NORTHERN REGION CEMENT CO.
SAUDI JOINT STOCK COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

Index

mazars

Al Kharashi & Co.
Certified Accountants and Auditors
7425 Sahab Tower Alttakhassusi Street
Riyadh, KSA
P.O Box 8306, Riyadh 11482
Tel: +966 920028229
Fax: +966 11 477 4924
www.mazars.sa

Independent Auditor's Report

To the **Shareholders of The Northern Region Cement Co.**
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Northern Region Cement Co.** (the Company) and its subsidiaries referred to together as the "Group", which comprise the consolidated statement of financial position as of December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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. For each key audit matter, a description of how our audit addressed the matter is set out below:

Key things to review	How we dealt with key issues during the review
Assessing the decline in the value of goodwill: As of December 31, 2020, the value of goodwill was 506 million riyals (2019: 506 million riyals). Evaluating the decline in the value of goodwill, an intangible asset with unspecified production ages, is one of the main things for the review due to the size of the balance and the important diligence exercised by management. The probability of a decline in the value of fame and intangible assets with unspecified production ages is tested annually. Please refer to the important accounting policies in Illustration 4-2 for the policy on the decline in the value of goodwill and intangible assets, and clarification (7) for more details on goodwill and intangible assets.	We have obtained all the down value tests provided by the Management and have done the following tests: • We have confirmed that the calculations of refundable amounts are based on the latest business plans. • We assessed the reasonableness of the action plan by comparing implied growth rates with market forecasts and analysts. • We also compared the actual results of the current year with the estimated figures in the decline in value tests made in previous years. • We assessed the extent to which management showed the result of comparing the estimated figures with actual figures in its current assessment and the extent to which it adjusted actual revenue growth rates and operating margins in the current year model

Report on the Audit of the Consolidated financial statements (continued)

Key things to review	How we dealt with key issues during the review
Revenue recognition: During the year ended 31 December 2020, Group's revenue amounted to SAR 651 million (2019: SAR 673 million). The Group continues to be under pressure to meet goals and expectations which may lead to misstatements in revenue. Revenue recognition is a key audit matter because there is a risk that management may override controls to misrepresent revenue transactions.	We have performed the following procedures regarding revenue recognition: - Evaluating the appropriateness of the accounting policies related to the revenue recognition of the Group by taking into consideration the requirements of IFRS 15 "Revenue from Contracts with Clients". - Evaluating the design, implementation and testing of the operational effectiveness of the Group's control procedures, including the control procedures to prevent fraud when recognizing revenue in accordance with the Group's policy. - Testing sales transactions, on a sample basis, and perform cut-off tests of revenue made at the beginning and end of the year to assess whether the revenue has been recognized in the correct period.
Inventory: As of December 31, 2020, the Group's inventory balance amounted to SAR 479 million (2019: SAR 478 million), which exceeded 65% of Group's total current assets and 15% of total assets, and inventory balance included non-finished goods (clinker) with an amount of SAR 245 million (2019: SAR 271 million). Clinker stocks are in the form of piles in yards and hangars set up for this purpose. Whereas, determining the weight of this stock is not practically possible. The management estimates the available quantities at the year-end by measuring the stockpiles and converting the measurements into unit volumes using the stability angle and the quantitative density. To do this, management assigns an independent inspection expert to estimate quantities at the year end. In addition, the management calculates the cost of sales and the value of inventory at year end based on costs incurred, quantities produced and the inventory balance at year end. Thus, the existence and valuation of inventory and cost of sales are affected by the above-mentioned inventory count process at year end. With reference to the importance of inventory balance and related valuations and assumptions used, this matter was considered a key audit matter.	We have performed the following procedures regarding existence and valuation of inventory balance: - Attending the physical inventory count held by the company and the independent inspection expert. - Obtaining the stock inventory report submitted by the independent inspection expert regarding the stock of raw materials, especially clinker. - Evaluating the design and effectiveness of internal control procedures for the inventory accounting cycle. - Evaluating the appropriateness and adequacy of disclosures related to inventory in the financial statements. - Testing the validity of inventory measurement at lower of cost or net realizable value.

Other information included in the Group's annual report for the year ended 31 December 2020.

Other information included in the Group's annual report for the year ended 31 December 2020, other than the consolidated financial statements and the auditor's report thereon. We obtained the report of Board of Directors, prior to the date of our Auditor's report and we expect to obtain the remaining section of the 2020 Annual Report after the date of this auditor's report. The Company's management is responsible for the other information mentioned in its annual report.

Report on the Audit of the Consolidated financial statements (continued)

Our opinion on the consolidated financial statements does not cover other information, and we do not and will not express any form of assurance conclusion thereon. In our audit of the consolidated financial statements, it is our responsibility to read the information described above. In doing so, we consider whether the other information is not materially consistent with the financial statements or knowledge obtained in the audit, or otherwise appears to be materially misstated.
When we read the other information, 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 Financial Statements
Management is responsible for the preparation and fair presentation for the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Report on the Audit of the Consolidated financial statements (continued)

- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or commercial activities within the group, to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and implementing the group review process. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements
During our audit of the consolidated financial statements, we did not find the Group's violation of the provisions of the Companies Law or the provisions of the Company's Articles of Association.

For Al-Kharashi Co.

Sulieman A. Al-Kharashi
License No. (91)

Riyadh:
Ragab 25, 1442 H
March 9, 2021 G

الخراشي وشركاه
محاسبون ومراجعون قانونيون
ترخيص : ٥٣٦ Lic.: 536
Certified Accountants
& Auditors
AL-Kharashi Co.

Northern Region Cement Co.
Saudi Joint Stock Company
Consolidated Financial Position Statement
As of December 31, 2020
(Expressed in Saudi Riyals)

		As on December 31st.	
	Note	2020	2019
Assets			
Non-current assets:			
Property, plant and equipment, Net	6	1,792,155,268	1,726,288,975
Intangible assets	7	557,507,885	554,324,687
Right to use assets, Net	8	3,199,272	3,754,436
Investments and financing in associates, Net	9	121,655,356	97,441,914
Non-current portion of receivable	12	40,436,966	-
Total non-current assets		**2,514,954,747**	**2,381,810,012**
Current assets:			
Inventory	10	478,731,545	477,555,221
Prepayments and other debit balances	11	69,760,819	76,938,551
Account's receivables, Net	12	79,590,935	122,269,177
Due from related parties	13	17,890,709	14,713,816
Notes receivable	14	22,018,829	27,860,250
Cash and cash equivalents	15	27,808,945	117,640,964
Total current assets		**695,801,782**	**836,977,979**
Total assets		**3,210,756,529**	**3,218,787,991**
Equity and Liabilities			
Equity:			
Share capital		1,800,000,000	1,800,000,000
Statutory reserve	16	134,268,823	123,506,164
Retained earning		271,244,784	221,434,731
Other equity		114,886	1,239,750
Total shareholders' equity		2,205,628,493	2,146,180,645
Non-controlling equity		5,099,528	4,378,950
Total Equity		**2,210,728,021**	**2,150,559,595**
Non-current liabilities:			
Long-term loans	17	450,909,091	525,454,545
leases liabilities	8	3,005,655	3,155,655
Employees benefit obligations Provision	18	18,209,656	16,032,828
Total non-current liabilities		**472,124,402**	**544,643,028**
Current liabilities:			
Short-term loans	17	228,223,244	292,574,302
Current portion of long-term loans	17	119,545,453	94,545,455
Trade payable		96,814,229	68,614,766
Accrued expenses and other credit balance	19	59,538,848	53,909,024
Current portion leases liabilities	8	459,322	484,021
Zakat and income tax provision	20	23,323,010	13,457,800
Total current liabilities		**527,904,106**	**523,585,368**
Total liabilities		**1,000,028,508**	**1,068,228,396**
Total liabilities and shareholders' equity		**3,210,756,529**	**3,218,787,991**

CFO | Deputy General Director | General Director | Managing Director

The accompanying notes are an integral part of these consolidated financial statements.

Northern Region Cement Co.
Saudi Joint Stock Company
Consolidated profit or loss and other comprehensive income statement
For the year ended December 31, 2020.
(Expressed in Saudi Riyals)

	Note	For the year ended December 31 2020	2019
Revenue		651,481,158	673,371,397
Cost of sales		(455,354,655)	(457,049,188)
Gross profit		196,126,503	216,322,209
Expenses and charges:			
Selling and distribution expenses	22	(26,888,381)	(45,563,082)
General and administrative expenses	23	(40,547,520)	(44,895,679)
(Form) Refund Provision for impairment of receivables value	12	(1,862,282)	179,381
Net income from Main Activities		126,828,320	126,042,829
Financing Charges	24	(28,391,316)	(46,801,743)
The company's share in net profit (loss) of associates	9	15,018,947	2,094,989
Refund of provision for impairment of investments	9	8,405,537	16,811,073
Other income	25	4,320,898	7,150,477
Capital (loss)		-	(54,650)
Net profit before zakat and income tax from main activities		126,182,386	105,242,975
Estimated zakat	20	(11,168,289)	(10,100,000)
Income taxes of subsidiaries	20	(6,389,754)	(2,124,261)
Government contributions of subsidiaries	20	(399,360)	(265,689)
Net income for the year		**108,224,983**	**92,753,025**
Other comprehensive income:			
Other comprehensive income that will not be subsequently reclassified to profit or loss:			
Profits to re-measure the Employee benefit liabilities	18	(2,119,289)	443,077
Other comprehensive income items that will later be reclassified to profit or loss:			
Differences in the translation of financial statements in foreign currencies		2,314,470	335,953
Total other comprehensive income for the year		**195,181**	**779,030**
Total comprehensive income for the year		**108,420,164**	**93,532,055**
Net income for the year to:			
The company's shareholders		107,626,586	92,267,945
Non-controlling equity		**598,397**	**485,080**
Comprehensive income for the year due to:			
Company's shareholders		107,699,586	93,086,449
Non-controlling equity		**720,578**	**445,606**
Earnings per share	26		
Basic earnings per share from net income return to shareholders of the parent company		**0.60**	**0.51**
Basic earnings per share of the year's comprehensive income of the parent company's shareholders		**0.60**	**0.52**

CFO	Deputy General Manager	General Manager	Managing director

The accompanying notes are an integral part of these consolidated financial statements.

Northern Region Cement Co.
Saudi Joint Stock Company
Consolidated Changes in Equity Statement
For the year ended December 31, 2020.
(Expressed in Saudi Riyals)

	Share Capital	Statutory Reserve	Retained Earnings	Re-Measure the Employee Benefit Liabilities	Foreign Exchange Translation Reserve	Total Shareholders' Equity	Non-Controlling Equity	Total Equity
Balance on January 1, 2019	1,800,000,000	114,279,369	139,539,051	325,789	95,457	2,054,239,666	3,995,666	**2,058,235,332**
Adjustments	-	-	(1,145,470)	-	-	(1,145,470)	(62,322)	**(1,207,792)**
Net income	-	-	92,267,945	-	-	92,267,945	485,080	**92,753,025**
Transfer to statuary reserve	-	9,226,795	(9,226,795)	-	-	-	-	-
Other comprehensive income	-	-	-	443,077	375,427	818,504	(39,474)	**779,030**
Balance on December 31, 2019	1,800,000,000	123,506,164	221,434,731	768,866	470,884	2,146,180,645	4,378,950	**2,150,559,595**
Balance on January 1, 2020	1,800,000,000	123,506,164	221,434,731	768,866	470,884	2,146,180,645	4,378,950	**2,150,559,595**
Adjustments	-	-	(2,053,874)	-	-	(2,053,874)	-	**(2,053,874)**
Dividends paid	-	-	(45,000,000)	-	-	(45,000,000)	-	**(45,000,000)**
Net income of the year	-	-	107,626,586	-	-	107,626,586	598,397	**108,224,983**
Transfer to statuary reserve	-	10,762,659	(10,762,659)	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	(2,119,289)	994,425	(1,124,864)	122,181	**(1,002,683)**
Balance on December 31, 2020	**1,800,000,000**	**134,268,823**	**271,244,784**	**(1,350,423)**	**1,465,309**	**2,205,628,493**	**5,099,528**	**2,210,728,021**

CFO	Deputy General Manager	General Manager	Managing director

The accompanying notes are an integral part of these consolidated financial statements.

Northern Region Cement Co.
Saudi Joint Stock Company
Consolidated Cash Flow Statement
For the year ended December 31,2020
(Expressed in Saudi Riyals)

	For the year ended December 31	
	2020	**2019**
Cash flows from operating activities:		
Income before zakat and income tax	126,182,386	105,242,975
Adjustments to settle net profit for net cash		
Depreciation and moralization	70,177,123	74,606,071
employee benefit liabilities	2,313,129	1,964,270
The company's share in the profits of the associate company	(15,018,947)	(2,349,607)
Interest on leases obligations	125,301	139,398
(Refund) loss of impermeant in trade receivables	1,862,282	(179,381)
(Refund) of provision for impairment of strategic sparce inventory	-	(610,466)
(Refund) of provision for impairment of investments	(8,405,537)	(16,811,073)
Adjustments of previous years		(1,207,792)
Loss on sale of fixed asset	-	(54,650)
Changes in assets and operational liabilities		
Trade Receivables and cheques owe the collection fee	6,220,415	6,553,988
Inventory	(1,176,324)	68,713,106
Related Parties	(3,176,893)	(4,220,203)
Prepaid expenses and other assets	7,177,732	(10,506,071)
Account's payables	28,199,463	(7,915,533)
Accrued expenses and other liabilities	5,629,824	(829,220)
Cash from operating activities	**220,109,954**	**212,535,812**
Zakat, paid income tax and translation differences	(8,755,614)	(10,293,548)
Paid from end of service benefits	(2,255,590)	(3,026,280)
Net cash generated from operating activities	**209,098,750**	**199,215,984**
Cash flows from investing activities:		
(Additions) on property, plant and equipment	(135,433,760)	(37,069,782)
Proceeds from disposal of assets	-	1,526,000
Investment and financing in associate companies	(788,958)	-
(Additions) on Intangible asset	(3,237,690)	(12,960,463)
Net cash (used in) investing activities	**(139,460,408)**	**(48,504,245)**
Cash flows from financing activities:		
(paid) from short-term profit	(64,351,058)	(518,200,707)
Long-term loans	(49,545,456)	460,000,000
Paid from rental obligations	(300,000)	(900,000)
Dividends paid	(45,000,000)	-
Non-controlling shares	720,578	445,606
Net cash (used in) financing activities	**(158,475,936)**	**(58,655,101)**
(Decrease) / Increase in cash	(88,837,594)	92,056,638
Cash and cash equivalents at the beginning of the year	117,640,964	25,959,753
Impact of change in the exchange rate of translating financial statements in foreign currencies	(994,425)	(375,427)
Cash and cash equivalents at the end of the period	**27,808,945**	**117,640,964**
Non-monetary effects		
Profits to re-measure the employee's liabilities benefits	(2,119,289)	443,077

CFO | Deputy General Manager | General manager | Managing director

The accompanying notes are an integral part of these consolidated financial statements.

1. **Company information:**

A. Establishing the company

Northern Region Cement Company (SA) is a Saudi joint stock company, registered in Tarif, Saudi Arabia under the Commercial Register No. 3451002618 on 19 01431 H (March 19, 2006).

B. The company's capital

The company put the company's shares to public offering and transferred it from a closed Saudi joint stock company to a joint stock company with its rights and obligations, a decision was issued by the Capital Market Authority No. 4/585 on 23 Rabe Awal 1434 (February 4, 2013) to approve the announcement of the company's transformation from a closed Saudi joint stock company to a Saudi joint stock company. The company has put forward 50% of its shares for the IPO to complete the rest of its capital by offering 54 million shares worth 540 million SR, bringing the company's capital to SR 1,800 SR million divided into 180 million shares with a nominal value of 10 Saudi riyals.

C. The nature of the company's activity

The main activity of the company is the production of ordinary Portland cement and resisting and managing and operating Portland cement factories of all kinds and wholesale and retail in the company's products and building materials including import and export abroad, rock pieces and white cement under license 900 issued on 28 February 1426 H 5 June 2005. On Rabi 'Al-Akher 7, 1442 AH, the license was amended by Resolution No. 421102108487 to include white cement within the company's activities.

D. Fiscal year

The company's financial year is twelve months from the beginning of January until the end of December each calendar year.

E. Display currency and activity

The financial statements are prepared in Saudi Riyals, which is the currency of activity and offer for the company, all the numbers are rounded to the nearest Riyal, unless otherwise indicated.

2. **Group information**

The consolidated financial statements include the financial statements of The Northern Region Cement Company and the financial statements of all companies controlled by the company (its subsidiaries) that were established or acquired as of June 30, 2016. They are as follows:

Company Name	Country	Legal entity	Percentage of ownership (%) As in	
			December 31, 2020	December 31, 2019
North Cement (1)	The Hashemite Kingdom of Jordan	Public joint stock	99.382	99.372
Deyaar Nagd for contracting & Trading Ltd. Co. (2)	U.A.E	Limited liability	100	100
Sama Yamamah (2)	U.A.E	Limited liability	100	100
North Gulf (2)	U.A.E	Limited liability	100	100
Through The North for The Cement and Building Materials (2)	U.A. E	Limited liability	100	100
Al Hazm for cement trading and derivatives Limited (2)	U.A. E	Limited liability	100	100
Um-Qasr Northern Cement Co. Ltd.	U.A. E	Limited liability	100	100

(1) Northern Cement's consolidated financial statements include the Hashemite Kingdom of Jordan. The financial statements of its subsidiary (White Stars Mining Investment Ltd) which 100% owned by the subsidiary, and for the purposes of preparing these consolidated financial statements, all important balances and operations have been excluded and settled between the company and its subsidiary (Northern Cement Jordan).

In addition to the profits (losses) resulting from these operations with the subsidiary, the subsidiary's activity includes the clinker industry, grinding, cement industry and the implementation of industrial projects.
During the current year, the participation in The Northern Cement Company of The Hashemite Kingdom of Jordan was increased to buy shares through the subsidiaries of Deyaar Nagd for contracting & Trading Ltd. Co. and Sama Al Yamamah.

(2) The above subsidiaries are private-purpose companies established in the United Arab Emirates for the purpose of owning stakes in Northern Cement, a public joint stock company registered in Amman, Jordan.

(3) During the first quarter of 2018, the company acquired the entire shares Um-Qasr Northern Cement Co. Ltd, which is registered in The Jebel Ali area of Dubai with a capital of AED 6,064,527. Which in turn owns 70% of the shares of Um-Qasr Northern Cement Co. Ltd, an Iraqi limited liability company that has the right to implement a contract to qualify, operate and participate in the production of basra cement plant in the Republic of Iraq, while the subsidiary of Northern Cement - Jordan owns 20%of the shares of the Iraqi company referred to above (Note 6).

3. THE FAOUNDATIONS OF PREPARATION:

3.1 Statement of commitment

The group's consolidated financial statements were prepared in accordance with the international standards of the financial report adopted in Saudi Arabia and other standards and issues issued by the Saudi Association of Chartered Accountants.

New standards and new modifications implemented as of January 1, 2019:
International Financial Reporting Standard 16 "Leases":
International Financial Reporting Standard No. (16) leases determine how to recognize, measure the offer and disclose leases. The standard provides a single accounting form, requiring tenants to recognize the assets and liabilities of all leases unless the lease period is 12 months or less or the asset subject to the contract is of low value. Lessors continue to classify leases as operational or financing under the IAS No. 16 concept of accounting for the lease per without fundamentally changing the IAS No.17. This standard is effective from the beginning of January 1, 2019.

3.2 Accounting basis

Consolidated financial statements are prepared in accordance with the principle of historical cost and using Accrual basis and the concept of continuity of activity, excluding financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss and investments in associate companies which are recorded in accordance with the method of equity.

3.3 Use of estimation and judgments.

The preparation of these consolidated financial statements requires management to use provisions and estimates that affect the application of accounting policies and the amounts listed for assets, liabilities, revenues, and expenses. Actual results may differ from these estimates. The areas of management are important in the application of accounting policies and important sources of estimates and uncertainties that have a substantial impact similar to those described in the consolidated financial statements of the previous year.

3.4 The basis for consolidating consolidated financial statements:

These consolidated financial statements, which include the consolidated financial position statement, consolidated profit or loss and consolidated income statement, statement of changes in consolidated equity, consolidated cash flow statement and clarifications on the Group's consolidated financial statements, include assets, liabilities and results of the company's business and subsidiaries as shown in Clarification No. 2. Subsidiaries are the companies controlled by the Group, and in particular, the group controls the invested company only when the group has:

- Authority over the invested company (the existence of rights that give the group a current ability to direct activities related to the company invested in it).
- Exposure to risks or has rights to obtain different returns through its relationship with the company in which it invests.
- The ability to use its powers over the invested company to influence its returns.

In general, there is an assumption that the majority of voting rights result in control. In support of this assumption, when the group has less than a majority in voting rights or similar rights in the company in which it is invested, the Group takes into account all the facts and circumstances involved in this when ascertaining whether it exercises control over the company in which it invests, including:

- Contractual arrangements with other voting rights holders of the company in which the investor is invested.
- Rights resulting from other contractual arrangements.
- The voting rights of the group and the potential voting rights.

Subsidiaries are consolidated from the date they begin to control and until they cease to exercise that control. The group accounts for the aggregation of the business using the acquisition method when the control of the group is transferred. The converted compensation in the acquisition is generally measured at fair value, as is the case with the net identifiable assets acquired. The increase in the cost of acquisition plus the fair value of non-controlling property rights is recorded over the fair value of the net identifiable assets acquired as a reputation in the consolidated financial position statement. Non-controlling equity is measured by its share of net assets identifiable to the company acquired at the date of acquisition. The share in profit or loss and net assets not controlled by the Group is listed as a separate item in the consolidated profit or loss and income statement and within the equity in the consolidated financial position statement. Both transactions as well as unrealized balances, profits and losses resulting from transactions between group companies are excluded. Accounting policies of subsidiaries are adjusted if necessary, to ensure that they comply with the policies of the Group.

4. Significant accounting policies:

The accounting policies applied to these consolidated financial statements are the same as those applied to the consolidated financial statements for the fiscal year ended December 31, 2019.

4.1 Property, Plant and equipment:

Property, plant and equipment appear at cost minus accumulated depreciation and losses, if any, accumulated depreciation. This cost includes the cost of replacing part of the property, facilities, equipment and borrowing costs related to long-term construction projects if the stability criteria are met and for assets that are established internally the cost of the asset includes the cost of the asset, the direct employment and other direct costs required by the processing to the situation in which it is operated on site and in the purpose for which it was acquired. If significant parts of property, plant and equipment are required to be replaced in stages, the Group consumes these parts independently over their productive life, and in turn, when a major examination is carried out, the cost of the book value of the equipment is proved as a replacement if the proof criteria are met.

All other repair and maintenance costs are fixed in the consolidated profit or loss statement and other consolidated comprehensive income when incurred. The current value of the projected cost of removing a post-use asset is included within the cost of the asset in question, if the stability criteria for proof of custom, owned land consumed, depreciation on the consolidated profit or loss statement and comprehensive income are consolidated in a fixed premium manner over the estimated productive life of the asset as follows:

Assets	**Estimated production age**
Buildings	25-40 years
Plant and equipment	5-40 years
Cars	4-14 years old
Furniture, furnishings and office equipment	4-5 years
Water wells	5 years

Subsequent costs are included in the book value of an asset or are established as an independent asset, as appropriate, only in cases where the future economic benefits associated with the item are expected to flow to the Group and that the cost of the item can be reliably measured, and the proof of the book value of any part considered an independent asset when replaced is discontinued, all other repair and maintenance expenses are incurred on the consolidated profit or loss and comprehensive income statement during the financial period in which you incur, carrying maintenance expenses and routine repairs that extend The life expectancy of the production asset or output on the statement of profit or loss and consolidated overall income when incurred.

The remaining values, age of use and method of consumption are reviewed at the end of each fiscal year and the impact of any changes in estimate is calculated on the future basis.

The book value of fixed assets is reviewed to ensure that there is a decrease in their value when events or changes in circumstances indicate that the book value cannot be recovered. If such evidence exists and the book value is greater than the recoverable value, the value of the asset sits down to the recoverable value, which represents the greater value of the equity value of the asset, minus the sale costs or the present value of cash flows of the estimated future benefits of that asset. Decrease losses are included in the consolidated earnings or loss statement and other consolidated comprehensive income.

Exclusion gains and losses are determined by comparing receipts with book value and included in the consolidated profit or loss statement and other consolidated comprehensive income. Borrowing costs related to the eligible asset are capitalized as part of the cost of that asset and until the asset is ready for use for which it was created.

Capital works in progress.

Capital work-in-progress includes purchase price, construction or development costs, and any costs directly attributable to the creation or acquisition of the asset by the company. Capital work in progress is measured at cost less any impairment losses recognized. Capital work under construction is depreciated only when the assets are able to function as intended by management after they have been drawn to the appropriate class of assets.

Strategic parts

Spare parts and spare equipment are property and equipment when the Group expects to use them during more than one accounting period. Similarly, if the use of spare parts and service equipment is linked to property and equipment items, they are considered as property and equipment. The consumption of strategic spare parts begins when it is on site and in the case required to be operational in the manner intended by the Administration and according to its estimated production life or the production life of the asset followed by whichever is shorter.

4.2 Intangible assets:

The intangible assets acquired are independently measured at the initial proof of cost. The cost of intangible assets acquired in the process of assembling the facilities at fair value is represented by the date of acquisition. After initial proof, intangible assets are constrained by cost minus accumulated extinguishment and accumulated reduction losses, if any. Intangible assets developed internally, except for capitalized development costs, are not capitalized and charge expenses on the statement of profit or loss and other consolidated comprehensive income for the year in which you incurred.

The productive ages of intangible assets are classified as "specified" or "indefinite" duration. Intangible assets with a specific lifespan are extinguished over their estimated productive life and are reviewed for a decrease in their value when there is evidence of such a decline. The period and method of extinguishing intangible assets with a specified age is reviewed at least once at the end of each fiscal year. Changes in life expectancy or the method of depletion of future economic benefits guaranteed by the asset - processed accountable, by adjusting the period or method of extinguishing, as appropriate, and are considered as changes in accounting estimates. Extinguishing of intangible assets of a specified life is included in the consolidated profit or loss statement and other consolidated comprehensive income as an expense and in line with the function of intangible assets.

Intangible assets that do not have a specific life span are not extinguished but are tested annually to ensure that there is no reduction in their value on their own or at the cash generating unit level. The undetermined production life calendar is reviewed annually to ascertain whether the calendar made for the unspecified productive life is still supported, otherwise the change from "specified age" to "unspecified age" is made on a future basis.

4.3 Financial assets - recognition and measurement

At the initial recognition, all financial assets are proven at the price of their transactions, which represents fair value, unless the arrangement actually consists of a financing transaction. If the arrangement consists of a financing transaction, the item is measured initially at the current value of future flows discounted at the market interest rate of a similar debt instrument.

After initial recognition, the extinguished cost model (or in some cases the cost model by nature and purpose of the financial asset) is applied to measure the underlying financial instruments.

Loans and Receivable

Receivable and loans are non-derivative financial assets with fixed or identifiable payments that are not listed on an active market. They are part of current assets except those with a maturity date of more than 12 months after the end of the reporting period and are classified as non-current assets. Loans and receivables include accounts of commercial debtors and other debtor assets owed by related parties and cash in the fund and at banks.

Trade Receivables

The amounts due from customers for goods sold or services performed in the normal business context are represented. Debtors are proven to be the value of the original invoice minus the amount of doubtful amounts. An estimate of doubtful debts is made when there are fundamental doubts that the full amount cannot be collected. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

For the purposes of preparing the cash flow statement, cash and equivalent cash consists of the Fund, banks and murabaha deposits, with a maturity period of three months or less from the date of acquisition.

Impermeant of current non-financial assets

At the end of the fiscal year, an assessment is made to ensure that there is no objective evidence of a decrease in the value of any financial asset measured in cost or amortized cost. If there is such evidence of depreciation, the loss of depreciation is recognized by the profit or loss statement for that year. The value of the decline in value is determined as follows:

A) For fair-value assets, the depreciation represents the difference between cost and fair value, minus any loss of value previously demonstrated in the earnings or loss statement.
B) For cost-included assets, the depreciation represents the difference between the amount listed and the present value of future cash flows discounted by the current market rate of return from a similar financial asset line.
C) For assets listed at the amortized cost, the decrease in value represents the difference between the amount listed and the present value of future cash flows discounted by the original actual commission rate.

4.4 Financial obligations - recognition and measurement

Financial obligations are classified according to contractual arrangements and include creditors, amounts payable and loans. All financial obligations are initially recognized at fair value, after the first proof of direct transaction costs are proven based on the cost extinguished using the actual commission rate over the life of the instrument and are included in the statement of profits or losses.

Loans are classified as current liabilities unless the company has an unconditional right to postpone payment for at least 12 months after the date of the financial position statement.

Creditors and amounts payable.

Commercial creditors are reimbursed for future payments for goods and services received, whether or not they are invoiced by suppliers.

4.5Inventory

The inventory of raw materials, incomplete production, packing bags, etc. is assessed on the basis of cost and the moving weighted average method, and the total production stock is assessed at cost or net value recovered whichever is lower. The inventory is reduced by the value of stagnant and slow-moving items according to management estimates and inventory movement.

Finished goods

Finished goods are measured at the cost of production or net value achievable, whichever is lower. The cost of finished goods is determined by the weighted average method. The cost includes direct materials, direct employment and an appropriate proportion of variable and fixed indirect expenses, the latter being allocated on the basis of normal operating capacity. Net selling value represents the estimated selling price during the normal business cycle minus the estimated completion and estimated costs required to make the sale.

Goods in process

The goods in process are measured by cost or net value net achievable value, whichever is lower. The cost of the goods under manufacture is determined by the cost of the production unit for the period based on the completion rate in the phase applied and includes direct materials, direct labor and an appropriate proportion of variable and fixed indirect expenses, the latter being allocated on the basis of normal operating capacity. Net selling value represents the estimated selling price during the normal business cycle, minus the estimated completion costs and estimated costs for the sale.

Spare parts

The stock of spare parts is assessed by cost or net achievable value, whichever is lower. The cost is determined by the cost of the weighted average. The stock of spare parts represents spare parts that qualify to be classified as important parts.

Raw materials

Raw materials are assessed by cost i.e. historical purchase prices based on the weighted average principle plus the costs directly related to them (mainly, fees and transportation) whichever is lower. The cost is determined by the cost of the weighted average. Net selling value represents the estimated selling price during the normal business cycle, minus the estimated completion costs and estimated costs for the sale. A suitable custom for outdated and slow-moving goods is spared, if necessary.

4.6 Investing in associate companies

An associate company is one over which the company has the ability to exert significant influence, but not joint control or control, by participating in the financial and operational decisions of the company's investor. The company owns a minimum 20% stake in its capital. These investments are accounted for in a proprietary manner. They are proven by cost and subsequently adjusted in light of the change in the company's share of the company's net assets invested in it. The company's share of the company's net profit and loss is included in the list of earnings or losses. Losses of an associate company that exceeds the company's ownership rights are not recognized.

4.7Loans

Loans are originally fixed at fair value (as received receipts), after deducting the costs of the eligible transaction incurred, if any. After the initial proof, long-term loans are measured at the extinguished cost using the actual commission rate method. Any difference between receipts (after deducting transaction costs) and the recovery amount in the profit or loss statement and other consolidated comprehensive income over the loan period is demonstrated using the actual commission rate method. Fees paid on loan facilities are proven as loan transaction costs to the extent that some or all of the facilities are likely to be withdrawn. In this case, the fee is deferred until the withdrawal occurs.

In the absence of evidence that some or all of the facilities may be withdrawn, the fees are capitalized as prepaid expenses for liquidity services and extinguished over the period of the facilities involved.

Loans are removed from the Consolidated Financial Position Statement when the obligation specified in the contract is waived, cancelled or expired. The difference between the book value of financial liabilities extinguished or transferred to another party and the compensation paid, including non-cash assets transferred or assumed liabilities, is shown in the statement of loss and consolidated comprehensive income as other income or financing costs.

Loans are classified as current liabilities unless the Group has an unconditional right to postpone the commitment settlement for at least 12 months after the preparatory period for consolidated financial statements.

The costs of general and specific loans and the financing costs of murabaha directly associated with the purchase, construction or production of eligible assets are capitalized within the time period required to complete and prepare the asset for use or sale. Investment income earned from the temporary investment of specific loans until they are disbursed to eligible assets is deducted from the costs of capitalized loans. The costs of other loans are recorded as an allowance in the period in which they are incurred in the statement of losses and consolidated comprehensive income.

4.8 Provision for employee benefit obligations

The Group provides severance pay compensation to its employees in accordance with the provisions of the labor and workers' system in Saudi Arabia, which is entitled on the basis of the employee's final wage, length of service and completion of the minimum period of service. The end-of-service obligation is calculated by estimating the value of future benefits that are due to employees in current and previous periods and the value is deducted to reach the current value.

The group makes assumptions that are used when determining key elements of costs in order to meet these future liabilities. These assumptions are made after cconsulting the company's actuarial expert and include those used to determine the cost of the normal service as well as the financing elements of liabilities. A qualified actuary calculates the commitment to the specified benefits using the amounts due by unit method.

A reassessment of specific benefit obligations consisting of actuarial profits and losses is recognized directly in the list of other comprehensive income. The Group determines the interest expense on the specific benefit obligations for the year by applying the discount rate used to measure the specific benefit obligations at the beginning of the year after taking into account any change in net benefit obligations specified during the year as a result of contributions and payments for liabilities. Net interest and other expenses related to the benefit plans specified in the consolidated profits or losses statement are recognized.

4.9 Retirement benefit costs

The company contributes to the costs of employee retirement benefits in accordance with the regulations of the General Social Insurance Corporation and is calculated as a percentage of employees' wages. Payments to government-managed retirement benefit plans are treated as payments to specific contribution plans as the company's obligations against these plans are equivalent to those established in a specific contribution retirement plan. Payments to retirement benefit plans carry a specific contribution as an allowance when they are due.

4.10Trade Payables and accruals

These amounts represent the liabilities relating to goods and services provided to the Group before the end of the fiscal year that have not been paid and are considered not guaranteed. Trade payable and payment papers are presented as current liabilities unless the payment is not due within 12 months after the date of the report, originally proven at fair value and is measured by the extinguished cost using the actual commission method.

4.11Contingent liabilities and assets

Contingent liabilities are not proven in consolidated financial statements but are disclosed only if the possibility of an outflow of resources with economic benefits is excluded. Contingent assets are not confirmed in consolidated financial statements but disclose when economic benefits are likely to be achieved.

4.12 Provisions

Provisions are established when there are current or anticipated legal obligations to the group resulting from past events, and it is likely that an external flow of resources involving economic benefits will be necessary to settle the obligation and a reliable estimate of the amount of the obligation can be made. When the group expects that some or all of the provisions will be recovered, for example under an insurance contract, refunds are proven as a separate asset but only when these refunds are almost certain. The allocation is displayed in the profit or loss statement and comprehensive income after deducting any refunds.

If the effect of the time value of the money is substantial, the provisions are determined by deducting the expected future cash flows using the current pre-tax rate which, when appropriate, reflects current market valuations of the time value of the money and the specific risks of the liabilities. The increase in the discount is proven as a financing cost.

4.13 Zakat and tax

The company is subject to zakat in accordance with the regulations of the General Authority for Zakat and Income (the "Authority") in Saudi Arabia. The zakat allowance is calculated on the basis of the company's individual zakat pot. Any differences between the allocation and the final binding are restricted when the final assessment is approved. The zakat provision is on the statement of profit or loss and other consolidated comprehensive income.

Income tax

For offshore subsidiaries, a provision for tax obligations, if any, is sparse in accordance with the tax regulations in the countries in which they operate. The income tax allowance is on the consolidated profit or loss and income statement.

Uncertain zakat and tax conditions

Differences that may arise from final liability are accounted for when the group terminates its links with stakeholders.

Value added tax

Income, expenses and assets are recognized as net from VAT value except in the following cases:

- If VAT is due to the acquisition of assets or services that are not recovered from the tax authority, in which case VAT is recognized as part of the cost of purchasing the assets or part of the expenses line as the case.
- The receivables and credits appear, including the VAT amount.
  Net value-added taxes that can be recovered from or paid to the tax authority are included in the other debtor's or other credit supposition slates.

4.14 Revenue Recognition

Revenues are recognized to the extent that economic benefits are likely to flow to the group, and revenues can be reliably measured regardless of the date on which the amount is received. Revenues are measured at the fair value of the amount received or received after taking into account the specific contracted payment terms and excluding taxes or fees. The Group has been found to be inherent in all its revenue arrangements because it is the main committed entity in all revenue arrangements and has the ability to set prices and is also exposed to the risks of the goods and the risks of credit. The amounts disclosed were shown as income after deduction of returns, commercial provisions, discounts, discounts and amounts collected on behalf of third parties.

Selling goods

Revenues from the sale of the goods are proved when the important risks and benefits associated with ownership of the goods are transferred to the buyer, usually when the goods are delivered to the customer. Income from the sale of the goods is measured in fair value of the amount received or received after the reduction of returns, provisions, discounts and discounts.

4.15 Cost of revenue

The cost of revenue represents expenses directly related to the manufacture and production of products that generate revenue to the group and which include materials, supplies, utilities and other direct costs.

4.16 Operations income

Income from the group's main activities represents continuing income, including income and other expenses related to operational activities. Operating income excludes net financing costs, zakat and income tax.

4.17 Sales and marketing expenses

Sales and marketing expenses consist of costs incurred in the marketing and sale of the group's products and include other indirect costs related to sales. All other expenses are classified as general and administrative expenses.

4.18 General and administrative expenses

General and administrative expenses consist of direct and indirect costs that are not related to the cost of revenue. The distribution between general and administrative expenses, sales and distribution expenses and the cost of sales if necessary, on a fixed basis. Expenses mainly include staff costs, other benefits, compensation, compensation, allowances for board members, pop-up committees, maintenance fees, rental, travel, insurance, professional fees, etc.

4.19 Financing costs

Financing costs directly associated with the acquisition, creation or production of a particular asset that necessarily takes a period to prepare it for use or sale are recognized as part of the cost of that asset. All other financing costs are recorded as expenses in their due period. Financing costs are interest and other costs incurred by the Group in relation to the borrowing of funds.

4.20 Withholding tax

The Group deducts tax on certain transactions with non-residents of Saudi Arabia in accordance with Saudi Arabia's income tax system.

4.21 Segment Reporting

The Segment is an essential part of the group that provides certain products and services (business Segment) or service products in a particular economic environment (geographical Instruments), and the Instruments is usually exposed to risks and returns of a different nature from other Segments.

Group management uses the operational Segments by distributing resources and evaluating performance. Operational Segments that show similar economic characteristics, products, services and customer categories are grouped as appropriate, and are shown as reporting Segments.

4.22 Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the Group, and the weighted average number of ordinary shares outstanding during the financial period.

The Group has not issued any potential ordinary shares, and therefore the underlying share price is the same as the discounted share price.

4.23 Foreign exchange

The group's consolidated financial statements appear in Saudi Riyals, which is also the company's functional currency. For each facility, the group determines the functional currency, and the items on the financial statements of each establishment are measured using that functional currency. The group uses the direct consolidation method and when the external process is excluded, the gains or losses reclassified into the consolidated profit or loss statement and other consolidated comprehensive income reflect the amount generated by using this method.

Transactions and balances

Foreign exchange transactions are converted into functional currency at the prevailing conversion rates on transaction dates. The profits and losses of foreign exchange transactions resulting from the payment of these transactions and the transfer of foreign labor-registered cash assets and liabilities are confirmed at the year-end conversion rates in the consolidated profit or loss and consolidated income statement, and are deferred in equity if they are qualified to hedge cash flow risk or relate to part of the net investment in a foreign operation.

Non-cash items measured at historical cost - registered in foreign currency - are converted at the prevailing conversion rates on the date of transactions.

Convert non-cash items recorded in foreign currencies that are measured at fair value at the prevailing conversion rates on the date on which the fair value is determined. Transfer differences relating to recorded assets and liabilities are listed at fair value as part of fair value gains or losses. Non-cash asset and liabilities, such as equity-based shares, are proven through the consolidated profit or loss and consolidated income as part of fair value gains or losses, and currency translation differences are included for non-cash assets such as securities classified as financial assets available for sale in the consolidated profit or loss and consolidated income statement.

Group Companies

The results and financial position of external operations (none of which have a high inflation currency) with a functional currency different from the offer currency are converted into the offer currency as follows:

- Transfer of assets and liabilities of each financial position statement displayed at closing prices on the financial position statement
- The income and expenses in each statement transfer profit or loss and the comprehensive income statement with average conversion rates (unless this is not considered a reasonable convergence of the cumulative effect and prevailing prices on transaction dates, at which point the income and expenses are converted at prevailing rates on transaction dates), and all resulting conversion differences are included in the other comprehensive income.

If any external transaction is excluded, the other comprehensive income items of that external transaction are reclassified into the consolidated profit or loss statement and other consolidated comprehensive income.

The reputation resulting from the acquisition of any external transaction, as well as fair value adjustments to the book value of assets and liabilities resulting from the acquisition, is considered as assets and liabilities for the external transaction, and is converted to the spot transfer rate prevailing on the date of the preparation of the financial statements.

4.24 Dividends

The Group will prove cash or non-cash distributions to shareholders as liabilities when the distribution is approved, and that the distribution is no longer at the group's disposal. According to Saudi Arabia's companies' regulation, final dividends are confirmed when approved by the General Assembly. Interim dividends are restricted upon approval by the Board of Directors and the corresponding amount is confirmed directly within the equity.

5. Measuring fair value

The Group measures financial instruments such as assets available for sale and derivatives, (cash flow risk hedging) at fair value on the date of the preparation of consolidated financial statements.

Fair value is the price to be received when an asset is sold or repaid when a liability is transferred under a regular transaction between market traders on the date of measurement. The fair value measurement is determined by assuming that the transaction of the sale of assets or the transfer of liabilities will be either:

- in the main market of assets or liabilities, or
- In the absence of a major market, in the most useful markets for assets or liabilities.

The main or most useful market must be accessible by the group. The fair value of assets or liabilities is measured on the assumption that market participants will benefit when pricing assets and liabilities and that they seek their best economic interests.

Measuring the fair value of non-financial assets takes into account the ability of market traders to achieve economic benefits by making better and maximum use of the asset or selling it to other market clients who use the asset to the fullest.

The group uses appropriate assessment methods according to the circumstances, and has sufficient data to measure fair value, increase the use of observable inputs and reduce the use of non-noteable inputs.

All assets and liabilities measured at fair value or disclosed in consolidated financial statements are classified in the hierarchy of the fair value levels listed below and on the basis of important minimum level inputs to measure fair value as a whole:

- Level 1: Prices traded in an active market for similar assets or liabilities (i.e. without modification or price renewal).
- Level 2: evaluating methods that are considered lower-level inputs, important for measuring fair value, to be observed directly or indirectly.

(Expressed in Saudi Riyals)

- Level 3: Methods of evaluating the lower-level inputs, important for measuring fair value, are considered unobservable.

For assets and liabilities that are repeatedly demonstrated by fair value in consolidated financial statements, the Group will check whether the conversion between the hierarchy levels of fair value measurement is made by re-evaluating the rating (based on important minimum level inputs to measure fair value as a whole) at the end of each financial period.

For the purpose of disclosing fair value, the Group identified the categories of assets and liabilities based on the nature, characteristics and risks of assets and liabilities and the hierarchy of the levels of fair value measurement mentioned above.

The fair value of assets or liabilities is measured on the assumption that market participants will benefit when pricing assets and liabilities and that they seek their best economic interests. For investments in equity instruments, a reasonable estimate of fair value cannot be determined.

6. Property, Plant and equipment

The following is a summary of property, plant, equipment, and depreciation expenses for the year:

	December 31,	
	2020	2019
Property, Plant and equipment (Note 6.1)	1,768,536,702	1,702,700,248
Strategic spare parts	23,760,953	23,731,114
Provision of impairment in strategic spare parts	(142,387)	(142,387)
Total	**1,792,155,268**	**1,726,288,975**

(Expressed in Saudi Riyals)

6.1 Property, Plant and equipment

The capital work in progress consist mainly of contracts for the completion of construction and development works for the cement plant in addition to its machinery and equipment in Tarif city and support services projects, and the commitments for the unimplemented works of these projects amounted to 29 million Saudi riyals as of December 31, 2020 (2019: 63 million riyals):

	Land	Buildings	Machinery and equipment	Cars	Furniture, fixtures and office equipment	Water wells	Capital work in progress	Total
Cost:								
January 1, 2020 Balance	20,303,930	829,870,455	1,441,370,284	114,305,738	28,014,971	1,801,444	76,729,601	2,512,396,423
Additions	-	146,183	3,421,816	507,210	234,440	-	131,094,272	135,403,921
Disposal	-	-	-	-	-	-	-	-
Transfer	-	52,125	21,644,958	2,398,943	-	-	(24,096,026)	-
December 31, 2020	20,303,930	830,068,763	1,466,437,058	117,211,891	28,249,411	1,801,444	183,727,847	2,647,800,344
Accumulated depreciation								
January 1, 2020 Balance	-	213,160,738	487,454,623	80,336,580	26,942,792	1,801,442	-	809,696,175
Charged for the year	-	22,609,309	39,220,046	7,218,813	519,299	-	-	69,567,467
Disposal	-	-	-	-	-	-	-	-
December 31, 2020	-	235,770,047	526,674,669	87,555,393	27,462,091	1,801,442	-	879,263,642
Net book value:								
December 31, 2020	20,303,930	594,298,716	939,762,389	29,656,498	787,320	2	183,727,847	**1,768,536,702**
December 31, 2019	20,303,930	616,709,717	953,915,661	33,969,158	1,072,179	2	76,729,601	**1,702,700,248**

(Expressed in Saudi Riyals)

7. Intangible assets

	Goodwill *	Plant Franchise**	IT Software ***	License	Total
Cost					
Balance 1, January	506,157,403	48,130,058	8,442,732	-	562,730,193
Additions	-	2,448,435	-	789,255	3,237,690
Balance 31, December	506,157,403	50,578,493	8,442,732	789,255	565,967,883
Accumulated amortization					
Balance 1, January	-	-	8,405,506	-	8,405,506
Charged for the year	-	-	9,930	44,562	54,492
Balance 31, December	-	-	8,415,436	44,562	8,459,998
Net book value					
December 31, 2020	506,157,403	50,578,493	27,296	744,693	**557,507,885**
December 31, 2019	506,157,403	48,130,058	37,226	-	**554,324,687**

***Goodwill:**

Goodwill represent the fame resulting from the group's acquisition of equity in Northern Cement during the third quarter of 2011, a public joint stock company registered in Amman, Jordan, on May 2, 2007.

Management conducts a impairment test to ensure that there is no impairment at the end of each financial year. The management found that no needs to be recorded impairment loss of value had resulted from this test.

The recoverable value is determined on the basis of the information used to calculate the current value of the expected five-year cash flow based on the management-approved budget.

Sensitivity to changes in assumptions:

Management believes that there are no reasonable potential changes in any of the underlying assumptions below that could result in a reduction in the recoverable value of the cash-generating unit, including substantially the reputation for its book value.

Basic assumptions used to calculate the present value:

Basic assumptions	**Percentage**
Discount rate	15%
Average estimated profit rate after tax to sales	32.10%
Average annual sales growth rate	15.20%

Plant franchises:

A subsidiary has entered into an agreement with the General Cement Southern Company (one of the companies of the Ministry of Industry and Minerals in the Republic of Iraq) to rehabilitate and operate the Basra cement plant for 26 years from the end of the rehabilitation period, in exchange for free shares of cement produced for the Iraqi government.

Software:

Software Intangible assets are programs and payments for the development of these programs that are extinguished over the estimated production life of 4years.

(Expressed in Saudi Riyals)

8. Leases:

	December 31,	
	2020	2019
The right to use assets		
Balance at the beginning of the year	4,309,600	
Additions at the beginning of the year	-	4,309,600
Less: Depreciation of the right to use for the year	(1,110,328)	(555,164)
Right to use assets (net)	3,199,272	3,754,436
Lease liabilities		
Current liability value at the beginning of the year	3,639,676	4,700,278
Interest for the year	125,301	139,398
Paid during the year	(300,000)	(1,200,000)
	3,464,977	3,639,676
Lease liabilities – current portion	459,322	484,021
Lease liabilities - Non-current	3,005,655	3,155,655

9. Investment and financing in associate companies

	December 31,	
	2020	2019
Investment:		
Balance at the beginning of the year	14,315,393	11,965,786
Additions	-	254,618
Dividends	(1,919,130)	-
Previous year adjustment	2,708,088	-
Share in net results of associates	15,018,947	2,094,989
Balance at year end	30,123,298	14,315,393
Financing:		
Balance at the beginning of the year	99,937,595	99,937,595
Additions	-	-
Balance at year end	99,937,595	99,937,595
Impairment		
Balance at the beginning of the year	(16,811,074)	(33,622,147)
Refund from provision for impairment	8,405,537	16,811,073
Balance at year end	(8,405,537)	(16,811,074)
Investment and financing balance at year-end	**121,655,356**	**97,441,914**

1. The Group had invested in 50% of the ownership rights of Cement Experts Development company (LTD) registered in Amman - Hashemite Kingdom of Jordan and the group's activity includes investment, management and development of industrial, administrative and mining projects where cement experts for development invest in directly in the pioneer contracting and general trade company. Rehabilitation of industrial projects limited (Republic of Iraq) where the latter group signed a contract with the Iraqi government to rehabilitate and operate the Kobisa cement plant for 26 years in exchange for a free share in production, to be returned to the government after the end of the contract period, and to be completed the rehabilitation period of the project in February 2014.

(Expressed in Saudi Riyals)

During the previous years as a result of unstable political conditions, production at the group plant was suspended and the rehabilitation period of the plant was extended indefinitely, and during the current year the plant was restarted and production started, so the management took the decision to interim refund the previous provision due to improved conditions and resumption of operation.

2. Northern Cement Company- Hashemite Kingdom of Jordan (subsidiary group) invests 50% of The Sarh Zamzam Investment Company's capital of JD 100,000 equivalent to SR 530,000.
3. The Group fully acquired the Um Qasr Northern Cement Limited, which is listed in Jebel Ali area of Dubai with a capital of AED 10,000 with an amount of SR 6,064,527, Um Qasr Northern Cement Ltd. owns 70% of the shares of Umm Qasr Northern Cement Co., Ltd. An Iraqi limited liability company which has the right to execute a contract to qualify, operate and participate in the production of Basra cement plant in the Republic of Iraq, as the subsidiary group Northern Jordan Cement company owns 20% of the shares of Umm Qasr Northern Company.

10. Inventory

	December 31,	
	2020	**2019**
Raw Materials	232,854,087	250,465,788
Spare parts and consumables	125,166,325	121,804,893
Simi finished Goods	2,342,983	1,749,831
Finished Goods	12,292,370	20,122,415
Goods in transit	99,636,262	77,562,290
Packing materials	6,439,518	5,850,004
Total	**478,731,545**	**477,555,221**

11. Prepayments and other payables balances

	December 31,	
	2020	**2019**
Advance payments to suppliers	49,057,149	52,234,866
Prepaid expenses	5,570,794	12,846,194
Letters of guarantee and letter of credits	3,852,496	5,302,805
Insurance recoveries	2,652,838	3,100,952
Refunds	3,763,000	-
Debtors from staff	3,303,934	1,868,909
Subsidiary income tax	661,641	660,507
Others	898,967	924,318
Total	**69,760,819**	**76,938,551**

(Expressed in Saudi Riyals)

12. Accounts Receivables-Net:

	December 31, 2020	December 31, 2019
Trade Receivables - Related party (Note13-2)	60,267,560	55,276,187
Trade Receivables - local	56,789,460	62,172,202
Trade Receivables – Export	5,520,789	5,508,414
less: Impairment Provision	(2,549,908)	(687,626)
Net	120,027,901	122,269,177
Current balance	**79,590,935**	**122,269,177**
Non-current balance	**40,436,966**	-

- Most of the Trade Receivables is covered by bank guarantees and bonds.

The impermeant provision movement was as follows:

	December 31, 2020	December 31, 2019
Balance at year beginning	687,626	867,007
Addition (refund)	1,862,282	(179,381)
Net	**2,549,908**	**687,626**

13. Transactions and balances with related parties:

Related Parties are the group's major shareholders and the facilities under control or with significant influence by those entities.

Related Party	Type of relationship
Trans Kingdom Investment Company	Founding Contributor
Trans Kingdom National Reconstruction Co., Ltd.	Relationship with a shareholder
Trans Kingdom Saudi Company	Relationship with a shareholder
Global Specialized Transportation Company	Relationship with a shareholder
Aldar for Engineering Consulting Co.	Relationship with a shareholder
White Stars Company.	Associate Company
Cement Experts Development Company.	Associate Company
Global Cement Industry Company.	Associate Company
Pioneer Trading and Investment Company	Associate Company
Sarh Zamzam Company for Project Investment and Rehabilitation	Associate Company

(Expressed in Saudi Riyals)

The significant transactions made with related parties during the year are as follows:

Related parties	The nature of the transaction	December 31, 2020	December 31, 2019
A. Transactions with related parties			
Global Specialized Transportation Company	Sales		27,794
International Specialist Transport Company	Transportation Services	8,152,891	18,880,491
PAN -Saudi Investment Company	Sales	12,207,321	-
PAN -Saudi Investment Company	Expenses paid on behalf of	-	272,929
Cement Experts Development Company	Financing	750,000	5,819,655
Cement Experts Development Company	Expenses paid on behalf of	250,297	274,116
B. Transactions with senior management officers			
Expenses and allowances of the Board of Directors and its committees		1,512,000	1,398,000

These transactions resulted in the following balances:

13-1 Due from related parties:

	December 31, 2020	December 31, 2019
Cement Experts Development Company.	12,464,316	11,464,019
Global Specialized Transportation Company	3,142,700	1,457,250
Trans Kingdom Investment Company	988,792	500,258
Sarh Zamzam Investment and Project Rehabilitation Company	660,667	658,058
Aldar for Engineering Consulting Company	216,060	216,060
Pioneer Trading and Investment Company	186,750	186,750
Global Cement Industry Company	138,191	138,191
Trans Kingdom Saudi Company	93,230	93,230
	17,890,706	**14,713,816**

(Expressed in Saudi Riyals)

13-2 Accounts receivable from related parties (Note 12)

	December 31,	
	2020	**2019**
Global Specialized Transportation Company	41,782,558	44,010,482
Trans Kingdom National Reconstruction Co. Ltd.	18,485,002	11,265,705
	60,267,560	**55,276,187**

14. Notes Receivable:

The Notes Receivable are the value of the cheques withdrawn on bank, which belong to the subsidiary of Northern Cement Company in the Hashemite Kingdom of Jordan:

	December 31,	
	2020	**2019**
Notes receivable	**22,018,829**	**27,860,250**

15. Cash and cash equivalents:

	As on December 31st.	
	2020	**2019**
Cash at banks	17,433,870	112,583,992
Cash in hand	10,375,075	5,056,972
	27,808,945	**117,640,964**

16. Statutory reserve:

In line with the requirements of the Saudi Arabian company's regulations, the Group is composing a Statutory reserve of 10% of net profit after covering accumulated losses until this reserve amounts to 30% of the capital.

17. Banking facilities:

	December 31,	
	2020	**2019**
Short-term murabaha (1)	228,223,244	292,574,302
Current portion from long-term loan (2)	119,545,453	94,545,455
Non- Current portion of long-term loan (2)	450,909,091	525,454,545
	798,677,788	**912,574,302**

17.1 Short-term Murabaha:

The group has banking facilities in the form of murabha from several local commercial banks with a total value of SR 273 million (2019: 276 SR), and incurs financing costs at prevailing prices in the market based on interbank offer rates in addition to fixed margin. The management intends to Turn over short-term loans when they are due.

(Expressed in Saudi Riyals)

17.2 Long term loans:

The Group were granted a loan from the Industrial Development Fund in order to finance its operations this loan is due on September 2021, and the group is currently trying to extend the payment period until September 2022, in accordance with the initiative of the Central Bank of Saudi Arabia.
The Group has long-term loans from local banks to finance operations guaranteed with bonds. It is to be paid in decreasing semi-annual installments.
The facility agreements include some financial covenants, which require the company to maintain the level of some financial indicators and other things.

The following is the movement of financing during the year:

	December 31,	
	2020	**2019**
Balance on January 1	912,574,302	970,775,009
Recipient during the year	1,132,615,573	2,885,097,102
Paid during the year	(1,246,512,087)	(2,943,297,809)
	798,677,788	**912,574,302**

18. Eemployee benefits obligations:

The employee benefit provision movement, a specific benefit program, during the year is as follows:

	December 31,	
	2020	**2019**
Opening balance	16,032,828	17,537,915
Current expenses charged on profit or loss	2,064,105	1,581,827
Interest charged on profit or loss	249,024	382,443
Actuarial remeasurement loaded on other comprehensive income	2,119,289	(443,077)
Paid during the year	(2,255,590)	(3,026,280)
	18,209,656	**16,032,828**

Key actuarial assumptions:

	For the year ended December 31	
	2020	**2019**
Discount rate used	2.25%	3.04%
Rate of salary increase	6.55%	1.50%
Staff turnover	High	High

(Expressed in Saudi Riyals)

Analysis of the sensitivity of major actuarial assumptions:

	Rate of change %	For the year ended December 31 2020	2019
Discount rate:			
Surplus	%0.50+	11,882,853	11,463,730
Shortage	%0.50-	13,463,793	12,420,575
Expected salary increase rate:			
Surplus	%0.50+	13,465,807	12,422,364
Shortage	%0.50-	11,867,030	11,453,862

19. Accrued expenses and other liabilities:

	December 31, 2020	2019
Customer incentive payables	768,091	4,741,168
Accrued bank charges	6,468,094	10,956,220
Quarry fees	19,478,946	7,803,192
Accrued Salaries and wages	590,881	860,867
Subsidiary sales tax	808,039	3,787,916
Prepayments from customers	9,776,941	6,257,215
Dividends due	831,885	841,070
Other accrued expenses	19,870,372	18,591,038
Accrued VAT	945,599	70,338
Total	**59,538,848**	**53,909,024**

20. Zakat and income tax:

The details of zakat and income tax are as follows:

	December 31, 2020	2019
Estimated zakat	17,828,971	11,067,850
Income tax for a non-Gulf subsidiary	5,197,970	2,124,261
A government contribution tax non-Gulf	296,069	265,689
Total	**23,323,010**	**13,457,800**

(Expressed in Saudi Riyals)

20-1 Zakat provision:

	For the year ended December 31	
	2020	**2019**
Estimated Zakat for the Year:		
Net book profit	126,873,553	105,242,975
Adjust net profit	(33,922,949)	(26,313,812)
Added items	2,475,742,795	2,602,408,768
Discounted items	(2,648,218,117)	(2,447,370,390)

Zakat provision movement was:

	December 31,	
	2020	**2019**
Balance at year beginning	11,067,850	11,527,172
Addition for the year	11,168,289	10,100,000
Paid	(4,407,168)	(10,559,322)
Balance at year end	**17,828,971**	**11,067,850**

Zakat and tax assessments:

1. The zakat declarations of the group and its subsidiaries were submitted to the General Authority for Zakat and Income Tax "the Authority" based on separate financial statements prepared for the purpose of Zakat only.
2. The company submitted its zakat declarations until 2019, and the company settled its zakat status until year 2012
3. Zakat assessment was issued for the year 2014 claims the company for an amount of 2.738.074 SR, and the appeal was made, and our appeal was partially accepted, but the dispute did not end with the aforementioned partial acceptance. The escalation was made with the General Secretariat of the Tax Committees with the case number 24526-2020-z, and it has not been decided until this date.
4. Zakat assessment was issued for the years from 2015 to 2017 to claim the company for zakat differences of 57,309,697 SR. The appeal was made against it and the company awaits the Authority's response regarding its appeal until this date.
5. Zakat assessment was issued for the year 2018 to the company's claim for zakat differences of 14.9 million SR. The appeal was made to it, and the authority rejected our appeal, and the dispute was escalated before the General Secretariat for Tax Committees with case number 15327-2020-z

Details of income tax movement due to a subsidiary:

	As on December 31st.	
	2020	**2019**
Balance at year beginning	2,124,261	-
Addition	6,389,754	2,124,261
Paid	(3,316,045)	-
Balance	**5,197,970**	**2,124,261**

(Expressed in Saudi Riyals)

Details of a government contribution tax due to a subsidiary:

	December 31,	
	2020	**2019**
Balance at year beginning	265,689	-
Addition	399,360	265,689
Paid	(368,980)	-
Balance	**296,069**	**265,689**

1. The subsidiary company is a non-Gulf company that is subjected to the Income Tax Law at its headquarters in the Kingdom of Jordan at a rate of 14% of tax income after deducting the expenses that the law allows deduction. The company is also subject to government contribution tax in the Kingdom of Jordan, at a rate of 1% of taxable income.
2. The subsidiary company is tax exempted at 50% of taxable income, for a period of ten years starting from the date of commencement of work or actual production of the project.

(Expressed in Saudi Riyals)

21. Segment information

The company and its subsidiary are managed as a single operational segment in the manufacture and production of cement of all kinds and the company and its subsidiary operate in Saudi Arabia, The Hashemite Kingdom of Jordan and the Iraqi Republic as follows:

	Saudi Arabia	The Hashemite Kingdom of Jordan	The Iraqi Republic	Adjustments and deletions	Total
As of December 31, 2020:					
Property and equipment	1,627,769,263	164,386,005	-	-	1,792,155,268
Total assets	3,151,675,177	468,365,143	90,827,439	(500,111,230)	3,210,756,529
Total liabilities	943,806,429	85,495,907	53,648,002	(82,921,830)	1,000,028,508
As of December 31, 2019:					
Property and equipment	1,566,878,288	159,410,687	-	-	1,726,288,975
Total assets	3,210,756,531	498,353,863	74,799,890	(565,813,460)	3,218,787,991
Total liabilities	1,016,446,220	133,164,165	47,569,245	(128,951,234)	1,068,228,396
For the year ended December 31, 2020:					
Sales	349,586,071	197,117,653	109,022,494	(4,245,060)	651,481,158
Depreciation and amortization	62,862,062	7,315,061	-	-	70,177,123
Borrowing expenses	28,391,316	-	-	-	28,391,316
Net profit (loss) after zakat and income tax	106,381,221	33,611,363	9,948,793	(41,716,394)	108,224,983
For the year ended December 31, 2019:					
Sales	431,110,448	259,380,288	98,995,763	(116,115,102)	673,371,397
Consumption and extinguishing	60,289,976	14,316,095	-	-	74,606,071
Borrowing expenses	46,801,743	-	-	-	46,801,743
Net profit (loss) after zakat and income tax	94,301,714	24,029,400	5,711,265	(31,289,354)	92,753,025

(Expressed in Saudi Riyals)

22. Sales and distribution expenses:

	For the year ended December 31	
	2020	**2019**
Customs transport and clearance expenses	20,102,139	37,763,124
Salaries, wages and employees benefits	3,000,685	3,005,558
Consumptions	1,606,175	1,846,012
Employee benefit obligations	214,304	143,056
Other expenses	1,965,078	2,805,332
Total	**26,888,381**	**45,563,082**

23. General and administrative expenses:

	For the year ended December 31	
	2020	**2019**
Salaries, wages and benefits of workers	25,168,880	28,324,397
Consumptions	4,461,703	4,794,439
Government fees and contributions	1,838,379	1,667,442
Board of Directors Bonuses and Allowances	1,512,000	1,398,000
Consultation and Professional fees	1,395,961	1,099,227
Bank charges	-	605,939
Employee benefit obligations	875,174	555,449
Rent expenses	502,312	155,385
Depreciation of the right to use assets	-	555,164
Other expenses	4,793,111	5,740,237
Total	40,547,520	44,895,679

24. Funding costs:

	For the year ended December 31	
	2020	**2019**
Short-term borrowing costs	10,419,771	18,313,099
Long-term loan borrowing costs	17,597,220	27,966,803
Financial costs of specific staff benefit obligations	249,024	382,443
Costs of financing rental obligations	125,301	139,398
Total	**28,391,316**	**46,801,743**

(Expressed in Saudi Riyals)

25. Other income:

	For the year ended December 31	
	2020	**2019**
Short-term rental income	3,956,369	2,249,444
Deposit income	295,033	1,108,913
Scrap Sales	38,862	390,949
Other income	30,634	3,401,171
Total	**4,320,898**	**7,150,477**

26. Earnings per share:

The calculation of underlying/reduced earnings per share is based on the return on ordinary shareholders and the weighted average number of existing common shares. Earnings per share as of December 31, 2020 was calculated based on the weighted average number of shares held during the year with a number of 180 million shares (December 31, 2019: 180 million shares). There are no potential discounted ordinary shares. Adjusted earnings per share is the same as the underlying profit per share as the Group has no convertible securities or reduced financial instruments to exercise it.

27. Contingent liabilities:

The potential commitments on the group are shown in the table below:

	For the year ended December 31	
	2020	**2019**
Letters of guarantee	16,328,975	6,295,000
Capital liabilities for WIP	29,150,000	63,000,000

28. Capital management:

In order to manage the group's capital, the capital includes equity and all other equity reserves belonging to the group's owners. The main purpose of managing the group's capital is to maximize the value of shareholders' shares. The Group manages and adjusts its capital structure considering changes in economic conditions and financial commitment requirements. To maintaining or modifying the capital structure, the Group may adjust dividend amounts paid to shareholders, return capital to shareholders or issue new shares. The group monitors capital using the leverage ratio, which represents net debt divided by total capital plus net debt. The group's liabilities include net debt, term loans, commercial accounts payable, payable expenses and other credit balances, minus bank balances.

	December 31,	
	2020	**2019**
loans	798,677,788	912,574,302
Trade payables	96,814,229	68,614,767
Accrued expenses and other credit balances	59,538,848	54,174,713
Less: Cash and cash equivalents	(27,808,945)	(117,640,964)
Net debt	927,221,920	917,722,818
Total equity	2,210,728,021	2,148,715,254
Leverage rate	42%	43%

(Expressed in Saudi Riyals)

29. Risk management

Special commission price risk

Special commission price risk relates to the risks resulting from the fluctuation of the value of a financial instrument as a result of the change in the prevailing commission rates in the market, and the company is subject to the risk of special commission rates on its assets associated with special commissions such as Murabaha deposits and credit facilities.

Credit risk

Credit risk is that one financial instrument does not meet its obligations and causes the other party to suffer a financial loss. The Group is exposed to credit risk on cash in the Fund, banks, receivables and commercial debtors as follows:

	December 31,	
	2020	2019
Accounts Receivable, net	120,027,901	122,269,177
Due from related parties	17,890,709	14,713,816
Notes Receivable	22,018,829	27,860,250
Cash and cash equivalent	27,808,945	117,640,964
	187,746,384	**282,484,207**

The Group manages customer credit risk by dealing with customers with a reliable credit history, obtaining high-quality guarantees when necessary, monitoring unpaid balances, and banking by dealing only with reputable banks.

Liquidity risk

Liquidity risk is that the group has difficulty in providing funds to meet its financial obligations associated with financial instruments.

Liquidity risks may arise from the inability to sell financial assets quickly at an amount of near their fair value. The Group manages liquidity risk by monitoring working capital requirements and cash flows regularly and ensuring that banking facilities are available when needed. The group's terms of contract require 30-90 days from the date of invoices, and commercial accounts are usually paid within 30-45 days of billing.

Increased risk concentration

The concentration of risks arises when a number of other parties engage in similar business activities or activities in the same geographical area or when they have economic characteristics that result in their ability to meet contractual obligations similarly affected by changes in economic, political or other circumstances. The concentration of risks indicates the relative sensitivity of the group's performance to developments affecting an industry.

30. Subsequent events:

Group management considers that there are no significant subsequent events after the date of the report that require their modification or disclosure in these consolidated financial statements.

31. Significant events:

The epidemic of the new Corona virus (19Covid-) in early 2020 and spread worldwide, including the Kingdom of Saudi Arabia, caused the disruption of many companies and economic activities. The group's management believes that this pandemic has no material impact on the financial statements as of December 31, 2020. Given the current uncertainty about the future, management will continue to assess the impact based on future evolution.

(Expressed in Saudi Riyals)

32. Comparison numbers:

Some comparison figures have been returned to line with the current tab for the fiscal year ended December 31, 2019.

	December 31, 2019		
	Before reclassing	Reclass	After reclassing
Financial position			
Prepaid expenses and other assets	74,056,693	2,881,858	76,938,551
Trade receivables - net	125,151,035	2,881,858	122,269,177
Accrued expenses and other liabilities	54,174,713	265,689	53,909,024
Provision for zakat and income tax	13,192,111	265,689	13,457,800
A list of profits or losses and other comprehensive income			
General and administrative expenses	44,290,278	605,401	44,895,679
Other income	6,545,076	605,401	7,150,477

33. Adoption of consolidated financial statements

The consolidated financial statements were approved by the Company's Board of Directors on Rajab 25th, 1442 H, March 9, 2021 G.