4. BASIS OF PREPARATION (continued)

4.2 Basis of consolidation (continued)

Business combination (continued)

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

Any contingent consideration to be transferred is recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is remeasured at fair value at each reporting date with the changes in fair value recognized in consolidated statement of profit or loss and other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, 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 to be 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 the gain is recognized in consolidated statement of profit or loss and other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, if any.

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

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

Subsidiaries

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

Non-controlling interests (NCI)

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

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Recognizes the fair value of the consideration received, fair value of any investment retained, any surplus or deficit in consolidated statement of profit or loss and other comprehensive income and reclassifies the Group's share of components previously recognized in consolidated statement of other comprehensive income to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

4. BASIS OF PREPARATION (continued)

4.2 Basis of consolidation (continued)

Transactions eliminated on consolidation

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

4.3 Financial year end

The Group's financial year starts from 1 January to 31 December in each Gregorian calendar year.

4.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Saudi Riyal ("SR"), which is the Company's functional currency.

5. USE OF JUDGEMENT AND ESTIMATES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Determining whether the Group or component of the Group is acting as an agent or principal

Principles of IFRS 15 are applied by identifying each specified (i.e. distinct) good or service promised to the customer in the contract and evaluating whether the entity under consideration obtains control of the specified good or service before it is transferred to the customer. This assessment requires significant judgment based on specific facts and circumstances to determine whether the Group acts as a principal or agent.

Acquisition of subsidiary

Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

Determination of fair value for disposal group

Fair value less costs to sell of the disposal group on the basis of significant unobservable inputs.

Assessment of significant influence

Where the Group holds less than 20% of voting rights in an investment but the Group has the power to exercise significant influence, such an investment is treated as an associate. In the opposite situation where the Group holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as a fair value through profit or loss or fair value through other comprehensive income (based on management decision).

Impairment of trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The allowance for expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade accounts receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Useful lives and residual values of property and equipment and intangible assets

An estimate of the useful lives and residual values of property and equipment and intangible assets is made for the purposes of calculating depreciation and amortization, respectively. These estimates are made based on the expected useful lives of relevant assets. Residual value is determined based on experience and observable data where available.

The useful lives and residual values of the Group's assets are determined by management based on technical evaluation at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as an anticipation of future events which may impact their life such as changes in technology.

5. USE OF JUDGEMENT AND ESTIMATES (continued)

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions are related to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

Employees' end of service benefits

The cost of employee benefit obligations and other after-service benefits are determined by actuarial valuation exercises. The actuarial estimates involve making many assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and future salary increases. Given the complexity of the estimates and the underlying assumptions and their long-term nature, the commitment of the employees' benefits is greatly influenced by changes in these assumptions. All inputs are reviewed at the end of each financial year.

Estimate of zakat, current and deferred income taxes

The Group's Zakat and tax charge on ordinary activities is the sum of the total zakat, current and deferred tax charges. The calculation of the Group's zakat and total taxes charge involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Recognition and measurement of provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on cost estimation, considering legal advice and other available information.

Leases

The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options and the determination of incremental borrowing rate used to measure the lease liabilities.

5.1 Measurement of fair values

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

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

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

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

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Change in significant accounting policy

Covid-19-Related Rent Concessions (the 2020 amendments) to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. The Company has received Covid-19-related rent concessions and applied the practical expedient where applicable within allowed period of application as disclosed in note 20. SR nil 31 Dec 2022 (31 Dec 2021: SR 1.9 million)

6.2 Foreign currency translation

Foreign currency transactions and balances

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

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

Foreign operations

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

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

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

6.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, if any, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure

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

Derecognition

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.3 Property and equipment (continued)

Depreciation

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

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

Description	Number of years
• Buildings	50 years
• Furniture and fixtures	7-10 years
• Office equipment	5 years
• Vehicles	4 years
• Air conditioners	7 years
• Telecom & security systems	7 years
• Tools & hardware	7 years
• Right of use assets	Over the lease term

Depreciation methods, estimated useful lives and residual values are reviewed annually and revised if the current methods, estimated useful lives or residual values are different from that estimated previously. The effect of such changes is recognized in the consolidated statements of profit or loss and other comprehensive income prospectively.

6.4 Assets under construction and development

Assets under construction and development are stated at cost and not depreciated. Depreciation on assets under construction and development commences when the assets are ready for their intended use. When assets are ready for their intended use, they are transferred to property and equipment or intangible asset based on the nature of asset. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the time that is required to complete and prepare the asset for its intended use.

6.5 Intangible assets and goodwill

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Intangible assets acquired separately are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives, less accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Internally generated intangible assets, excluding development costs, are not capitalized and expenditure is recognized in the statement of profit or loss and other comprehensive income when it is incurred.

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

The Group does not have any intangible assets with an indefinite life except goodwill.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized

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

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

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

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.5 Intangible assets and goodwill (continued)

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, if any, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in the cost at its acquisition-date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through Consolidated statement of profit or loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognized immediately as an expense.

Goodwill is capitalized as an intangible asset with any impairment in carrying value being charged to the consolidated statement of profit or loss and other comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of the consideration paid, the excess is credited in full to the consolidated statement of profit or loss and other comprehensive income on the acquisition date.

6.6 Business combinations

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

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

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

All contingent consideration (except that which is classified as equity) is remeasured at fair value at each reporting date with the changes in fair value recognized in consolidated statement of profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

6.7 Investment in subsidiaries

Where the company has control over an investee, it is classified as a subsidiary. The company control an investee if all three of the following elements are present:
- power over the investee;
- exposure to variable returns from the investee; and
- the ability of the investor to use its power to affect those variable returns

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group; plus
- any costs directly attributable to the acquisition of the subsidiary.

All subsidiaries have a reporting date of 31 December.

6.8 Investment properties

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

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.8 Investment properties (continued)

Cost model

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

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

The estimated useful lives of components of investment properties for current and comparative periods are as follows:

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

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

6.9 Impairment testing of 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 an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

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

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

6.10 Financial Instruments

i Financial assets

The Group classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss (FVTPL)

Financial assets fair valued through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of profit or loss in the other income or expense line.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.10 Financial Instruments (continued)

i Financial assets (continued)

Fair value through other comprehensive income (FVOCI)

Financial assets fair valued through other comprehensive income are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserves. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to statement of profit or loss and other comprehensive income.

The Group has a number of investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has the option to make an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognized on the settlement date. Any change in fair value between trade date and settlement date is recognized in the fair value through other comprehensive income reserves.

Amortized cost

These assets arise principally from the provision of goods and services to customers and incorporate other types of financial assets where the objective is to hold these assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They have initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables including related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's financial assets measured at amortized cost comprise trade and other receivable, investments, due from related party and cash and cash equivalents in the consolidated statement of financial position.

Subsequent measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- 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.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.10 Financial Instruments (continued)

Subsequent measurement of financial assets (continued)

Debt/ equity instruments that meet the following conditions are measured subsequently at FVOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at FVTPL.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to assets are presented separately in the statement of profit or loss account.

De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

ii Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

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

Other financial liabilities

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

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

The Group's financial liabilities measured at amortized cost comprises of loans and borrowings, trade and other payables and due to related parties.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

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

6.11 Investment in equity-accounted investees

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.11 Investment in equity-accounted investees (continued)

Profits and losses arising on transactions between the Group and its equity-accounted investees are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

6.12 Non-current assets held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

6.13 Cash and cash equivalents

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

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

6.14 Equity, reserves, dividends and treasury shares

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

Retained earnings include all current and prior period profits.

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

Share premium
Share premium represents the excess consideration received by the Group over the par value of ordinary shares issued, and is classified as equity.Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from share premium.

Treasury shares

Treasury shares represent owned equity instruments, for discharging obligation under the Employee Stock Option Program (“ESOP”), recognized at cost, presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares.

Other reserves

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

i. Foreign currency translation reserve

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

ii. Fair value reserve

The fair value reserve comprises gains and losses on the fair value movements of the Group’s financial assets classified as fair value through other comprehensive income.

iii. Staff general reserve fund

The staff general fund reserve comprises of 1% of profit before zakat after taking the effect of charity fund reserve. Any fund utilized is for the welfare of the Company’s staff.

iv. Employee share option reserve

The employee share option reserve comprises of share based payment expense recognized as a result of shares granted to employees as a result of equity settled share-based payments under Employee share option.

v. Charity fund reserve

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.14 Equity, reserves, dividends and treasury shares (continued)

Statutory reserve

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

Dividend payments

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

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in profit or loss.

6.15 Leases

At inception of a 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.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.15 Leases (continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Accounting as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6.16 Employees' end of service benefits

Short-term employee benefits

A liability is recognized for benefits accruing to employees' in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

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

Defined benefit plans

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost and past service cost);
- interest expense; and
- Re-measurements

The Group presents the first two components of defined benefit costs in profit or loss and the third component in other comprehensive income, in relevant line items.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.17 Zakat and income tax

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

Zakat and foreign subsidiaries income tax are charged in statement of profit or loss and other comprehensive income.

Current tax

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

Deferred tax

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

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

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

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

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

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

6.18 Provisions

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

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

6.19 Borrowing costs

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.20 Share-based payments

Employees of the Group are entitled for remuneration in the form of equity settled share-based payments under ESOP, whereby employees render services as consideration for the option to purchase agreed number of Company's shares ("Option") at a predetermined price.

The cost of ESOP is recognized as an expense in the consolidated statement of profit or loss and other comprehensive income, together with a corresponding increase in other reserves, in equity, over the period during which the service conditions are fulfilled.

The Group has set up an economic hedge by issuing treasury shares at the inception of ESOP. Accordingly, the other reserves (representing the cumulative expense arising from ESOP) is transferred to retained earnings upon expiry of ESOP, whether or not the Options vest to the employees.

The cumulative expense recognized for ESOP at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of Options that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

When the terms of ESOP are modified, the minimum expense recognized is the expense assuming the terms had not been modified, if the original terms of the award are met. Additional expense is recognized for any modification that increases the total fair value of the share-based payments transaction, or is otherwise beneficial to the employee as measured at the date of the modification.

When ESOP is terminated, it is treated as the Option vested on the date of termination, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new ESOP is substituted for the terminated ESOP, and designated as a replacement award on the date that it is granted, the terminated and new ESOPs are treated as a modification of the original ESOP, as described above.

6.21 Revenue

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

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

Ticketing segment

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

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

Service Fee

The Group recognizes revenue for service fee charge on each booking made and recorded at a point in time

GDS commission

The Group recognizes revenue based on the contractual arrangement with Amadeus for each booking made through Amadeus system. Revenue recorded is the commission earned at a point in time.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.21 Revenue (continued)

Tourism segment

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

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

Transportation segment

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

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

Property rentals segment

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

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6.21 Revenue (continued)

Hospitality segment

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

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

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

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

Others

Other revenue includes sundry services such as insurance brokerage, triptyque and international driving license. All these revenues are recorded at a point in time.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

6.22 Payables and accruals

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

6.23 Finance income and finance costs

The Group's finance income and finance costs include:

- Tawaruq / Murabaha income on Sharia Compliant facilities and profit margin on other facilities;
- Commission income of government sukuks
- Tawaruq / Murabaha charges on Sharia Compliant facilities and profit on other facilities;

Tawaruq / Murabaha income/expense on Sharia Compliant facilities and profit income/expense on other facilities is recognized using the effective interest method.

6.24 Operating expenses

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

6.25 Selling, administrative and other expenses

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

(Saudi Riyals)

7. PROPERTY AND EQUIPMENT

	Land & buildings	**Furniture & fixtures**	**Office equipment**	**Vehicles****	**Air conditioners**	**Telecom & security systems**	**Tools & hardware**	**Right-of-use assets**	**Total**
Cost:									
Balance at 1 January 2021	2,961,931,211	241,547,401	109,303,261	916,525,103	34,221,689	38,187,226	36,454,839	105,906,202	4,444,076,932
Additions	8,894,744	7,429,753	5,974,412	601,179,193	310,018	1,548,542	2,376,461	30,965,588	658,678,711
Acquisition through business combination	-	4,300	42,314	233,076	-	-	-	-	279,690
Transfer from assets under construction	15,443,629	9,664,005	-	-	-	-	-	-	25,107,634
Disposals during the year	(279,453,500)	(29,316,227)	(3,022,677)	(131,768,341)	(418,495)	(403,168)	(675,155)	-	(445,057,563)
Effect of movement in exchange rates	16,752	(105,440)	(108,303)	(1,666)	506	645	63	(221,741)	(419,184)
Balance at 31 December 2021	2,706,832,836	229,223,792	112,189,007	1,386,167,365	34,113,718	39,333,245	38,156,208	136,650,049	4,682,666,220
Additions**	**520,722**	**22,195,741**	**6,368,172**	**812,871,508**	**260,989**	**6,369,652**	**266,325**	**137,841,320**	**986,694,429**
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Transfer from assets under construction*	**165,397,254**	**20,807,288**	**4,143,038**	-	**18,731,123**	**9,892,424**	**7,302,967**	-	**226,274,094**
Disposals during the year	**(315,262,044)**	**(68,819,029)**	**(23,394,333)**	**(284,250,188)**	**(23,477,127)**	**(19,160,962)**	**(7,852,257)**	**(4,042,754)**	**(746,258,694)**
Effect of movement in exchange rates	**(5,164,045)**	**(3,020,790)**	**(3,432,976)**	**(181,831)**	**(97,619)**	**(273,478)**	**(12,328)**	**(2,661,711)**	**(14,844,778)**
Balance at 31 December 2022	**2,552,324,723**	**200,387,002**	**95,872,908**	**1,914,606,854**	**29,531,084**	**36,160,881**	**37,860,915**	**267,786,904**	**5,134,531,271**

***** During the financial year 2022 ,the Group has transferred a cumulative amount of SR 226 million from assets under construction which primarily relates to hotel project amounting to SR 220 million and IT infrastructure relating to SR 6 million.

** Vehicle additions primarily relates to the transportation segment of the Group.

(Saudi Riyals)

7. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office Equipment	Vehicles	Air Conditioners	Telecom & Security systems	Tools & Hardware	Right-of-use assets	Total
Accumulated depreciation:									
Balance at 1 January 2021	438,614,873	140,714,527	63,977,236	208,558,375	23,889,100	25,343,710	14,152,003	31,078,828	946,328,652
Charge for the year	12,748,760	26,977,648	16,806,260	200,907,295	3,335,714	5,385,985	3,202,372	21,725,497	291,089,531
Acquisition through business combinations	-	2,078	37,314	184,518	-	-	-	-	223,910
Elimination on disposals	(67,620,846)	(19,649,095)	(2,377,751)	(71,616,210)	(332,169)	(255,575)	(544,878)	-	(162,396,524)
Effect of movement in exchange rates	(2,313)	(52,210)	(92,238)	(1,711)	454	601	19	(159,122)	(306,520)
Balance at 31 December 2021 (reported)	383,740,474	147,992,948	78,350,821	338,032,267	26,893,099	30,474,721	16,809,516	52,645,203	1,074,939,049
Impact of restatement (note 39)	-	-	658,588	-	-	-	-	(931,584)	(272,996)
Balance at 31 December 2021 (restated)	383,740,474	147,992,948	79,009,409	338,032,267	26,893,099	30,474,721	16,809,516	51,713,619	1,074,666,053
Charge for the year	**13,837,754**	**27,208,988**	**12,524,670**	**251,123,293**	**5,103,545**	**5,887,072**	**4,087,065**	**37,140,157**	**356,912,544**
Acquisition through business combinations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Elimination on disposals	**(75,252,228)**	**(28,961,181)**	**(14,190,698)**	**(147,669,009)**	**(6,196,448)**	**(9,881,974)**	**(806,506)**	**(3,895,176)**	**(286,853,220)**
Effect of movement in exchange rates	**(800,956)**	**(1,496,585)**	**(1,783,872)**	**(110,988)**	**(91,563)**	**(135,689)**	**(6,454)**	**(1,536,538)**	**(5,962,645)**
Balance at 31 December 2022	**321,525,044**	**144,744,170**	**75,559,509**	**441,375,563**	**25,708,633**	**26,344,130**	**20,083,621**	**83,422,062**	**1,138,762,732**
Carrying amounts:									
At 31 December 2020	2,523,316,338	100,832,874	45,326,025	707,966,728	10,332,589	12,843,516	22,302,836	74,827,374	3,497,748,280
At 31 December 2021 (restated)	2,323,092,362	81,230,844	33,179,598	1,048,135,098	7,220,619	8,858,524	21,346,692	84,936,430	3,608,000,167
At 31 December 2022	**2,230,799,679**	**55,642,832**	**20,313,399**	**1,473,231,291**	**3,822,451**	**9,816,751**	**17,777,294**	**184,364,842**	**3,995,768,539**

Land and buildings include lands amounting to SR 1.8 billion (31 December 2021: SR 1.9 billion) which are not depreciated. Included within the vehicles is a net book value amount of SR 1.5 billion (31 December 2021: 1 billion) in respect of vehicles used in the car rental business to customers.

(Saudi Riyals)

7. PROPERTY AND EQUIPMENT (continued)

Depreciation charge for the year has been allocated as follows:

	31 December 2022	31 December 2021 (restated)
Cost of revenue (note 29)	**315,337,202**	245,465,457
Selling expenses (note 30)	**17,981,085**	19,604,316
Administrative expenses (note 31)	**23,594,257**	25,746,762
	356,912,544	290,816,535

During the year, the management conducted a review of residual value of its revenue earning vehicles, which resulted in changes in the residual value of certain revenue earning vehicles. As a result, its estimated residual value increased. The effect of these changes on actual and expected depreciation expense, included in cost of sales, was as follows.

Description	**2022**	**2023**	**2024**	**2025**	**Later**
Depreciation with change in estimate	241,648,997	191,784,769	106,591,951	40,246,713	21,881,001
Depreciation without change in estimate	272,440,255	263,953,464	148,343,814	59,129,686	29,123,838
Increase/(decrease) in depreciation charge	(30,791,258)	(72,168,695)	(41,751,863)	(18,882,973)	(7,242,837)

8. ASSETS UNDER CONSTRUCTION AND DEVELOPMENT

	Hotel Projects	**Administrative offices and branches projects**	**CRM data integration project**	**Service center**	**ERP software development**	**Total**
Balance at 1 January 2021	221,189,755	9,178,736	5,617,218	3,522,238	63,500,735	303,008,682
Re-classification	-	15,639,431	-	-	(15,639,431)	-
Additions	19,871,484	7,783,830	-	6,696	726,753	28,388,763
Transfer to property and equipment (note 7)	(560,789)	(24,546,845)	-	-	-	(25,107,634)
Transfer to intangible assets and goodwill (note 10)	-	-	(5,617,218)	-	(48,271,152)	(53,888,370)
Impairment	(1,852,194)	-	-	-	-	(1,852,194)
Balance at 31 December 2021	238,648,256	8,055,152	-	3,528,934	316,905	250,549,247
Additions	**9,104,642**	**18,771,267**	**-**	**-**	**1,084,532**	**28,960,441**
Transfer to property and equipment (note 7)	**(219,542,800)**	**(6,210,833)**	**-**	**-**	**(520,461)**	**(226,274,094)**
Transfer to intangible assets and goodwill (note 10)	**-**	**(520,470)**		**-**	**-**	**(520,470)**
Effect of movement in exchange rates	**-**	**-**	**-**	**(1,252,383)**	**-**	**(1,252,383)**
Balance at 31 December 2022	**28,210,098**	**20,095,116**	**-**	**2,276,551**	**880,976**	**51,462,741**

(Saudi Riyals)

9. CAPITAL WORK IN PROGRESS – RECOVERABLE ON DISPOSAL

	31 December 2022	31 December 2021
Capital work in progress	**359,747,097**	359,747,097

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

In the opinion of management, there has been no impairment in the carrying value of the Group's capital work in progress - recoverable on disposal as at 31 December 2022 (31 December 2021: SR nil).

10. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	**Software**	**Brand name**	**Customer list**	**Total**
Cost					
Balance at 1 January 2021	290,951,115	270,660,368	31,429,867	21,321,483	614,362,833
Additions	26,034,788	1,981,184	774,372	-	28,790,344
Transfer from assets under development	-	53,888,370	-	-	53,888,370
Effect of movement in exchange rates	-	(752,935)	-	-	(752,935)
Balance at 31 December 2021 (previously reported)	316,985,903	325,776,987	32,204,239	21,321,483	696,288,612
Impact of restatement (note 39 H)	(11,558,076)	-	3,596,670	7,961,406	-
Balance at 31 December 2021 (restated)	305,427,827	325,776,987	35,800,909	29,282,889	696,288,612
Additions	**-**	**4,718,101**	**-**	**-**	**4,718,101**
Acquisition through business combinations	**10,469,349**	**213,766**	**1,584,148**	**11,269,224**	**23,536,487**
Disposal	**-**	**(544,400)**	**(774,375)**	**-**	**(1,318,775)**
Transfer from assets under development	**-**	**520,470**	**-**	**-**	**520,470**
Effect of movement in exchange rates	**(3,109,199)**	**(2,117,918)**	**(515,301)**	**(1,140,645)**	**(6,883,063)**
Balance at 31 December 2022	**312,787,977**	**328,567,006**	**36,095,381**	**39,411,468**	**716,861,832**
Accumulated amortization and impairment					
Balance at 1 January 2021	290,951,115	213,490,459	31,429,867	21,321,483	557,192,924
Amortization	-	18,637,548	-	-	18,637,548
Impairments	-	-	-	-	-
Effect of movement in exchange rates	-	(597,421)	-	-	(597,421)
Balance at 31 December 2021	290,951,115	231,530,586	31,429,867	21,321,483	575,233,051
Amortization	**-**	**28,370,845**	**631,557**	**1,445,181**	**30,447,583**
Disposal	**-**	**(79,027)**	**(28,093)**	**-**	**(107,120)**
Impairment (refer note 35)	**-**	**16,919,607**	**-**	**-**	**16,919,607**
Effect of movement in exchange rates	**-**	**(1,309,316)**	**(10,347)**	**(26,124)**	**(1,345,787)**
Balance at 31 December 2022	**290,951,115**	**275,432,695**	**32,022,984**	**22,740,540**	**621,147,334**
Carrying amounts					
At 31 December 2020	-	57,169,909	-	-	57,169,909
At 31 December 2021 (restated)	14,476,712	94,246,401	4,371,042	7,961,406	121,055,561
At 31 December 2022	**21,836,862**	**53,134,311**	**4,072,397**	**16,670,928**	**95,714,498**

Amortization charge for the year has been allocated as follows:

	31 December 2022	31 December 2021
Cost of revenue (note 29)	**8,453,201**	5,202,759
Selling expenses (note 30)	**9,763,833**	5,968,517
Administrative expenses (note 31)	**12,230,549**	7,466,272
	30,447,583	18,637,548

(Saudi Riyals)

10. INTANGIBLE ASSETS AND GOODWILL (continued)

On 1 July 2022, Portman Group Holdings Limited (100% owned subsidiary of the Company) acquired 100% shareholding of Marathon Tours, Inc., incorporated in Massachusetts, United States of America for a total consideration of SR 29.4 million. As a result of fair valuation of identified assets and liabilities, disclosed below, a goodwill of SR 10.5 million is recorded in these consolidated financial statements.

	Fair Value Recognized on Acquisition
Assets	
Property and equipment	**49,612**
Intangibles	**13,067,138**
Prepayments and other receivables	**13,253,003**
Cash and cash equivalents	**20,321,995**
	46,691,748
Liabilities	
Trade payables and other payables	**(27,775,301)**
Fair value of the identifiable net assets	**18,916,447**
Goodwill recognized	**10,469,349**
Purchase consideration transferred	**29,385,796**
Total acquisition cost:	
Cash consideration	**29,385,796**
Cash outflow on acquisition	
Net cash acquired with the subsidiaries	**20,321,995**
Cash paid	**(29,385,796)**
Net cash outflow	**(9,063,801)**

For the year ended 31 December 2022, Marathon Tours Inc. contributed revenue of SR 22.8 million and profit of SR 4.3 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue of the Group would have been SR 2,293.5 million and consolidated loss for the year would have been SR 41.5 million.

10.1 Impairment test

The total impairment loss on goodwill with regards to Group's subsidiaries subject to impairment, for all the years up to 31 December 2022 is as follows:

	31 December 2022	31 December 2021
National Travel and Tourism Bureau Limited	**6,212,311**	6,212,311
Al Sarh Travel and Tourism Limited	**11,600,000**	11,600,000
Al Tayyar Tours Company	**26,297,274**	26,297,274
Al Tayyar Rent a Car Company	**13,390,372**	13,390,372
Al Tayyar Holidays Travel Group Company (ATE)	**13,603,448**	13,603,448
Lumi Rental Company	**44,500,000**	44,500,000
Al Mousim Travel and Tours	**13,750,000**	13,750,000
Mawasim Tourism and Umrah Services	**21,235,000**	21,235,000
Elegant Resorts Limited and subsidiaries	**29,560,328**	29,560,328
Al Hanove Tourism and Services Company	**36,156,624**	36,156,624
Mawasem Limited	**11,652,929**	11,652,929
Fayfa Travel & Tourism Agency Company	**16,846,286**	16,846,286
Hanay Trading Company Limited	**7,735,408**	7,735,408
Almosafer Company for Travel and Tourism	**18,434,785**	18,434,785
Ian Allan (Retail and Travel) Limited	**11,813,391**	11,813,391
IF Only Holidays Limited	**8,162,959**	8,162,959
	290,951,115	290,951,115

(Saudi Riyals)

10. INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment testing for CGUs containing goodwill

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

	31 December 2022	31 December 2021 (restated)	31 December 2020
National Travel and Tourism Bureau Limited	**6,212,311**	6,212,311	6,212,311
Al Sarh Travel and Tourism Limited	**11,600,000**	11,600,000	11,600,000
Al Tayyar Tours Company	**26,297,274**	26,297,274	26,297,274
Al Tayyar Rent a Car Company	**13,390,372**	13,390,372	13,390,372
Al Tayyar Holidays Travel Group Company (ATE)	**13,603,448**	13,603,448	13,603,448
Lumi Rental Company	**44,500,000**	44,500,000	44,500,000
Al Mousim Travel and Tours	**13,750,000**	13,750,000	13,750,000
Mawasim Tourism and Umrah Services	**21,235,000**	21,235,000	21,235,000
Elegant Resorts Limited and subsidiaries	**37,517,662**	37,517,662	37,517,662
Al Hanove Tourism and Services Company	**36,156,624**	36,156,624	36,156,624
Mawasem Limited	**11,652,929**	11,652,929	11,652,929
Fayfa Travel & Tourism Agency Company	**16,846,286**	16,846,286	16,846,286
Hanay Trading Company Limited	**7,735,408**	7,735,408	7,735,408
Almosafer Company for Travel and Tourism	**18,434,785**	18,434,785	18,434,785
Ian Allan (Retail and Travel) Limited	**14,993,434**	14,993,434	14,993,434
If Only Holidays Limited	**10,360,345**	10,360,345	10,360,345
Inspiresport Group Limited	**14,476,712**	14,476,712	**-**
Marathon Tours	**10,469,349**	-	-
Foreign exchange loss on disposal	**(16,443,962)**	(13,334,763)	(13,334,763)
	312,787,977	305,427,827	290,951,115

Subsidiaries in the United Kingdom

The recoverable amount of these CGUs was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used. The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	2022	2021
Discount rate	**14.9%**	11%
Terminal value growth rate	**1%**	2%
Budgeted EBITDA growth rate (average of next five years)	**10%**	10%

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

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

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

	Travel and Tours	
	2022	2021
Discount rate	**62%**	37%
Budgeted EBITDA growth rate (average of next five years)	**-**	-

Subsidiaries in the Kingdom of Saudi Arabia

Goodwill on subsidiaries in Kingdom of Saudi Arabia are fully impaired.

(Saudi Riyals)

11. INVESTMENT PROPERTIES

	Land	Buildings	Furniture & fixture	Electrical equipment	Hotel Tools	Total
Cost:						
Balance at 1 January 2022	**482,760,726**	**580,485,310**	**12,191,809**	**1,051,426**	**5,106,664**	**1,081,595,935**
As at 31 December 2022	**482,760,726**	**580,485,310**	**12,191,809**	**1,051,426**	**5,106,664**	**1,081,595,935**
Accumulated depreciation and impairment:						
Balance at 1 January 2021	112,400,931	207,061,330	11,108,905	845,698	4,216,736	335,633,600
Charge for the year	-	9,551,958	1,027,476	125,180	533,522	11,238,136
Elimination on disposal	(6,960,260)	(27,631,807)	-	-	-	(34,592,067)
As at 31 December 2021	**105,440,671**	**188,981,481**	**12,136,381**	**970,878**	**4,750,258**	**312,279,669**
Charge for the year	**-**	**8,842,494**	**55,398**	**80,541**	**356,389**	**9,334,822**
Elimination on disposal	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 December 2022	**105,440,671**	**197,823,975**	**12,191,779**	**1,051,419**	**5,106,647**	**321,614,491**
Carrying amount:						
At 31 December 2021	377,320,055	391,503,829	55,428	80,548	356,406	769,316,266
At 31 December 2022	**377,320,055**	**382,661,335**	**30**	**7**	**17**	**759,981,444**

(Saudi Riyals)

11. INVESTMENT PROPERTIES (continued)

The following amounts have been recognized in profit or loss related to investment properties:

	31 December 2022	31 December 2021
Rental income from investment property	**5,164,869**	6,613,963
Depreciation (note 29)	**9,334,822**	11,238,136

There has been no operational expenses incurred on Investment properties.

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

The fair value of these investment properties is amounting to SR 1,157 million (31 December 2021: SR 1,077 million)

11.1 Measurement of fair values

Fair value hierarchy

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

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

Valuation technique and significant unobservable inputs

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

Significant unobservable inputs used are as follows:

- Expected market rental growth
- Occupancy rate
- Risk-adjusted discount rate 8.5% (31 December 2021: 7%)

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

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

The fair values of investments properties as determined by an independent valuer Bandar Bin Sultan Al-Shenaif as at the reporting date. The valuer is a member of the Saudi Authority of Accredited Valuers.

(Saudi Riyals)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

	31 December 2022	31 December 2021
Balance brought forward	**89,092,339**	53,542,928
Additions	**40,712,119**	18,433,735
Share of profit from investees	**20,132,808**	17,115,676
Dividend	**(34,400,000)**	-
Effect of movement in exchange rates	**2,098**	-
Balance carried forward	**115,539,364**	89,092,339

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

Carrying value of investment in equity accounted investees – Unquoted

	Percentage holding		**Amount**	
Investees name	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
Felix Airways Limited (FAL)	**30%**	30%	**-**	-
Taqniatech Company for Communication Technology JV (TAQJV)	**70%**	70%	**-**	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	**49%**	49%	**-**	-
Voyage Amro Travel (VAT)	**49%**	49%	**-**	-
2Share Emerging Technology (TSET)	**35%**	35%	**-**	-
Net Tours & Travels LLC (NT)	**44.3%**	44.3%	**-**	-
Saudi Heritage Hospitality Company (SHHC)	**20%**	20%	**-**	-
Equinox Group Limited (EGL)	**40%**	40%	**-**	-
Wadi Middle East S.A.R.L. (WME)	**33.3%**	33.3%	**-**	-
CHME Limited (CHM)	**40%**	40%	**-**	-
Riyadh Front for Exhibitions and Conventions	**40%**	40%	**64,297,260**	72,401,649
My Family Meal for Ready-Made Meals*	**37%**	25%	**41,174,102**	16,690,690
Barmy Army Limited**	**35%**	**-**	**7,838,850**	**-**
Sweetspot Travel Limited***	**47.5%**	**-**	**2,229,152**	**-**
			115,539,364	89,092,339

Movement of equity accounted investees - Unquoted

	1 January 2022	**Share of profit / (loss)**	**Additions**	**Dividend**	**Effect of movement in exchange rates**	**31 December 2022**
Riyadh Front for Exhibitions and Conventions	**72,401,649**	**26,295,611**	**-**	**(34,400,000)**	**-**	**64,297,260**
My Family Meal for Ready-Made Meals	**16,690,690**	**(6,046,708)**	**30,530,120**	**-**	**-**	**41,174,102**
Barmy Army Limited	**-**	**(63,910)**	**7,901,605**	**-**	**1,155**	**7,838,850**
Sweetspot Travel Limited	**-**	**(52,185)**	**2,280,394**	**-**	**943**	**2,229,152**
	89,092,339	**20,132,808**	**40,712,119**	**(34,400,000)**	**2,098**	**115,539,364**

Impairment assessment of the equity accounted investees were performed by the management, however, no impairment was identified.

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12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (continued)

Movement of equity accounted investees - Unquoted (continued)

	1 January 2021	Share of profit / (loss)	Additions	Dividend	Effect of movement in exchange rates	31 December 2021
Riyadh Front for Exhibitions and Conventions	53,542,928	18,858,721	-	-	-	72,401,649
My Family Meal for Ready-Made Meals	-	(1,743,045)	18,433,735	-	-	16,690,690
	53,542,928	17,115,676	18,433,735	-	-	89,092,339

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

	Country of incorporation / place of operations	Current assets	Total assets**	Current liabilities	Total liabilities**	Net assets**	Revenues**	Profit/(loss) after tax**
2022								
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	**95,071,561**	**160,087,602**	**43,268,556**	**43,566,265**	**116,521,337**	**120,115,898**	**68,592,883**
My Family Meal for Ready-Made Meals*	Kingdom of Saudi Arabia	**16,591,410**	**25,920,031**	**45,068,995**	**44,862,085**	**(18,942,054)**	**12,437,235**	**(16,342,454)**
2021								
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	114,387,684	193,305,949	145,060,466	145,377,494	47,928,454	72,804,802	47,146,803
My Family Meal for Ready-Made Meals	Kingdom of Saudi Arabia	7,988,238	10,990,649	12,588,197	12,726,022	(1,735,373)	4,631,232	(12,660,923)

	Country of incorporation / listing	Profit/ (loss) after tax**
2022		
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	**68,592,883**
My Family Meal for Ready-Made Meals	Kingdom of Saudi Arabia	**(16,342,454)**
Barmy Army Limited	United Kingdom	**(149,100)**
Sweetspot Travel Limited	United Kingdom	**(127,821)**
		51,973,508
2021		
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	47,146,803
My Family Meal for Ready-Made Meals	Kingdom of Saudi Arabia	(12,660,923)
		34,485,880

*On 13 June 2022, the Group acquired additional 12% interest in My Family Meal for Ready-Made Meals for a total consideration of SR 30.5 million.

**On 3 May 2022 Destination sports acquired 35% interest in Barmy Army Limited incorporated in England and Wales, United Kingdom for a total consideration of GBP 1.7 million equivalent to SR 7.9 million.

***On 14 April 2022, Destination sports acquired 47.5% interest in Sweetspot Travel Limited incorporated in England and Wales, United Kingdom for a for a total consideration of GBP 0.5 million equivalent to SR 2.3 million.

Taqniatech Company for Communication Technology JV (TAQJV) is a joint venture and the group has no control over its operations with limited voting rights

The Group has no material contingent liability or capital commitments relating to its interest in the investees as at 31 December 2022 and 2021.

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13. INVESTMENTS

Financial investments are classified as follows:

Investments	31 December 2022	31 December 2021
Investments classified at fair value through profit & loss (FVTPL)		
Private funds	**127,001,085**	195,605,800
Public funds	**54,359,928**	29,086,463
Equity shares	**11,370,944**	6,693,122
Investments classified at fair value through other comprehensive income (FVTOCI)		
Equity shares	**115,853,620**	196,431,148
Investments classified at amortized cost		
Sukuks*	**310,518,300**	307,374,887
	619,103,877	735,191,420

These represents Group's investment in public funds, equity shares of listed companies, private funds and investment in government sukuks.

Movement in investments:

For the year 2022	Private Fund	Public Funds	Sukuks	Equity Shares FVOCI	Equity Shares	Total
Balance at 1 January	**195,605,800**	**29,086,463**	**307,374,887**	**196,431,148**	**6,693,122**	**735,191,420**
Additions	**-**	**24,501,038**	**-**	**-**	**30,765,415**	**55,266,453**
Disposals and redemptions	**(110,526,316)**	**-**	**-**	**-**	**(32,154,818)**	**(142,681,134)**
Fair value adjustment	**3,055,204**	**772,427**	**3,143,413**	**(80,577,528)**	**577,848**	**(73,028,636)**
Realized gain	**38,866,397**	**-**	**-**	**-**	**5,489,377**	**44,355,774**
Balance at 31 December	**127,001,085**	**54,359,928**	**310,518,300**	**115,853,620**	**11,370,944**	**619,103,877**

For the year 2021	Private Fund	Public Funds	Sukuks	Equity Shares FVOCI	Equity Shares	Total
Balance at 1 January	141,100,200	39,535,860	370,327,300	-	29,015,028	579,978,388
Additions	86,326,139	-	-	237,844,250	35,367,076	359,537,465
Disposals and redemptions	(31,086,463)	(21,076,604)	(59,809,000)	-	(68,257,617)	(180,229,684)
Fair value adjustment	(734,076)	-	(3,143,413)	(41,413,102)	(136,805)	(45,427,396)
Realized gain	-	10,627,207	-	-	10,705,440	21,332,647
Balance at 31 December	195,605,800	29,086,463	307,374,887	196,431,148	6,693,122	735,191,420

*Sukuks owned by the Group are government sukuks which are expected to mature in-between years 2025 to 2035

During the year 2022, the Company had a net fair value loss of SR 28.7 million (31 December 2021 SR 24.1 million) , out of which a net fair value gain recorded under Statement of profit or loss is SR 51.9 million (31 December 2021: SR 17.3 million) and an fair value loss of SR 80.6 million (31 December 2021: SR 41.4 million) on Uber shares under other comprehensive income.

During the year the Group has recorded a dividend income of SR 12.3 million from its investments in equity shares and private funds (31 December 2021: dividend income SR 6.5 million).

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 37.

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14. TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021 (restated)	31 December 2020
Trade receivables	**1,240,600,578**	1,241,706,849	1,154,136,523
Provision for expected credit loss	**(170,160,186)**	(172,377,631)	(97,906,403)
	1,070,440,392	1,069,329,218	1,056,230,120
Other receivables:			
Accrued incentives	**14,366,955**	14,400,590	101,036,021
Employees' receivables	**10,531,360**	12,629,643	15,704,382
Taxes	**68,647,592**	70,261,486	46,046,146
Receivable from disposal of subsidiaries	**22,562,892**	24,754,041	36,741,771
Accrued finance income	**2,583,970**	2,101,784	3,230,918
Receivable on disposal of property and equipment	**-**	66,153,100	-
Others	**11,926,502**	19,299,991	26,544,646
	130,619,271	209,600,635	229,303,884
	1,201,059,663	1,278,929,853	1,285,534,004

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

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Group's historical credit losses experienced over the two year periods prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

The lifetime expected loss provision for trade receivables is as follows:

31 December 2022	**Current**	**More than 30 days past due**	**More than 180 days past due**	**More than 365 days past due**	**Total**
Expected loss rate	**0.57%**	**3.13%**	**10.11%**	**35.66%**	
Gross carrying amount	**382,660,737**	**313,122,300**	**141,266,267**	**403,551,274**	**1,240,600,578**
Loss provision	**2,165,683**	**9,810,083**	**14,277,605**	**143,906,815**	**170,160,186**

31 December 2021	**Current**	**More than 30 days past due**	**More than 180 days past due**	**More than 365 days past due**	**Total**
Expected loss rate	0.19%	0.51%	2.36%	21.44%	
Gross carrying amount	302,763,416	84,055,802	62,272,652	792,614,979	1,241,706,849
Loss provision	567,459	429,445	1,470,917	169,909,810	172,377,631

Impairment loss movement of trade receivables:

	31 December 2022	31 December 2021	31 December 2020
Balance as at 1 January	**172,377,631**	97,906,403	231,193,016
Expected credit loss (recovery) / charge for the year	**(1,510,635)**	78,169,532	25,049,050
Reclassification to other receivable provision	**-**	(2,717,691)	-
Write off	**(706,810)**	(980,613)	(158,335,663)
Balance as at 31 December	**170,160,186**	172,377,631	97,906,403

(Saudi Riyals)

15. PREPAYMENTS AND ADVANCES

	31 December 2022	31 December 2021
Prepayments		
Rentals from short term lease	**14,261,098**	16,049,953
Insurance	**21,582,775**	15,188,789
Subscription fees	**9,631,657**	7,098,325
Others	**27,072,756**	8,816,628
	72,548,286	47,153,695
Other advances		
Advances to suppliers	**445,383,038**	250,384,756
Provision for advances	**(39,993,325)**	(21,596,459)
	405,389,713	228,788,297
Advances for REIT and other investments	**242,619,997**	-
Advances for letter of guarantee margins (see note 26)	**27,499,557**	37,713,580
Other advances	**15,549,871**	14,444,835
	691,059,138	280,946,712
	763,607,424	328,100,407
Divided into:		
Non-Current	**242,619,997**	-
Current	**520,987,427**	328,100,407

16. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash in hand	**1,176,497**	1,444,316
Bank balances – current account	**535,522,511**	312,234,861
Cash held with fund manager	**2,577,990**	4,707,516
Cash and cash equivalents in the statement of financial position	**539,276,998**	318,386,693
Bank overdrafts used for cash management purposes	**(77,070,304)**	(5,466,147)
Cash and cash equivalents in the statement of cash flows	**462,206,694**	312,920,546

17. CAPITAL AND RESERVES

Share capital

	31 December 2022	31 December 2021
Ordinary shares		
At the beginning of the year	**300,000,000**	300,000,000
Authorized, issued and fully paid	**300,000,000**	300,000,000
Par value @ SR 10 each	**3,000,000,000**	3,000,000,000

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

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

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17. CAPITAL AND RESERVES (continued)

Share premium, statutory reserves and other reserves

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

Other comprehensive income accumulated in reserves, net of tax

	Attributable to owners of the parent					
	Translation reserve	**Fair value reserve**	**Retained earnings**	**Total**	**NCI**	**Total OCI**
31 December 2022						
Foreign operations – foreign currency translation differences	**13,521,015**	**-**	**-**	**13,521,015**	**-**	**13,521,015**
Equity investments - FVOCI	**-**	**(80,577,528)**	**-**	**(80,577,528)**	**-**	**(80,577,528)**
Re-measurement of defined benefit liability	**-**	**-**	**19,781,354**	**19,781,354**	**323,898**	**20,105,252**
	13,521,015	**(80,577,528)**	**19,781,354**	**(47,275,159)**	**323,898**	**(46,951,261)**

	Attributable to owners of the parent					
	Translation reserve	**Fair value reserve**	**Retained earnings**	**Total**	**NCI**	**Total OCI**
31 December 2021						
Foreign currency translation differences	4,987,810	-	-	4,987,810	-	4,987,810
Equity investments - FVOCI	-	(41,413,102)	-	(41,413,102)	-	(41,413,102)
Re-measurement of defined benefit liability	-	-	(6,460,115)	(6,460,115)	(265,041)	(6,725,156)
	4,987,810	(41,413,102)	(6,460,115)	(42,885,407)	(265,041)	(43,150,448)

Employee Stock option program (ESOP)

The Group provides a long-term incentive program (“the program”) to certain qualified employees who will be rewarded for their role in achieving the Company’s long-term goals and to attract and retain talented employees. The program focuses on both current and future performance and enables participants to contribute to the Company’s success and is measured based on performance rates determined by the nomination and remuneration Committee.

The program is entirely based on in kind settlement where the approved participants will receive the Company’s shares (restricted shares “treasury shares”) upon completing the vesting period and achieving the performance measures and fulfilling the necessary conditions by the participant in addition to completing the required approvals by the nomination and remuneration Committee.

To participate in the plan, employees must meet the eligibility criteria as set by the Group including a minimum year of service in the Group maintaining excellent performance rating in addition to other factors. Only employees that remain in service will be entitled to this option.

This program will be under the supervision of the nomination and remuneration Committee that is approved by the Board of Directors.

The total expense of SR 18.1 million related to the program for the year ended 31 December, 2022 (31 December 2021: SR 23.8 million) was charged to employees’ benefit expense with a corresponding increase in the statement of changes in equity in accordance with the requirements of the International Financial Reporting Standard 2 “Share-based Payment”.

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17. CAPITAL AND RESERVES (continued)

Employee Stock option program (ESOP) (continued)

The following table sets out the number of the, and movements in, share options during the year:

	31 December 2022	31 December 2021
Outstanding at 1 January	**3,253,355**	2,814,210
Granted during the year	**571,463**	1,390,290
Shares added back	**-**	(514,965)
Exercised	**(1,872,960)**	(436,180)
Outstanding at 31 December	**1,951,858**	3,253,355

The fair value per option is estimated at the grant date using the Black Scholes Merton pricing model, considering the terms and conditions upon which the share options were granted. Active schemes relating to employee stock option program are described below:

Inputs to the Model	**ESOP 1 Jan 2022**	**ESOP 1 Apr 2021**	**ESOP 1 Jan 2021**	**ESOP 1 Apr 2020**	**ESOP 1 Apr 2019**
Dividend yield	3.59%	3.99%	3.99%	4.48%	5.12%
Expected volatility	94%	98%	98%	64%	67%
Risk Free interest rate	1.74%	1.25%	1.18%	1.54%	2.77%
Contractual life of share option	15 months	36 months	15 months	36 months	36 months
Share price in (SAR) at grant date	17.26	18.84	18.98	13.44	20.51
Exercise price in (SAR) at grant date	-	-	-	-	-
Fair value in (SAR) per option using Black Scholes Merton	16.50	16.71	18.06	11.75	17.59

Treasury shares

The following table shows movement during the year:

Amount per share is Sr 10	**31 December 2022**	31 December 2021
Balance at beginning of the year	**60,538,200**	64,900,000
Settled during the year at par value	**(18,729,600)**	(4,361,800)
Balance at end of the year	**41,808,600**	60,538,200

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18. NON-CONTROLLING INTERESTS (NCI)

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

31 December 2022

	ASTT	AHTS	HTCL	FIT	SAC	SERED	Total
NCI percentage	20	30	20	40	50	49	
Non-current assets	11,171,277	3,618,491	-	309,270	-	-	15,099,038
Current assets	58,010,435	14,861,558	-	287,735	25,000	14,001,920	87,186,648
Non-current liabilities	(11,993,811)	-	-	-	-	(13,800,000)	(25,793,811)
Current liabilities	(36,144,086)	(10,090,500)	-	(222,035)	-	(22,000)	(46,478,621)
Net assets	21,043,815	8,389,549	-	374,970	25,000	179,920	30,013,254
Net assets attributable to NCI	4,185,806	3,634,437	-	149,988	12,500	88,160	8,070,891
Revenue	38,826,166	4,089,413	-	-	-	-	42,915,579
Profit / (loss)	6,605,638	2,246,665	-	-	-	(20,081)	8,832,222
OCI	1,371,693	165,200	-	-	-	-	1,536,893
Total comprehensive loss	7,977,331	2,411,865	-	-	-	(20,081)	10,369,115
Profit / (loss) allocated to NCI	1,321,128	674,000	-	-	-	(9,840)	1,985,288
OCI allocated to NCI	274,339	49,559	-	-	-	-	323,898
Cash flows from operating activities	19,207,716	(580,324)	-	-	-	61,920	18,689,312
Cash flows from investment activities	16,486	(179,437)	-	-	-	-	(162,951)
Cash flows from financing activities	-	-	-	-	-	13,800,000	13,800,000
Net decrease in cash and cash equivalents	19,224,202	(759,761)	-	-	-	13,861,920	32,326,361

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

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

31 December 2021

	ASTT	AHTS	HTCL	FIT	SAC	SERED	Total
NCI percentage	20	30	20	40	50	49	
Non-current assets	11,508,284	5,626,913	4,484,855	309,270	-	-	21,929,322
Current assets	53,578,480	22,296,769	23,822,539	287,735	25,000	-	100,010,523
Non-current liabilities	(11,255,504)	(1,101,762)	(7,192,809)	-	-	-	(19,550,075)
Current liabilities	(40,879,562)	(17,118,995)	(57,660,872)	(222,035)	-	-	(115,881,464)
Net assets	12,951,698	9,702,925	(36,546,287)	374,970	25,000	-	(13,491,694)
Net assets attributable to NCI	2,590,339	2,910,878	(7,309,258)	149,988	12,500	-	(1,645,553)
Revenue	22,875,845	760,133	(4,948)	-	-	-	23,631,030
Loss	(551,270)	(1,729,482)	(3,578,710)	-	-	-	(5,859,462)
OCI	(1,436,303)	74,066	-	-	-	-	(1,362,237)
Total comprehensive loss	(1,987,573)	(1,655,416)	(3,578,710)	-	-	-	(7,221,699)
Loss allocated to NCI	(110,254)	(518,845)	(715,742)	-	-	-	(1,344,841)
OCI allocated to NCI	(287,261)	22,220	-	-	-	-	(265,041)
Cash flows from operating activities	(10,021,106)	930,803	(190,412)	-	-	-	(9,280,715)
Cash flows from investment activities	(1,454,103)	(8,600)	227,404	-	-	-	(1,235,299)
Cash flows from financing activities	-	-	-	-	-	-	-
Net decrease in cash and cash equivalents	(11,475,209)	922,203	36,992	-	-	-	(10,516,014)

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19. LOANS AND BORROWINGS

	31 December 2022	31 December 2021
Non-current liabilities		
Secured bank loans	**235,714,286**	235,714,286
Unsecured bank loans	**364,659,091**	-
	600,373,377	235,714,286
Current liabilities		
Current portion of secured bank loans	**78,571,429**	117,857,143
Unsecured bank loans	**625,227,272**	709,513,171
	703,798,701	827,370,314

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

Terms and repayment schedule

The Group is financed through Islamic facilities in the form of long-term and short-term loans (Murabaha / Tawarruq) from local banks. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin. The secured bank loans are secured against land and buildings with a carrying amount of SR 1.74 billion (31 December 2021: SR 1.78 billion).

Aggregate maturities of loans from local banks are as follows:

	31 December 2022 Carrying Amount	31 December 2021 Carrying Amount
Within one year	**703,798,701**	827,370,314
After one year but not more than five years	**600,373,377**	235,714,286
	1,304,172,078	1,063,084,600

20. LEASE LIABILITIES

Lease Liabilities	31 December 2022	31 December 2021 (restated)	31 December 2020 (restated)
Balance at the beginning of the year	**112,529,431**	95,476,725	84,257,336
Additions	**147,930,267**	31,476,161	12,052,665
Finance cost	**6,329,091**	4,721,339	4,060,959
Rent concession (note 6.1)	**-**	(1,897,899)	(848,741)
Paid	**(45,540,029)**	(17,246,895)	(4,045,494)
Balance at end of year	**221,248,760**	112,529,431	95,476,725
Divided into			
Current portion	**60,252,169**	21,958,313	14,600,259
Non-current portion	**160,996,591**	90,571,118	80,876,466
	221,248,760	112,529,431	95,476,725

	31 December 2022	31 December 2021
Short-term lease expense	**29,295,770**	24,457,086

For maturity analysis please refer to note 37.

21. EMPLOYEES' END OF SERVICE BENEFITS

	31 December 2022	31 December 2021
Net defined benefit liability	**116,400,823**	125,532,249

The Group calculates employees' end of service benefits according to laws and regulations in each jurisdiction the Group operates. Additionally, the Group re-measures the employees' end of service benefits using the projected credit unit method by a qualified actuary.

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

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

The most recent actuarial valuation of the present value of the end of service benefit obligation was carried out on 31 December 2022. During the financial year, no material fluctuations or events affected the actuarial assumptions used to calculate the liability, except for an increase in the discount rate, as described below.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

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21. EMPLOYEES' END OF SERVICE BENEFITS (continued)

Movement in net defined benefit liability

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

	31 December 2022	31 December 2021
Balance at 1 January	**125,532,249**	112,503,015
Addition through business combination	**-**	636,250
Included in profit or loss		
Current service cost	**19,167,420**	20,949,547
Finance expense	**3,271,815**	4,595,005
	22,439,235	25,544,552
Included in other comprehensive income		
Re-measurement (gain) / loss	**(20,105,252)**	6,725,156
Benefits paid	**(11,465,409)**	(19,876,724)
Balance at the end of the year	**116,400,823**	125,532,249

	31 December 2022	31 December 2021
Represented by:		
Net defined benefit liability :		
Kingdom of Saudi Arabia	**95,857,932**	103,527,222
Egypt	**3,095,327**	4,974,020
United Arab Emirates	**17,447,564**	17,031,007
	116,400,823	125,532,249

Actuarial assumptions on defined benefit liability

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

	31 December 2022		
	KSA	**Egypt**	**UAE**
Discount rate	**4.20%**	**19.00%**	**4.20%**
Future salary growth	**5.00%**	**9.96%**	**5.00%**
Future benefits growth	**1.50% to 1.65%**	**4.7% to 4.90%**	**1.40% to 1.50%**

	31 December 2021		
	KSA	**Egypt**	**UAE**
Discount rate	2.45%	15.24%	2.45%
Future salary growth	5.00%	9.96%	5.00%
Future benefits growth	1.70%	5.30%	1.50%

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

	31 December 2022		
	KSA	**Egypt**	**UAE**
According to number of plans			
Longevity for current members (in years)	**27**	**28**	**29**

	31 December 2021		
	KSA	**Egypt**	**UAE**
According to number of plans			
Longevity for current members (in years)	26	27	29

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21. EMPLOYEES' END OF SERVICE BENEFITS (continued)

At 31 December 2022 and 31 December 2021, the weighted-average duration of the defined benefit obligation was as follow:

	31 December 2022		
	KSA	**Egypt**	**UAE**
Weighted-average duration (in years)	**8**	**9**	**10**

	31 December 2021		
	KSA	**Egypt**	**UAE**
Weighted-average duration (in years)	7	8	10

Sensitivity analysis

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

	31 December 2022		31 December 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(9,004,887)**	**9,529,048**	(9,367,040)	9,425,400
Future salary growth (1% movement)	**9,526,261**	**(9,006,209)**	9,422,417	(9,368,465)
Future mortality (10% movement)	**(1,256,417)**	**1,001,964**	(1,567,726)	863,650

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

Employee benefit expenses

	31 December 2022	31 December 2021
Salaries and benefits	**588,787,223**	541,273,246
Social security contributions	**17,158,804**	15,092,364
Contributions to defined contribution plans	**4,506,169**	7,082,519
Expenses related to post-employment defined benefit plans	**22,439,235**	25,544,552
Expenses related to paid leaves	**24,950,380**	25,228,595
	657,841,811	614,221,276

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22. ZAKAT AND INCOME TAXES

Movement in provision

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

	31 December 2022	31 December 2021
At the beginning of the year	**108,150,804**	66,047,440
Provided during the year	**(5,531,053)**	50,699,653
Payments made during the year	**(7,982,301)**	(9,726,561)
Adjustments	**(659,440)**	1,130,272
At the end of the year	**93,978,010**	108,150,804

Amount recognized in profit or loss

	31 December 2022	31 December 2021
Current zakat and tax expense		
Current year – zakat	**17,561,542**	56,469,064
Reversal of previous year provision	**(23,000,000)**	-
Current year – tax	**144,878**	2,162,181
	(5,293,580)	58,631,245
Deferred tax expense		
Origination and reversal of temporary differences	**(237,473)**	(8,206,293)
Zakat and tax expense	**(5,531,053)**	50,424,952

Tax expense on continuing operations excludes the Group's share of the tax expense of equity-accounted investees of SR nil (31 December 2021: SR nil), which has been included in 'share of profit of equity-accounted investees, net of tax'.

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

Movement in deferred tax balances

31 December 2022	**Net balance at 1 January**	**Recognized in profit or loss**	**Other**	**Net**	**Deferred tax asset**	**Deferred tax liabilities**
Property and equipment in UK	**(1,665,256)**	**(110,313)**	**(83,341)**	**(1,858,910)**	**(1,858,910)**	
Property and equipment in Egypt	**(176,587)**	**-**	**59,504**	**(117,083)**	**-**	**(117,083)**
Carry forward losses in UK	**26,196,213**	**491,277**	**(2,775,708)**	**23,911,782**	**23,911,782**	
Other provisions	**1,059,182**	**(143,491)**	**(112,229)**	**803,462**	**803,462**	
Net tax assets / (liabilities) before set-off	**25,413,552**	**237,473**	**(2,911,774)**	**22,739,251**	**22,856,334**	**(117,083)**
Set-off of tax	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax assets / (liabilities)	**25,413,552**	**237,473**	**(2,911,774)**	**22,739,251**	**22,856,334**	**(117,083)**

31 December 2021 (restated)	**Net balance at 1 January**	**Recognized in profit or loss**	**Other**	**Net**	**Deferred tax Assets**	**Deferred tax liabilities**
Property and equipment in UK	(364,205)	-	(1,301,051)	(1,665,256)	(1,665,256)	
Property and equipment in Egypt	(756,666)	581,517	(1,438)	(176,587)		(176,587)
Carry forward losses in UK	10,144,224	8,287,246	7,764,743	26,196,213	26,196,213	-
Other provisions	1,737,843	(662,470)	(16,191)	1,059,182	1,059,182	
Net tax assets / (liabilities) before set-off	10,761,196	8,206,293	6,446,063	25,413,552	25,590,139	(176,587)
Set-off of tax	-	-	-	-	-	-
Deferred tax assets / (liabilities)	10,761,196	8,206,293	6,446,063	25,413,552	25,590,139	(176,587)

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

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22. ZAKAT AND INCOME TAXES (continued)

Status of assessment

Zakat declarations for the Company have been submitted with the ZATCA up-to 2021 and zakat certificate for Company is up to date. The ZATCA regularly assesses the Company from zakat perspective and cleared the zakat declarations up to 2015.

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

Zakat and Tax Assessment for 2016 – 2018

ZATCA has issued an assessment for the years ended 31 December 2016 – 2018. For FY 2016-2017, the Company filed an objection to the assessment issued by ZATCA, and consequently, ZATCA issued a partial acceptance of the said appeal. The Group filed the appeal with The first appellate committee ("TVDRC") through GSTC on the remaining unresolved disputes which were rejected on formality Ground; hence, the appeal was escalated to the second appellate committee ("TVDAC"). TVDAC has issued the decision in favor of Seera on the formality aspect and remanded the case back to TVDRC (GSTC-I) for re-consideration. The company's registration of the new case or re-opening of previous case with TVDRC (based on the decision of TVDAC) is under process and will be finalized soon.

For FY 2018, the Company filed an objection to the assessment issued by ZATCA, and consequently, ZATCA issued a partial acceptance of the said appeal. The Group filed the appeal with The first appellate committee ("TVDRC") through GSTC on the remaining unresolved disputes which issued a partial acceptance of the case. The appeal (on issues decided against the company) was escalated to the TVDAC (GSTC-II). Further, ZATCA also escalated the case to TVDAC (on the points that were decided in favor of the company by TVDRC) and the company has responded to ZATCA's appeal. Hearing is yet to be held.

The Group and its zakat and tax advisor believe that the decisions will favor the Group. Hence, the Group continues to contest the assessments issued by ZATCA vigorously.

Zakat and Tax Assessment for 2019 – 2021

During the year 2022, ZATCA has issued assessments for the years ended 31 December 2019 & 2021 amounting to SR 55 million. The Company filed an objection to the assessments issued by ZATCA for FY 2019 & 2021 to ZATCA review Committee which issued a partial acceptance of the said appeal. The Group filed the appeal with The first appellate committee ("TVDRC") through GSTC on the remaining unresolved disputes and a hearing session was held with the TVDRC, and the committee issued the decision which has not yet received by the Company. Based on the decision once issued by TVDRC, the company will decide way forward.

The Group had recorded an additional provision of SR 35 million during 2021 based on its initial assessment in these consolidated financial statements for such assessments under progress.

VAT Assessment

During the year 2020 , ZATCA issued an assessment on Group VAT. The total amount under dispute with ZATCA as at 31 December 2022 is SR 22.3 million which was paid to ZATCA and is classified under Trade and other receivables. Management received a favorable outcome from the second appellate committee, subsequent to the Year end the Company has received part payment from the above receivable balance.

23. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021 (restated)	31 December 2020 (restated)
Trade payables	**674,075,319**	419,516,461	220,470,635
Supplier payables	**119,253,909**	111,149,824	121,810,888
Accrued salaries and benefits	**108,743,679**	69,858,642	47,912,307
Accrued rents and utilities	**25,420,700**	22,195,305	11,086,229
Payable of defined contribution plan	**4,506,169**	3,895,075	16,084,737
Finance cost payable	**7,462,612**	5,972,053	3,855,354
Unclaimed refund	**101,995,195**	137,030,069	156,317,689
Others	**29,292,690**	15,737,326	18,186,900
	396,674,954	365,838,294	375,254,104
Total trade and other payables	**1,070,750,273**	785,354,755	595,724,739

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

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24. CONTRACT LIABILITIES

	31 December 2022	31 December 2021 (restated)	31 December 2020
Customer advances	**185,037,166**	161,569,918	90,241,922
Customer loyalty claims	**21,183,101**	1,166,859	1,796,797
(refer note 28 for movement)	**206,220,267**	162,736,777	92,038,719

25. PROVISIONS

	31 December 2022	31 December 2021
Legal case	**-**	22,000,000

During 2021, the Company terminated the contract with Saudi Pro League (the "Claimant") for sponsorship and strategic partnership (the "Contract") amounting to SR 23.1 million. The Claimant filed the legal case before the General Court of Riyadh against the Company for the non-payment of the contractual amount. The Company considered a provision of SR 22 million during prior year, with a view that the final verdict has not been issued by court; this is based on the management's best estimate. On 25 April 2022 , the Company has received the court order to settle the claim for an amount of SR 20.1 million which has been paid in full, consequently the Group has recorded an other income of SR 1.9 million in these consolidated financial statements.

26. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 December 2022, the Group has capital commitments of SR 245 million (31 December 2021: SR 60.3) with respect to property development, software development and construction of new office premises

Contingencies

At 31 December 2022, the Group has letter of guarantees amounting SR 1,214 million (31 December 2021: 751 million) issued by the Company's banks in favor of certain suppliers. Included within this are advances for letter of guarantee margins amounting SR 27.5 million (31 December 2021: 38 million) see note 15 for details.

27. RELATED PARTIES TRANSACTIONS AND BALANCES

The Group in the normal course of business carries out transactions with various related parties. Related parties' transactions are approved by the Company and its Board. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel and related companies.

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

Outstanding balances at the year-end are unsecured, interest-free and will be settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

27.1 Related parties' transactions

Key management remuneration

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

	31 December 2022			**31 December 2021**		
	Non- executive/ independent board members	**Executive management personnel**	**Total**	**Non- executive/ independent board members**	**Executive management personnel**	**Total**
Managerial remuneration	-	**7,281,272**	**7,281,272**	-	5,012,019	5,012,019
Housing & Travel allowance	-	**3,002,195**	**3,002,195**	-	2,222,064	2,222,064
Business Trips	-	**759,584**	**759,584**	-	319,494	319,494
Bonus	**3,000,000**	**8,075,148**	**11,075,148**	3,000,000	6,366,068	9,366,068
End of Service Benefits	**-**	**780,350**	**780,350**	-	565,042	565,042
Board Member Fees	**5,036,000**	**988,000**	**6,024,000**	3,411,625	844,000	4,255,625
Total	**8,036,000**	**20,886,549**	**28,922,549**	6,411,625	15,328,687	21,740,312

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27. RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

27.1 Related parties' transactions (continued)

Aggregate amount charged in these consolidated financial statements in respect of Directors fees for attending Board and other Committee meetings amounted to SR 234,000 and SR 616,000 respectively (31 December 2021: SR 220,000 and SR 412,000 respectively). The Directors' fees for attending Board and other Committee meetings were paid as prescribed in the Company's Bylaws.

Directors of the Company control 0.32% (31 December 2021: 0.32%) of the voting shares of the Company.

		31 December 2022				
Related party	**Relationship**	**Sales**	**Purchases**	**Receipts**	**Payments**	**Other**
Riyadh Front	Associate	**-**	**419,319**	**-**	**2,225,394**	**(16,407,734)**
Majid Al Nafai	CEO	**1,211,242**	**-**	**-**	**-**	**2,593**
Mohamed Salih Alkhalil	Chairman / Board member	**-**	**-**	**-**	**-**	**(27,887)**
Mazen Bin Ahmed Al Jubeir	Board member	**78,719**	**342,500**		**42,500**	**(86,694)**
Al-Raedah Finance Company	Ownership interest by Managing director	**2,591**	**-**	**50,000**	**-**	**(7,118)**

		31 December 2021				
Related party	**Relationship**	**Sales**	**Purchases**	**Receipts**	**Payments**	**Others**
Riyadh Front	Associate	-	-	-	16,501	(713,117)
Majid Al Nafai	Board member	1,084,910	-	-	-	(14,766,826)
Mohamed Salih Alkhalil	Chairman / Board member	248,784	-	353,100	-	132,202
Mazen Bin Ahmed Al Jubeir	Board member	7,975	-	-	-	-

27.2 Related party balances

Related party balances at year end are as below:

Due from related parties	**31 December 2022**	31 December 2021
Majid Al Nafai	**2,020,303**	806,468
Riyadh Front	**-**	6,093,066
Mohamed Salih Al Khalil	**-**	27,887
Mazen Bin Ahmed Al Jubeir	**-**	7,975
	2,020,303	6,935,396

Due to related parties	**31 December 2022**	31 December 2021
Riyad Front	**8,508,593**	**-**
Al-Raedah Finance Company	**54,527**	-
	8,563,120	-

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28. REVENUE

	31 December 2022	31 December 2021
Revenue from contract with customer as agent		(restated)
Airline ticketing & incentives	**352,618,981**	269,407,822
Hotel booking	**297,757,014**	129,487,586
Shipments	**24,909,208**	27,771,104
Train ticketing	**7,750,699**	2,600,107
	683,035,902	429,266,619
Revenue from contract with customer as principal		
Package holidays	**667,661,538**	256,272,250
Car rental and sale of vehicles	**476,892,885**	257,410,182
Property and room rentals	**96,129,498**	35,818,523
Chartered flights	**17,252,491**	13,287,983
Others	**29,746,866**	18,424,873
	1,287,683,278	581,213,811
Lease revenue		
Vehicle lease	**294,823,050**	249,951,018
Property and room rentals	**5,164,869**	5,453,963
	299,987,919	255,404,981
Others	**-**	62,566,191
	2,270,707,099	1,328,451,602

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

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

Disaggregation of revenue

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

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28. REVENUE (continued)

Disaggregation of revenue (continued)

	31 December 2022						
	Reportable segments						
Primary geographical markets	**Ticketing**	**Tourism**	**Transportation**	**Hospitality**	**Property**	**All other segments**	**Total**
Kingdom of Saudi Arabia	**296,961,007**	**176,673,543**	**813,877,634**	**96,129,498**	**5,164,869**	**20,418,836**	**1,409,225,387**
United Kingdom	**46,621,902**	**778,498,156**	**-**	**-**	**-**	**-**	**825,120,058**
Egypt	**22,202**	**4,258,617**	**-**	**-**	**-**	**-**	**4,280,819**
United Arab Emirates	**7,525,007**	**2,319,445**	**-**	**-**	**-**	**52,332**	**9,896,784**
Spain	**-**	**-**	**-**	**-**	**-**	**9,275,698**	**9,275,698**
Kuwait	**9,239,562**	**3,668,791**	**-**	**-**	**-**	**-**	**12,908,353**
	360,369,680	**965,418,552**	**813,877,634**	**96,129,498**	**5,164,869**	**29,746,866**	**2,270,707,099**
Timing of revenue recognition							
Services transferred at a point in time	**360,369,680**	**297,757,014**	**205,410,132**	**40,946,265**	**-**	**-**	**904,483,091**
Services transferred over time	**-**	**667,661,538**	**608,467,502**	**55,183,233**	**5,164,869**	**29,746,866**	**1,366,224,008**
	360,369,680	**965,418,552**	**813,877,634**	**96,129,498**	**5,164,869**	**29,746,866**	**2,270,707,099**

	31 December 2021 (restated)						
	Reportable segments						
Primary geographical markets	Ticketing	Tourism	Transportation	Hospitality	Property	All other segments	Total
Kingdom of Saudi Arabia	301,095,868	153,197,256	548,420,287	35,818,523	5,453,963	7,574,964	1,051,560,861
United Kingdom	16,317,515	229,990,252	-	-	-	-	246,307,767
Egypt	138,119	854,180	-	-	-	-	992,299
United Arab Emirates	13,001,687	376,492	-	-	-	347,391	13,725,570
Spain	-	-	-	-	-	10,211,379	10,211,379
Kuwait	4,020,931	1,341,656	-	-	-	291,139	5,653,726
	334,574,120	385,759,836	548,420,287	35,818,523	5,453,963	18,424,873	1,328,451,602
Timing of revenue recognition							
Services transferred at a point in time	334,574,120	129,487,586	84,117,450	12,946,987	-	-	561,126,143
Services transferred over time	-	256,272,250	464,302,837	22,871,536	5,453,963	18,424,873	767,325,459
	334,574,120	385,759,836	548,420,287	35,818,523	5,453,963	18,424,873	1,328,451,602

Contract balances

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

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

	31 December 2022	31 December 2021	31 December 2020
Contract liabilities		(restated)	
Contract liability at the beginning of the year	**162,736,777**	92,038,719	111,565,833
Contract liabilities that was recognized as revenue during the year	**(344,237,102)**	(27,890,022)	(39,599,837)
Cash received in advance of performance and not recognized as revenue during the year	**387,720,592**	98,588,080	20,072,723
Contract liability at the end of the year	**206,220,267**	162,736,777	92,038,719

(Saudi Riyals)

28. REVENUE (continued)

Transaction price allocated to the remaining performance obligation

As of 31 December 2022, the amount allocated to the customer loyalty program is SR 21.2 million (31 December 2021: 1.2 million). This will be recognized as revenue as the customer loyalty program points are redeemed, which is expected to occur over the next one year.

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

29. COST OF REVENUE

	31 December 2022	31 December 2021
Direct Cost	**930,133,683**	387,905,329
Depreciation on property and equipment (note 7)	**315,337,202**	245,465,457
Depreciation on investment properties (note 11)	**9,334,822**	11,238,136
Bank charges	**52,184,367**	37,160,924
Employee benefits	**51,398,818**	34,581,344
Amortization (note 10)	**8,453,201**	5,202,759
	1,366,842,093	721,553,949

30. SELLING EXPENSES

	31 December 2022	31 December 2021 (restated)
Employee benefits	**197,567,673**	178,231,294
Advertising	**86,166,704**	58,393,152
Sales commission and incentives	**69,696,336**	50,801,240
Short term lease rentals	**29,295,770**	21,669,638
Depreciation (note 7)	**17,981,085**	19,604,316
Amortization (note 10)	**9,763,833**	5,968,517
	410,471,401	334,668,157

31. ADMINISTRATIVE EXPENSES

	31 December 2022	31 December 2021 (restated)
Employee benefits	**362,768,824**	336,463,992
Information technology	**76,016,146**	81,765,018
Consultancy	**41,669,348**	29,647,578
Depreciation (note 7)	**23,594,257**	25,746,762
Insurance	**24,837,008**	21,098,993
Communication	**12,516,349**	9,127,786
Amortization (note 10)	**12,230,549**	7,466,272
Travel	**11,700,061**	6,030,515
Utilities	**9,961,120**	9,871,118
Repairs and maintenance	**7,447,231**	8,629,945
Stationery	**4,246,996**	3,556,099
Entertainment expenses	**3,008,499**	2,641,728
Other expenses	**7,855,545**	9,213,309
	597,851,933	551,259,115

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32. OTHER EXPENSES

	31 December 2022	31 December 2021
Loss on disposal of property and equipment	**-**	3,601,413
Loss on disposal of investment property	**-**	770,848
Provision against legal cases	**-**	14,225,157
Foreign currency exchange loss	**5,323,963**	-
Others	**-**	1,753,731
	5,323,963	20,351,149

33. OTHER INCOME

	31 December 2022	31 December 2021
Careem holdbacks*	**48,570,363**	68,498,830
Gain on disposal of property and equipment	**27,882,213**	-
Dividend income	**12,275,931**	6,505,928
Rebates	**3,489,098**	2,628,829
Others	**17,786,963**	4,166,205
	110,004,568	81,799,792

During the year 2022, the Company has received an additional amount of SR 48.6 million (2021: SR 68.5 million) from Uber Technologies relating to hold back of consideration.

34. FINANCE INCOME AND COST

	31 December 2022	31 December 2021
Finance income		
Finance income on term deposits	**311,850**	-
Interest income from investment	**10,002,437**	8,620,525
	10,314,287	8,620,525
Finance cost		
Bank charges	**(30,311,148)**	(23,392,898)
Finance cost on lease liabilities	**(6,329,091)**	(4,721,339)
Finance cost on loans and borrowings	**(48,393,218)**	(34,220,535)
	(85,033,457)	(62,334,772)

35. IMPAIRMENT LOSSES

The Group's management considered to review all its current and non-current assets for any impairment indicators. Following a detailed assessment carried out by the Group's management, it was concluded that the below assets triggered the impairment indicators. Accordingly, an impairment review was conducted and impairment loss has been recorded in these consolidated financial statements as disclosed below. Further details regarding the impairment of each of class of asset has been disclosed in the relevant notes.

	31 December 2022	31 December 2021
Impairment loss on intangibles* (see note 10)	**16,919,607**	-
Impairment loss on asset under construction and development (see note 8)	**-**	1,852,194
Impairment loss on other assets**	**33,407,035**	5,572,768
	50,326,642	7,424,962

*Impairment on intangibles relates to software that was historically being used by the group which is currently obsolete.

**Impairment loss recorded as part of other assets was mainly related to other receivables and advance to suppliers.

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36. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

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

Profit attributable to ordinary shareholders (basic)

	31 December 2022	31 December 2021 (restated)
Loss attributable to ordinary shareholders	**(47,729,661)**	(371,535,799)

Weighted-average number of ordinary shares used as the denominator are as follows:

Weighted-average number of ordinary shares used in calculating basic earnings per share	**295,351,105**	293,583,365
Adjustments to treasury shares	**4,648,895**	6,416,635
	300,000,000	**300,000,000**
Basic loss per share	**(0.16)**	(1.27)
Diluted loss per share	**(0.16)**	(1.27)

The Group has potential equity shares (ESOP) which have not been considered for calculation of diluted EPS as they are anti-dilutive in nature.

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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

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

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

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

Principal financial instruments

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

- Trade and other receivables
- Cash and cash equivalents
- Investments
- Advance for investments
- Trade and other payables
- Bank overdrafts
- Loans and borrowings
- Related party balances

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Fair value and fair value hierarchy

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

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

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

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

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

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

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

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

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

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

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Financial instruments by category

	Carrying amount			Total	Fair value			Total
31 December 2022	**Financial instruments - FVTPL**	**Financial instruments - FVTOCI**	**Financial instruments at amortized cost**		**Level 1**	**Level 2**	**Level 3**	
Financial assets								
Investments	192,731,957	115,853,620	310,518,300	619,103,877	492,102,792	127,001,085	-	619,103,877
Advance for investments	242,619,997	-	-	242,619,997	-	242,619,997	-	242,619,997
Current:								
Cash and cash equivalents			539,276,998	539,276,998				539,276,998
Trade receivables			1,070,440,392	1,070,440,392				1,070,440,392
Due from related parties			2,020,303	2,020,303				2,020,303
Total financial assets	435,351,954	115,853,620	1,922,255,993	2,473,461,567	-	-	-	2,473,461,567
Financial liabilities								
Non-current:								
Loans and borrowings	-	-	600,373,377	600,373,377	-	-	-	600,373,377
Current:								
Bank overdraft	-	-	77,070,304	77,070,304				77,070,304
Loans and borrowings	-	-	703,798,701	703,798,701	-	-	-	703,798,701
Lease liabilities	-	-	221,248,760	221,248,760				221,248,760
Trade and other payables	-	-	800,791,840	800,791,840	-	-	-	800,791,840
Due to related parties	-	-	8,634,892	8,634,892	-	-	-	8,634,892
Total financial liabilities	-	-	2,411,917,874	2,411,917,874	-	-	-	2,411,917,874

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Financial instruments by category (continued)

	Carrying amount			Total	Fair value			Total
31 December 2021 (restated)	Financial instruments - FVTPL	Financial instruments - FVTOCI	Financial instruments at amortized cost		Level 1	Level 2	Level 3	
Financial assets								
Investments	231,385,385	196,431,148	307,374,887	735,191,420	539,585,620	195,605,800	-	735,191,420
Current:								
Cash and cash equivalents	-	-	318,386,693	318,386,693	-	-	-	318,386,693
Receivable on disposal of property and equipment	-	-	66,153,100	66,153,100	-	-	-	66,153,100
Trade receivables	-	-	1,069,329,218	1,069,329,218	-	-	-	1,069,329,218
Due from related parties	-	-	6,935,396	6,935,396	-	-		6,935,396
Total financial assets	231,385,385	196,431,148	1,768,179,294	2,195,995,827	-	-	-	2,195,995,827
Financial liabilities								
Non-current:								
Loans and borrowings	-	-	235,714,286	235,714,286	-	-	-	235,714,286
Current:								
Bank overdraft	-	-	5,466,146	5,466,146	-	-	-	5,466,146
Loans and borrowings	-	-	827,370,314	827,370,314	-	-	-	827,370,314
Lease liabilities	-	-	112,529,431	112,529,431	-	-	-	112,529,431
Trade and other payables	-	-	536,638,338	536,638,338	-	-	-	536,638,338
Total financial liabilities	-	-	1,717,718,515	1,717,718,515	-	-	-	1,717,718,515

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Financial instruments by category (continued)

	Carrying amount			Total	Fair value			Total
31 December 2020 (restated)	Financial instruments - FVTPL	Financial instruments - FVTOCI	Financial instruments at amortized cost		Level 1	Level 2	Level 3	
Financial assets								
Investments	209,651,088	-	370,327,300	579,978,388	209,651,088	370,327,300	-	579,978,388
Current:								
Receivable from disposal of investments in equity-accounted investee	241,651,870	-	-	241,651,870	-	-	241,651,870	241,651,870
Cash and cash equivalents	-	-	248,952,850	248,952,850	-	-	-	248,952,850
Trade receivables	-	-	1,056,230,120	1,056,230,120	-	-	-	1,056,230,120
Due from related parties	-	-	27,107,615	27,107,615	-	-	-	27,107,615
Total financial assets	451,302,958	-	1,702,617,885	2,153,920,843	-	-	-	2,153,920,843
Financial liabilities								
Non-current:								
Loans and borrowings	-	-	366,539,330	366,539,330	-	-	-	366,539,330
Current:								
Bank overdraft	-	-	1,108,487	1,108,487	-	-	-	1,108,487
Loans and borrowings	-	-	538,761,552	538,761,552	-	-	-	538,761,552
Lease liabilities	-	-	95,476,725	95,476,725	-	-	-	95,476,725
Trade and other payables	-	-	346,136,877	346,136,877	-	-	-	346,136,877
Due to related parties	-	-	1,278,755	1,278,755	-	-	-	1,278,755
Total financial liabilities	-	-	1,349,301,726	1,349,301,726	-	-	-	1,349,301,726

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

Trade and other receivables

	Note	31 December 2022	31 December 2021 (restated)	31 December 2020
Trade receivables, net	14	**1,070,440,392**	1,069,329,218	1,056,230,120

Trade and other payables

	Note	31 December 2022	31 December 2021 (restated)	31 December 2020 (restated)
Trade payables	23	**674,075,319**	419,516,461	220,470,635
Supplier payables	23	**119,253,909**	111,149,824	121,810,888
Finance cost payable	23	**7,462,612**	5,972,053	3,855,354
		800,791,840	536,638,338	346,136,877

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings, lease liabilities and related party balances. Due to the short-term nature, the carrying value of these financial instruments approximates their fair value.

There were transfers between levels during the period.

General objectives, policies and processes

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

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

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

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

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

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

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

	31 December 2022	31 December 2021 (restated)	31 December 2021
Advance for investments	**242,619,997**	-	-
Cash at bank	**535,522,511**	312,234,861	245,454,046
Trade receivables - third parties	**1,240,600,578**	1,241,706,849	1,154,136,523
Receivable on disposal of property and equipment	**-**	66,153,100	-
Due from related parties	**2,020,303**	6,935,396	27,827,339
	2,020,763,389	1,627,030,206	1,427,417,908

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

Credit risk on receivable and bank balances is limited as:

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

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Credit risk (continued)

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. Trade receivables outstanding balance comprises of 78% in KSA, 19% in UK and 3% in other countries (31 December 2021: 82% in KSA, 13% in UK and 5% in other countries). Out of total receivables 44% relates to the government, 56% corporate customers at 31 December 2022(31 December 2021: 51% Government, 49% corporate).

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

Market risk

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

Interest rate risk

Fair value and cash flow interest rate risks are the exposures to various risk associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows.

Management of the Group does not enter into future agreement to hedge its interest rate risk. However, these are monitored on regular basis and corrective measures initiated wherever required.

Sensitivity Analysis

	31 December 2022	31 December 2021
Strengthening (1%)	**(483,932)**	(34,221)
Weakening (1%)	**483,932**	34,221

Foreign Currency risk

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

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

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

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

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

31 December 2022	**EGP**	**GBP**	**USD**
Cash and cash equivalents	**35,390,360**	**53,895,083**	**28,199,416**
Trade and other receivables	**18,008,075**	**237,320,982**	**-**
Due from related parties	**60,626,469**	**-**	**-**
Lease liabilities	**-**	**(9,640,155)**	**-**
Bank overdraft	**(454,640)**	**-**	**-**
Trade and other payables	**(9,652,473)**	**(231,952,141)**	**(58,720)**
Due to related parties	**(136,064,765)**	**(316,176,610)**	**-**
Net statement of financial position exposure	**(32,146,974)**	**(266,552,841)**	**28,140,696**

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Market risk (continued)

Foreign Currency risk (continued)

31 December 2021	**EGP**	**GBP**	**USD**
Cash and cash equivalents	11,487,953	59,974,466	6,325,202
Trade and other receivables	27,027,505	138,079,737	89,081
Due from related parties	27,929,501	-	-
Lease liabilities	-	(13,434,117)	-
Bank overdraft	(635,072)	-	-
Trade and other payables	(13,503,014)	(135,902,515)	(336,000)
Due to related parties	(94,626,135)	(249,387,453)	-
Net statement of financial position exposure	(42,319,262)	(200,669,882)	6,078,283

Sensitivity Analysis

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

	Strengthening	**Weakening**
31 December 2022		
EGP (1%)	**189,011**	**(189,011)**
GBP (1%)	**(535,703)**	**535,703**
31 December 2021		
EGP (1%)	(423,193)	423,193
GBP (1%)	(2,006,699)	2,006,699

Other price risk

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

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

Liquidity risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

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

(Saudi Riyals)

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Liquidity risk (continued)

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

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

		Contractual cash flow					
31 December 2022	**Carrying amount**	**Total**	**3 months or less**	**3 to 12 months**	**1 to2 Years**	**2 to 5 Years**	**More than 5 years**
Liabilities							
Loans and borrowings	**1,304,172,078**	**1,358,675,279**	**294,286,058**	**444,048,262**	**217,522,329**	**402,818,630**	-
Bank overdraft	**77,070,304**	**77,070,304**	**77,070,304**	-	-	-	-
Lease Liabilities	**221,248,760**	**231,494,671**	**43,316,376**	**17,125,321**	**36,306,497**	**65,911,673**	**68,834,804**
Trade and other payables	**800,791,840**	**800,791,840**	**800,791,840**	-	-	-	-
Due to related parties	**8,563,120**	**8,563,120**	**8,563,120**	-	-	-	-
	2,411,846,102	**2,476,595,214**	**1,224,027,698**	**461,173,583**	**253,828,826**	**468,730,303**	**68,834,804**

		Contractual cash flow					
31 December 2021 (restated)	**Carrying amount**	**Total**	**3 months or less**	**3 to 12 months**	**1 to2 Years**	**2 to 5 Years**	**More than 5 years**
Liabilities							
Loans and borrowings	1,063,084,600	1,099,785,419	434,320,093	413,388,824	87,128,680	164,947,822	-
Bank overdraft	5,466,147	5,466,147	5,466,147	-	-	-	-
Lease Liabilities	112,529,431	117,747 ,620	10,568,990	11,108,091	18,273,400	27,830,783	49,966,356
Trade and other payables	536,638,338	536,638,338	536,638,338	-	-	-	-
Due to related parties	-	-	-	-	-	-	-
	1,717,718,516	1,641,889,904	986,993,568	424,496,915	105,402,080	192,778,605	49,966,356

Excessive risk concentration

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

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

Current versus non-current classification

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

An asset is current when it is:

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

A liability is current when:

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

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37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Capital management

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

The Group's objectives when maintaining capital are:

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

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

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

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 10-12% (2021: 10-12%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 31 December 2022 and at 31 December 2021 were as follows:

	31 December 2022	31 December 2021
Total equity	**5,427,617,564**	5,505,863,235
Cash and cash equivalents	**539,276,998**	(318,386,693)
Capital	**5,966,894,562**	5,187,476,542
Total equity	**5,427,617,564**	5,505,863,235
Borrowings	**1,304,172,078**	1,063,084,600
Lease liabilities	**221,248,760**	112,529,431
Bank Overdraft	**77,070,304**	5,466,147
Overall financing	**7,030,108,706**	6,686,943,413
Capital-to-overall financing ratio	**85%**	78%

38. OPERATING SEGMENTS

Basis for segmentation

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

The following summary describes the operations of each reportable segment:

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

Other operations include sundry services such as events management, IT support, advertising, drivers professional fee, insurance brokerage, tripty que and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2022 or 2021.

The Group's Executive Committee (CODM) reviews the internal management reports of each segment at least quarterly.

(Saudi Riyals)

38. OPERATING SEGMENTS (continued)

Factors that management used to identify the Group's reportable segments.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior year.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the group position as disclosed below and in next page.

	31 December 2022						
	Reportable segments						
	Ticketing	**Tourism**	**Transportation**	**Hospitality**	**Property rentals**	**All other segments**	**Total**
External revenues	**-**	**667,661,538**	**788,968,426**	**96,129,498**	**5,164,869**	**29,746,866**	**1,587,671,197**
Inter-segment revenue	**-**	**-**	**10,914,615**	**-**	**-**	**18,890,293**	**29,804,908**
External commissions	**360,369,680**	**297,757,014**	**24,909,208**	**-**	**-**	**-**	**683,035,902**
Segment revenue	**360,369,680**	**965,418,552**	**824,792,249**	**96,129,498**	**5,164,869**	**48,637,159**	**2,300,512,007**
Segment profit before zakat and tax	**(79,001,592)**	**(73,795,288)**	**129,820,880**	**(23,508,374)**	**(3,410,429)**	**(1,380,623)**	**(51,275,426)**
Finance income	**5,370,687**	**4,848,072**	**1,671**	**-**	**-**	**93,857**	**10,314,287**
Finance expense	**(30,707,425)**	**(27,719,322)**	**(24,194,492)**	**(1,875,578)**	**-**	**(536,640)**	**(85,033,457)**
Depreciation and amortization	**(27,252,717)**	**(24,600,787)**	**(298,937,238)**	**(36,093,018)**	**(9,334,924)**	**(476,265)**	**(396,694,949)**
Share of profit of equity-accounted investees	**-**	**(116,095)**	**-**	**-**	**-**	**20,248,903**	**20,132,808**
Other material non-cash items:							
Impairment losses on financial assets	**781,054**	**729,581**	**-**	**-**	**-**	**-**	**1,510,635**
Impairment losses on non-financial assets	**(15,988,699)**	**(14,935,024)**	**(19,249,908)**	**-**	**(153,011)**	**-**	**(50,326,642)**
Segment assets	**2,548,884,030**	**2,380,909,373**	**1,922,874,748**	**2,459,890,322**	**1,104,460,040**	**44,543,999**	**10,461,562,512**
Equity-accounted investees	**-**	**10,068,002**	**-**	**-**	**-**	**105,471,362**	**115,539,364**
Capital expenditure	**(49,672,580)**	**(48,514,513)**	**(895,702,102)**	**(12,653,627)**	**-**	**(939,229)**	**(1,007,482,051)**
Segment liabilities	**1,022,679,907**	**955,284,017**	**1,056,295,482**	**41,543,408**	**4,845,670**	**17,872,234**	**3,098,520,718**

(Saudi Riyals)

38. OPERATING SEGMENTS (continued)

	31 December 2021 (restated)						
	Reportable segments						
	Ticketing	Tourism	Transportation	Hospitality	Property rentals	All other segments	Total
External revenues	-	256,272,250	520,649,183	35,818,523	5,453,963	18,424,873	836,618,792
Inter-segment revenue	-	-	14,107,926	-	-	21,649,799	35,757,725
External commissions	334,574,120	129,487,586	27,771,104	-	-	-	491,832,810
Segment revenue	334,574,120	385,759,836	562,528,213	35,818,523	5,453,963	40,074,672	1,364,209,327
Segment profit before zakat and tax	(243,495,995)	(152,645,002)	81,593,971	(41,180,474)	(6,567,179)	39,838,991	(322,455,688)
Finance income	5,018,830	3,151,845	417,341	-	-	32,509	8,620,525
Finance expense	(34,913,043)	(21,886,609)	(5,309,144)	(232)	-	(225,744)	(62,334,772)
Depreciation and amortization	(39,938,062)	(25,036,738)	(215,172,473)	(29,096,977)	(11,189,734)	(258,235)	(320,692,219)
Share of profit of equity-accounted investees	-	-	-	-	-	(17,115,676)	(17,115,676)
Other material non-cash items:							
Impairment losses on financial assets	(50,095,184)	(31,297,158)	(2,172,647)	(177,933)	-	-	(83,742,922)
Impairment losses on non-financial assets	-	-	-	(1,851,572)	-	-	(1,851,572)
Segment assets	2,475,485,649	1,551,855,143	1,835,415,154	2,823,425,869	1,123,029,483	16,006,240	9,825,217,538
Equity-accounted investees	-	-	-	-	-	89,475,633	89,475,633
Capital expenditure	(31,185,926)	(19,584,887)	(605,344,747)	(2,539,878)	-	(202,004)	(658,857,442)
Segment liabilities	767,682,414	481,251,792	1,090,584,813	29,553,797	5,744,776	10,213,758	2,385,031,350

Reconciliations of information on reportable segments

	31 December 2022	31 December 2021 (restated)
Revenues		
Total revenue for reportable segments	**2,251,874,848**	1,324,134,655
Revenue for other segments	**48,637,159**	40,074,672
Elimination of inter-segment revenue	**(29,804,908)**	(35,757,725)
Consolidated revenue	**2,270,707,099**	1,328,451,602
Profit before zakat and tax		
Total profit before zakat and tax for reportable segments	**(49,894,803)**	(362,294,679)
Profit before zakat and tax for other segments	**(1,380,623)**	39,838,991
Consolidated profit before zakat and tax	**(51,275,426)**	(322,455,688)

	31 December 2022	31 December 2021 (restated)
Assets		
Total assets for reportable segments	**10,417,018,513**	9,809,211,298
Assets for other segments	**44,543,999**	16,006,240
Inter-segment eliminations	**(1,935,424,230)**	(1,934,322,954)
Consolidated assets	**8,526,138,282**	7,890,894,584
Liabilities		
Total liabilities for reportable segments	**3,080,648,484**	2,374,817,592
Liabilities for other segments	**17,872,234**	10,213,758
Consolidated liabilities	**3,098,520,718**	2,385,031,350

(Saudi Riyals)

38. OPERATING SEGMENTS (continued)

Other material items

31 December 2022	Reportable segments totals	Adjustments	Consolidated totals
Finance income	**10,220,430**	**93,857**	**10,314,287**
Finance expense	**(84,496,817)**	**(536,640)**	**(85,033,457)**
Capital expenditure	**(1,006,542,822)**	**(939,229)**	**(1,007,482,051)**
Depreciation and amortization	**(396,218,684)**	**(476,265)**	**(396,694,949)**
Impairment of other receivables	**(31,896,400)**	**-**	**(31,896,400)**
31 December 2021			
Finance income	8,474,983	145,542	8,620,525
Finance expense	(61,329,206)	(1,005,566)	(62,334,772)
Capital Expenditure	(630,043,603)	(425,075)	(630,468,678)
Depreciation and amortization	(320,433,984)	(258,235)	(320,692,219)
Impairment charge of other receivables	(83,742,922)	-	(83,742,922)

Geographic information

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

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

Revenue

	31 December 2022	31 December 2021
Kingdom of Saudi Arabia	**1,409,225,387**	1,051,560,861
All foreign countries		
United Kingdom	**825,120,058**	246,307,767
Egypt	**4,280,819**	992,299
United Arab Emirates	**9,896,784**	13,725,570
Spain	**9,275,698**	10,211,379
Kuwait	**12,908,353**	5,653,726
	861,481,712	276,890,741
	2,270,707,099	1,328,451,602

Non-current assets

	31 December 2022	31 December 2021 (restated)
Kingdom of Saudi Arabia	**6,143,820,226**	5,850,101,325
All foreign countries		
United Kingdom	**99,851,201**	79,707,521
Egypt	**13,464,694**	22,675,946
United Arab Emirates	**2,809,070**	3,153,869
Spain	**2,848,700**	2,903,575
	118,973,665	108,440,911
	6,262,793,891	5,958,542,236

(Saudi Riyals)

38. OPERATING SEGMENTS (continued)

A brief summary of Group' internal strategic business units is detailed below:

	31 December 2022										
	Travel					**Car rental**	**Hospitality**	**Portman**	**Corporate**	**Elimination**	**Total**
	Consumer Travel	**Business Travel**	**Hajj and Umrah**	**DMC**	**Total travel**						
Gross booking value	**3,903,063,924**	**2,059,992,337**	**60,167,448**	**103,673,250**	**6,126,896,959**	**782,630,550**	**101,294,366**	**2,043,849,534**	**254,010,633**	**(29,804,908)**	**9,278,877,134**
Revenues	**256,659,895**	**94,920,322**	**60,167,448**	**103,673,250**	**515,420,915**	**782,630,550**	**101,294,366**	**825,120,058**	**76,046,117**	**(29,804,908)**	**2,270,707,099**

	31 December 2021 (restated)										
	Travel					**Car rental**	**Hospitality**	**Portman**	**Corporate**	**Elimination**	**Total**
	Consumer Travel	**Business Travel**	**Hajj and Umrah**	**DMC**	**Total travel**						
Gross booking value	1,756,263,279	1,641,590,787	3,500,048	92,685,141	3,494,039,255	521,469,126	41,272,486	660,270,606	115,272,981	(35,757,725)	4,796,566,729
Revenues	189,605,789	202,155,095	3,500,048	92,988,789	488,249,721	521,469,126	41,272,486	245,713,840	67,504,154	(35,757,725)	1,328,451,602

	31 December 2022						
	Total travel	**Car rental**	**Hospitality**	**Portman**	**Corporate**	**Elimination**	**Total**
Gross booking value	**6,126,896,959**	**782,630,550**	**101,294,366**	**2,043,849,534**	**254,010,633**	**(29,804,908)**	**9,278,877,134**
Revenues	**515,420,915**	**782,630,550**	**101,294,366**	**825,120,058**	**76,046,117**	**(29,804,908)**	**2,270,707,099**
Gross Profit	**377,306,046**	**260,050,713**	**12,434,195**	**204,389,475**	**49,684,577**	**-**	**903,865,006**
Operating expenses, net	**(473,973,027)**	**(85,879,513)**	**(33,695,646)**	**(183,506,328)**	**(29,482,739)**	**-**	**(806,537,253)**
EBITDA (excluding cost of revenue depreciation)	**(96,666,981)**	**174,171,200**	**(21,261,451)**	**20,883,147**	**20,201,838**	**-**	**97,327,752**

	31 December 2021						
	Total travel	**Car rental**	**Hospitality**	**Portman**	**Corporate**	**Elimination**	**Total**
Gross booking value	3,494,039,255	521,469,126	41,272,486	660,270,606	115,272,981	(35,757,725)	4,796,566,729
Revenues	488,249,721	521,469,126	41,272,486	245,713,840	67,504,154	(35,757,725)	1,328,451,602
Gross Profit	353,698,959	164,828,779	(19,246,524)	78,420,349	45,809,658	(16,613,567)	606,897,653
Operating expenses, net	(522,600,090)	(51,027,274)	(25,039,911)	(152,316,843)	(57,039,835)	-	(808,023,953)
EBITDA (excluding cost of revenue depreciation)	(168,901,131)	113,801,505	(44,286,436)	(73,896,494)	(11,230,178)	(16,613,567)	(201,126,300)

39. RESTATEMENT OF PRIOR PERIOD ERRORS

During the year ended 31 December 2022, the group has found the following errors:

A The Company’s management identified that certain intercompany balance adjustments of SR 32.6 million were incorrectly reflected in a subsidiary and resultantly within the group consolidation for the year ended 31 December 2019. This was identified through a reconciliation made by the Company during the period. Therefore, the Company has adjusted this in its opening retained earnings as at 1 January 2021 with a corresponding decrease in its trade and other payables for the same amount.

B The Company’s management identified that deferred tax asset of SR 1.4 million was not recognised for the year ended 31 December 2021. This was identified through consideration of the increase in tax rates going forward and any further losses recoverable in the future in the United Kingdom. Therefore, the Company has adjusted this income in its zakat and income tax expense as at 31 December 2021 with a corresponding increase in its deferred tax asset for the same amount.

C The Company’s management identified that actuarial gain of SR 3.2 million was not recognised for the year ended 31 December 2021. This was identified through actuarial report received during the period. Therefore, the Company has adjusted this income in its retained earnings as at 31 December 2021 with a corresponding decrease in its employees’ end of service benefits for the same amount.

D The Company’s management identified that administrative expenses of SR 0.06 million was under-stated for the year ended 31 December 2021. Therefore, the Company has adjusted this expense in its selling expenses, admin expenses, finance cost and other income as at 31 December 2021 with a corresponding increase in finance cost, Property and equipment, trade and other payables and contract liabilities.

E The Company’s management identified that unpaid due lease payments of SR 9.4 million and SR 5.8 million as of 31 December 2021 and 31 December 2020 were classified under other payables. Therefore, the Company has reclassified this unpaid balance to the current portion of lease liabilities.

F The Company’s management identified that Accrued incentives for ticketing of SR 0.06 million was under-stated for the year ended 31 December 2021. Therefore, the Company has adjusted this by recording revenue as at 31 December 2021 with a corresponding increase in trade and other receivables.

G The Company’s management identified that Accrued rent of SR 5.25 million was recorded under Charity fund reserve for the year ended 31 December 2021. Therefore, the Company has adjusted this by recording accruals as at 31 December 2021 with a corresponding decrease in equity.

H The Company’s management identified Intangibles mainly customer list and brand name amounting to SR 11.6 million as part of the Final PPA exercise completed during Q4 2022, of Inspire Sports which was acquired in May 2021. Therefore, the Company has adjusted this by recording Intangibles as at 31 December 2021 with a corresponding decrease in goodwill.

I The Company’s management identified that certain related party balances were required to be reported as trade and other receivable and trade and other payables, hence the Company has reclassified these balances.

(Saudi Riyals)

39. RESTATEMENT OF PRIOR PERIOD ERRORS (continued)

Group reconciliation of equity as at 1 January 2021

	Note	1 January 2021 (audited) (as previously reported)	Adjustments	1 January 2021 (restated)
ASSETS				
Non-current				
Property and equipment		3,497,748,280	-	3,497,748,280
Assets under construction and development		303,008,682	-	303,008,682
Capital work in progress – recoverable on disposal		359,747,097	-	359,747,097
Intangible assets and goodwill		57,169,909	-	57,169,909
Investment properties		802,629,000	-	802,629,000
Investments in equity-accounted investees		53,542,928	-	53,542,928
Investments		579,978,388	-	579,978,388
Deferred tax assets		11,517,862	-	11,517,862
		5,665,342,146	-	5,665,342,146
Current				
Trade and other receivables		1,285,534,004	-	1,285,534,004
Receivable from disposal of investments in equity-accounted investee		241,651,870	-	241,651,870
Due from related parties		27,827,339	-	27,827,339
Prepayments and advances		335,724,553	-	335,724,553
Cash and cash equivalents		248,952,850	-	248,952,850
		2,139,690,616	-	2,139,690,616
TOTAL ASSETS		7,805,032,762	-	7,805,032,762
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent:				
Share capital		3,000,000,000	-	3,000,000,000
Share premium		707,345,000	-	707,345,000
Statutory reserve		453,177,014	-	453,177,014
Other reserves		22,907,769	-	22,907,769
Treasury shares		(64,900,000)	-	(64,900,000)
Retained earnings	A	1,758,350,742	32,555,345	1,790,906,087
		5,876,880,525	32,555,345	5,909,435,870
Non-controlling interests		361,464	-	361,464
TOTAL EQUITY		5,877,241,989	32,555,345	5,909,797,334
LIABILITIES				
Non-current				
Loans and borrowings		366,539,330	-	366,539,330
Leased liabilities		80,876,466	-	80,876,466
Employees' end of service benefits		112,503,015	-	112,503,015
Deferred tax liabilities		756,666	-	756,666
		560,675,477	-	560,675,477
Current				
Bank overdraft		1,108,487	-	1,108,487
Loans and borrowings		538,761,552	-	538,761,552
Lease liabilities	E	8,809,259	5,791,000	14,600,259
Zakat and income taxes		66,047,440	-	66,047,440
Trade and other payables	A,E	634,071,084	(38,346,345)	595,724,739
Due to related parties		1,278,755	-	1,278,755
Contract liabilities		92,038,719	-	92,038,719
Provisions		25,000,000	-	25,000,000
		1,367,115,296	(32,555,345)	1,334,559,951
TOTAL LIABILITIES		1,927,790,773	(32,555,345)	1,895,235,428
TOTAL EQUITY AND LIABILITIES		7,805,032,762	-	7,805,032,762

(Saudi Riyals)

39. RESTATEMENT OF PRIOR PERIOD ERRORS (continued)

Group reconciliation of equity as at 31 December 2021

	Note	31 December 2021 (audited)	Adjustments	1 January 2022 (restated)
ASSETS				
Non-current				
Property and equipment	D	3,607,727,171	272,996	3,608,000,167
Assets under construction and development		250,549,247	-	250,549,247
Capital work in progress – recoverable on disposal		359,747,097	-	359,747,097
Intangible assets and goodwill	H	121,055,561	-	121,055,561
Investment properties		769,316,266	-	769,316,266
Investments in equity-accounted investees		89,092,339	-	89,092,339
Investments		735,191,420	-	735,191,420
Deferred tax assets	B	24,185,166	1,404,973	25,590,139
		5,956,864,267	1,677,969	5,958,542,236
Current				
Trade and other receivables	D,I	1,271,601,912	7,327,941	1,278,929,853
Due from related parties	I	12,810,650	(5,875,254)	6,935,396
Prepayments and advances		328,100,407	-	328,100,407
Cash and cash equivalents		318,386,693	-	318,386,693
		1,930,899,662	1,452,687	1,932,352,349
TOTAL ASSETS		7,887,763,929	3,130,656	7,890,894,585
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the parent:				
Share capital		3,000,000,000	-	3,000,000,000
Share premium		707,345,000	-	707,345,000
Statutory reserve		453,177,014	-	453,177,014
Other reserves		4,995,211	(5,250,000)	(254,789)
Treasury shares		(60,538,200)	-	(60,538,200)
Retained earnings	A,B,C,D	1,370,380,670	37,399,093	1,407,779,763
		5,475,359,695	32,149,093	5,507,508,788
Non-controlling interests		(1,645,553)	-	(1,645,553)
TOTAL EQUITY		5,473,714,142	32,149,093	5,505,863,235
LIABILITIES				
Non-current				
Loans and borrowings		235,714,286	-	235,714,286
Leased liabilities		90,571,118	-	90,571,118
Employees' end of service benefits		125,532,249	-	125,532,249
Deferred tax liabilities		176,587	-	176,587
		451,994,240	-	451,994,240
Current				
Bank overdraft		5,466,147	-	5,466,147
Loans and borrowings		827,370,314	-	827,370,314
Lease liabilities	E	12,510,211	9,448,102	21,958,313
Zakat and income taxes		108,150,804	-	108,150,804
Trade and other payables	A,C,D, E,G,I	823,815,643	(38,460,888)	785,354,755
Due to related parties	I	30,389	(30,389)	-
Contract liabilities	D	162,712,039	24,738	162,736,777
Provisions		22,000,000	-	22,000,000
		1,962,055,547	(29,018,437)	1,933,037,110
TOTAL LIABILITIES		2,414,049,787	(29,018,437)	2,385,031,350
TOTAL EQUITY AND LIABILITIES		7,887,763,929	3,130,656	7,890,894,585

(Saudi Riyals)

39. RESTATEMENT OF PRIOR PERIOD ERRORS (continued)

Impact of the above adjustments in consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021:

	Note	31 December 2021 Previously Reported	Adjustments	31 December 2021 Restated
Revenue	F	1,327,857,675	593,927	1,328,451,602
Cost of revenue		(721,553,949)	-	(721,553,949)
Gross profit		**606,303,726**	**593,927**	**606,897,653**
Selling expenses	C,D	(336,052,333)	1,384,176	(334,668,157)
Administrative expenses	C,D	(553,056,136)	1,797,021	(551,259,115)
Provision for expected credit loss on trade receivables		(78,169,532)	-	(78,169,532)
Net fair value gain on investments		17,318,353	-	17,318,353
Other expenses		(20,351,149)	-	(20,351,149)
Other income	D	81,772,676	27,116	81,799,792
Operating loss		**(282,234,395)**	**3,802,240**	**(278,432,155)**
Finance income		8,620,525	-	8,620,525
Finance costs	D	(61,971,307)	(363,465)	(62,334,772)
Net finance cost		**(53,350,782)**	(363,465)	**(53,714,247)**
Impairment loss		(7,424,962)	-	(7,424,962)
Share of profit from equity-accounted investees		17,115,676	-	17,115,676
Loss before zakat and tax		**(325,894,463)**	**3,438,775**	**(322,455,688)**
Zakat and income tax expense	B	(51,829,925)	1,404,973	(50,424,952)
Loss for the period		**(377,724,388)**	**4,843,748**	**(372,880,640)**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		4,987,810	-	4,987,810
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement gain / (loss) of employees' end of service benefits		(6,725,156)	-	(6,725,156)
Unrealized loss on equity instruments – FVOCI		(41,413,102)	-	(41,413,102)
Other comprehensive income for the period		**(43,150,448)**	**-**	**(43,150,448)**
Total comprehensive loss for the period		**(420,874,836)**	**4,843,748**	**(416,031,088)**
(Loss) / profit attributable to:				
Owners of the parent		(376,379,547)	4,843,748	(371,535,799)
Non-controlling interest		(1,344,841)	-	(1,344,841)
		(377,724,388)	**4,843,748**	**(372,880,640)**
Total comprehensive (loss) / income attributable to:				
Owners of the parent		(419,264,954)	4,843,748	(414,421,206)
Non-controlling interest		(1,609,882)	-	(1,609,882)
		(420,874,836)	**4,843,748**	(416,031,088)

(Saudi Riyals)

39. RESTATEMENT OF PRIOR PERIOD ERRORS (continued)

Impact of the above adjustments in statement of cash flows for the year ended 31 December 2021:

	31 December 2021 Previously Reported after reclassification*	Adjustments	31 December 2021 Restated
Cash flows from operating activities:			
- Loss for the period	(325,894,463)	3,438,775	(322,455,688)
- Net changes trade and other receivables	(72,980,149)	(8,732,914)	(81,713,063)
- Net changes trade and other payables	162,149,985	2,188,841	164,338,826
- Other amounts*	477,988,168	(537,192,912)	(59,204,744)
Net cash flows from operating activities	241,263,541	(540,298,210)	(299,034,669)
Net cash used in investing activities	(321,930,666)	540,248,705	218,318,039
Net cash used in financing activities	140,487,318	49,505	140,536,823
Net increase in cash and cash equivalents	**59,820,193**	-	**59,820,193**

*Net book value of vehicles disposed and additions to vehicles have been reclassified under cashflow from operating activities which were previously reported as additions to property and equipment and proceeds from sale of property and equipment under cashflow from investing activities

Impact of the above adjustments on basic and diluted loss per share for the year ended 31 December 2021

	31 December 2021
Basic as previously reported	(1.25)
Adjustments	(0.02)
Basic as restated	(1.27)

40. SIGNIFICANT EVENT DURING THE PERIOD

On 12 September 2022 Seera Group Holding announced the signing of a non-binding term sheet on a preliminary pre-money enterprise value of SAR 3,750 million with the Public Investment Fund ("PIF") the prospective investor in relation to the proposed investment by PIF in Almosafer Travel and Tourism Company (a 100% subsidiary of the Company) ("Almosafer") which owns, or is expected to own as part of the transaction, the Company's various subsidiaries operating its travel and tourism business (consumer travel, business travel, destination management and Hajj and Umrah). The investment amount (including the earn-out amount) is based on a preliminary pre-money enterprise value of Almosafer and the relevant subsidiaries of Three Billion and Seven Hundred and Fifty Million Saudi Riyals (SAR 3,750 million). The earn-out amount will be conditional on Almosafer achieving certain pre-agreed KPIs in the financial years 2023 and 2024.

On 21 December 2022, Seera announces that it submitted an application for the registration and offering of sixteen million, five hundred thousand (16,500,000) ordinary shares representing 30% of the share capital of Lumi Rental Company to the Capital Market Authority ("CMA") along with the submission of an application for the listing of its shares on the Saudi Primary Market

41. RECLASSIFICATION

Certain comparative figures have been reclassified to conform with classification used for the year ended 31 December 2022.

42. SUBSEQUENT EVENTS

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association/By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended By-Laws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification if required.

Subsequent to the year the Company has received units from Alinma Hospitality Real estate Fund against the advance for investments reported in these consolidated financial statements

43. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the board of directors on 6 Ramadan 1444H (corresponding to 28 March 2023).