

**SAUDI NETWORKERS SERVICES COMPANY  
(A Closed Joint Stock Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022  
AND REPORT ON REVIEW OF INTERIM FINANCIAL  
STATEMENTS**

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

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## *Report on review of condensed consolidated interim financial statements*

To the shareholders of Saudi Networkers Services Company  
(A Closed Joint Stock Company)

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Saudi Networkers Services Company (the "Company") and its subsidiary (collectively referred to as the "Group") as of 30 June 2022 and the related condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of interim financial statements performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

### **PricewaterhouseCoopers**



Omar M. Al Sagga  
License Number 369

14 September 2022

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Condensed consolidated interim statement of financial position**  
(All amounts are in Saudi Riyals unless otherwise stated)


	Notes	As at 30 June 2022 (Unaudited)	As at 31 December 2021 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment		364,394	437,909
Right-of-use assets	16	941,542	1,662,780
<b>Total non-current assets</b>		<b>1,305,936</b>	<b>2,100,689</b>
<b>Current assets</b>			
Trade receivables	8	136,332,815	128,635,680
Prepayments and other assets	9	22,716,344	18,166,002
Cash and cash equivalents		14,407,730	22,029,309
<b>Total current assets</b>		<b>173,456,889</b>	<b>168,830,991</b>
<b>Total assets</b>		<b>174,762,825</b>	<b>170,931,680</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	60,000,000	60,000,000
Statutory reserve		3,833,696	3,833,696
Retained earnings		13,206,695	3,339,399
Foreign currency translation reserve		(10,236,501)	(9,860,021)
Equity attributable to shareholders of Saudi Networkers Services Company		66,803,890	57,313,074
Non-controlling interests		80,465	92,945
<b>Total equity</b>		<b>66,884,355</b>	<b>57,406,019</b>
<b>Non-current liabilities</b>			
Defined benefits liabilities		21,695,628	18,943,553
Lease liabilities	16	536,868	1,213,964
<b>Total non-current liabilities</b>		<b>22,232,496</b>	<b>20,157,517</b>
<b>Current liabilities</b>			
Current portion of lease liabilities	16	472,534	522,400
Accounts and other payables	10	4,741,463	10,280,946
Accrued expenses		40,274,986	39,132,566
Short term borrowings		38,416,151	40,801,349
Dividend payable	11	-	-
Provision for zakat		1,740,840	2,545,695
Taxes		-	85,188
<b>Total current liabilities</b>		<b>85,645,974</b>	<b>93,368,144</b>
<b>Total liabilities</b>		<b>107,878,470</b>	<b>113,525,661</b>
<b>Total equity and liabilities</b>		<b>174,762,825</b>	<b>170,931,680</b>



Chairman



Chief Executive Officer



Chief Financial Officer

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

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Condensed consolidated interim statement of comprehensive income**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	For the six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
Revenue		232,579,965	235,304,677
Cost of revenue		(198,851,658)	(202,744,329)
<b>Gross profit</b>		<b>33,728,307</b>	<b>32,560,348</b>
Selling and marketing expenses		(3,702,062)	(4,199,538)
General and administration expenses		(8,331,990)	(7,893,102)
Impairment gain (loss) on financial assets	8	55,703	(285,756)
<b>Profit from main operations</b>		<b>21,749,958</b>	<b>20,181,952</b>
Finance costs		(764,904)	(696,562)
Other income		2,402,842	97
<b>Profit before zakat and taxes</b>		<b>23,387,896</b>	<b>19,485,487</b>
Zakat expense		(1,343,167)	(1,461,000)
Taxes		(1,478,526)	(38,833)
<b>Profit for the period</b>		<b>20,566,203</b>	<b>17,985,654</b>
<b>Profit attributable to:</b>			
Shareholders of the Company		20,575,553	17,977,124
Non-controlling interest		(9,350)	8,530
		<b>20,566,203</b>	<b>17,985,654</b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>			
Actuarial gain on re-measurement of defined benefit liabilities		(708,257)	27,581
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of a foreign operation		(379,610)	(713)
<b>Total other comprehensive income for the period</b>		<b>(1,087,867)</b>	<b>26,868</b>
<b>Total comprehensive income for the period</b>		<b>19,478,336</b>	<b>18,012,522</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the company		19,481,466	18,003,726
Non-controlling interest		(3,130)	8,796
		<b>19,478,336</b>	<b>18,012,522</b>
<b>Earnings per share for profit attributable to the shareholders of the Company:</b>			
Basic and diluted earnings per share	14	3.4	3.0

  
Chairman

  
Chief Executive Officer

  
Chief Financial Officer

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**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Condensed consolidated interim statement of changes in equity**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

	<u>Attributable to the shareholders of Saudi Networkers Services Company</u>						
	Share Capital	Statutory reserve	Retained earnings	Foreign currency translation reserve	Total	Non- controlling interest	Total
<b>At 1 January 2021 (Audited)</b>	2,000,000	1,000,000	56,391,494	(9,002,972)	50,388,522	84,338	50,472,860
Profit for the period	-	-	17,977,124	-	17,977,124	8,530	17,985,654
Other comprehensive income	-	-	27,308	(706)	26,602	266	26,868
Total comprehensive income	-	-	18,004,432	(706)	18,003,726	8,796	18,012,522
Dividend	-	-	(5,000,000)	-	(5,000,000)	-	(5,000,000)
Capital Enhancement	58,000,000	-	(58,000,000)	-	-	-	-
<b>At 30 June 2021 (Unaudited)</b>	<b>60,000,000</b>	<b>1,000,000</b>	<b>11,395,926</b>	<b>(9,003,678)</b>	<b>63,392,248</b>	<b>93,134</b>	<b>63,485,382</b>
<b>At 1 January 2022 (Audited)</b>	<b>60,000,000</b>	<b>3,833,696</b>	<b>3,339,399</b>	<b>(9,860,021)</b>	<b>57,313,074</b>	<b>92,945</b>	<b>57,406,019</b>
Profit for the period	-	-	20,575,553	-	20,575,553	(9,350)	<b>20,566,203</b>
Other comprehensive income	-	-	(708,257)	(376,480)	(1,084,737)	(3,130)	<b>(1,087,867)</b>
Total comprehensive income	-	-	19,867,296	(376,480)	19,490,816	(12,480)	<b>19,478,336</b>
Dividend (Note 11)	-	-	(10,000,000)	-	(10,000,000)	-	<b>(10,000,000)</b>
<b>At 30 June 2021 (Unaudited)</b>	<b>60,000,000</b>	<b>3,833,696</b>	<b>13,206,695</b>	<b>(10,236,501)</b>	<b>66,803,890</b>	<b>80,465</b>	<b>66,884,355</b>

  
Chairman


  
Chief Executive Officer

  
Chief Financial Officer

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

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Condensed consolidated interim statement of cash flows**  
**(All amounts are in Saudi Riyals unless otherwise stated)**


	Notes	For the six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
<b>Operating activities</b>			
Profit before zakat and taxes		23,387,896	19,485,487
<i>Adjustments for:</i>			
Depreciation of property and equipment		93,890	110,294
Depreciation of right-of-use assets		361,791	344,433
Interest expense on lease liabilities		40,873	49,402
Interest expense on short-term borrowings		724,031	647,160
Provision for defined benefits liabilities		3,524,060	2,286,903
Impairment (gain) loss on financial assets	8	(55,703)	285,756
loss on termination of lease		(6,115)	-
Operating cash flows before working capital changes		28,070,723	23,209,435
<i>Changes in working capital:</i>			
Trade receivables		(7,641,432)	(7,914,805)
Prepayments and other assets		(4,550,342)	(4,850,641)
Accounts and other payables		(5,539,483)	(3,899,106)
Accrued expenses		1,142,420	(800,585)
Cash generated from operations		11,481,886	5,744,298
Defined benefits liabilities paid		(1,480,241)	(1,314,645)
Zakat paid		(2,148,022)	(2,008,493)
Taxes paid		(1,563,714)	(66,107)
<b>Net cash from operating activities</b>		<b>6,289,909</b>	<b>2,355,053</b>
<b>Investing activity</b>			
Purchase of property and equipment		(20,375)	(116,177)
<b>Net cash used in investing activity</b>		<b>(20,375)</b>	<b>(116,177)</b>
<b>Financing activities</b>			
Proceeds from short-term borrowings		227,230,151	133,466,506
Repayment from short-term borrowings		(229,615,350)	(133,546,651)
Dividends paid to the owner of the parent company	11	(10,000,000)	(2,887,607)
Repayment of lease liabilities		(361,400)	(334,151)
Interest paid on short-term borrowings		(724,031)	(647,160)
Interest paid on lease liabilities		(40,873)	(49,402)
<b>Net cash used in financing activities</b>		<b>(13,511,503)</b>	<b>(3,998,465)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,241,969)</b>	<b>(1,759,589)</b>
Adjustment for foreign exchange translation		(379,610)	(713)
Cash and cash equivalents at the beginning of the period		22,029,309	21,809,981
<b>Cash and cash equivalents at the end of the period</b>		<b>14,407,730</b>	<b>20,049,679</b>



Chairman



Chief Executive Officer



Chief Financial Officer

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

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**1 Corporate information**

Saudi Networkers Services Company (the "Company") is a closed joint stock Company, registered in Riyadh city, Kingdom of Saudi Arabia ("KSA") under commercial registration number 1010173733 dated 19 Dhul-Qadah 1422H (corresponding to 2 February 2002). The Company's registered address is PO Box: 25141 Riyadh 11466, Kingdom of Saudi Arabia.

The principal activities of the Company are repair and maintenance of telecommunications and radar stations and towers, constructing, building, and repairing of telecommunications and radar stations, towers, laying of electrical wiring, laying of telecommunication wiring, networking, building maintenance services activities, installation and extension of computer and communication networks, mediating on the employment of Saudi nationals and online recruitment agencies.

These condensed consolidated interim financial statements include the condensed interim financial position, results of operations and cash flows of the Company and SNSALG SARL (the "subsidiary"), a limited liability company registered in People's Democratic Republic of Algeria, under commercial registration (CR) number 0971273B06 dated 26 Jumaada II 1427H (collectively refer as the "Group"), the subsidiary is 99% owned by the Company and is engaged in providing technical consultants on an individual basis to telecommunications, oil and gas and IT vendors, operators and sub-contracting companies.

On 20 December 2021, the Group announced its intention to close the subsidiary. As at 30 June 2022, the subsidiary is still a continuing operation as the commercial activities are on-going, accordingly the subsidiary is not considered a discontinued operation. The subsidiary will be phased out during later part of 2022 after completing the legal formalities in compliance with the local regulations of Algeria.

**2 Basis of preparation**

**2.1 Statement of compliance**

The condensed consolidated interim financial statements of the Group has been prepared in accordance with IAS 34 - "Interim Financial Reporting" ("IAS-34") that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed consolidated interim financial statements does not include all the information and disclosures required in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial statements are to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

**2.2 Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the Company's functional currency and Group's presentation currency.

**3 Accounting policies**

The principal accounting policies applied in the preparation of condensed consolidated interim financial statements of the Group are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of certain amendments to the standards and interpretations as set out in Note 4.



#### **4 Standards and amendments to the standards adopted and issued but not yet effective**

##### **4.1 New International financial reporting standards (“IFRS”) standards, amendments to standards and interpretations not yet effective**

Certain new accounting standards, amendments to standards and interpretations have been published by the IASB that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. The Group is in the process of evaluating the impact of those standards, amendments to standards and interpretations.

##### **4.2 New and amended IFRS standards, amendments to standards and interpretations adopted by the Group**

There are no new standards applicable to the Group, however, the Group has applied the following amendments to the standards for the first time for their reporting period commencing on 1 January 2022.

##### **4.3 A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16**

**Amendments to IFRS 3** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

**Amendments to IAS 16** ‘Property, plant and equipment’ prohibit a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

**Amendments to IAS 37** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a Company includes when assessing whether a contract will be loss-making.

**Annual improvements make minor amendments to IFRS 1** ‘First-time Adoption of IFRS’ and IFRS 9 ‘Financial instruments’.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### **5 Use of estimates, assumptions and judgements**

The preparation of the Group’s condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets and liabilities in the future periods.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

#### **6 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group’s other components. Operating segments’ have been identified on geographical basis as the operating results of these geographies are reviewed regularly by the Group’s relevant Business Heads’ to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group’s relevant Business Heads’ include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**7 Related party transactions and balances**

Related parties include owner, affiliate companies and the Group's key management personnel. The Group does not have any transaction with the Owners, other than dividend transactions. Below are the transactions with affiliate companies during the period.

The following significant transactions were carried out with related parties during the period:

Relationship	Nature of transactions	For the six-month period ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
Affiliate	Intercompany cost recharge	258,261	366,432

Key management personnel compensation comprised the following:

	For the six-month period ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Short-term benefits	1,488,985	1,573,353
Termination benefits	77,044	57,041

Compensation to key management personnel includes salaries, allowances, provision for defined benefits liabilities and contribution to General Organization for Social Insurance.

**8 Trade receivables**

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Accounts receivables	104,531,808	97,182,140
Unbilled receivables *	34,711,374	34,419,610
	<u>139,243,182</u>	<u>131,601,750</u>
Less: allowance for expected credit losses	(2,910,367)	(2,966,070)
	<u>136,332,815</u>	<u>128,635,680</u>

\*Unbilled receivables assets represent the amount for which services have been rendered but not yet invoiced to customers.

Movement in the allowance for expected credit losses is as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
As at beginning of the year	2,966,070	1,015,148
(Reversal)/provided during the period/year	(55,703)	1,950,922
As at end of the period/year	<u>2,910,367</u>	<u>2,966,070</u>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

**SAUDI NETWORKERS SERVICES COMPANY**  
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**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**9 Prepayments and other assets**

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Prepaid expenses	20,413,741	13,365,220
Other receivables	2,302,603	4,800,782
	<b>22,716,344</b>	<b>18,166,002</b>

**10 Accounts and other payables**

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Accounts payables	499,808	825,435
VAT payable, net	4,241,655	9,455,511
	<b>4,741,463</b>	<b>10,280,946</b>

The average credit period taken for trade purchases is 45 to 90 days (31 December 2021: 45 to 90 days).

**11 Dividend payable**

Following is the movement of dividend payable:

	<b>30 June 2021 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Balance at beginning of the year	-	887,607
Dividend declared	10,000,000	19,099,999
Payments	(10,000,000)	(19,987,606)
Balance at end of the period/year	-	-

**12 Share capital**

The Group's capital consists of following:

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Authorized shares	6,000,000	6,000,000
Ordinary shares of SR 10 each (2020: SR 1,000 each), fully paid and issued	6,000,000	6,000,000
Capital	<b>60,000,000</b>	<b>60,000,000</b>

Details of percentage of shareholding is as follows:

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<i>Name of shareholder</i>		
Mr. Abdul Mohsen I. Al Touq	50%	50%
Mr. Osama M Al Sabeg	50%	50%
	<b>100%</b>	<b>100%</b>

Details of number of shares held is as follows:

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<i>Name of shareholder</i>		
Mr. Abdul Mohsen I. Al Touq	3,000,000	3,000,000
Mr. Osama M Al Sabeg	3,000,000	3,000,000
	<b>6,000,000</b>	<b>6,000,000</b>

**SAUDI NETWORKERS SERVICES COMPANY**  
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**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**13 Contingent liability**

The Group bankers have issued, on group's behalf, guarantees limited to SR 499,900 (2021: 499,900) in respect of contracts performance.

**14 Earnings per share (EPS)**

Basic EPS is calculated by dividing the net income for the period attributable to shareholders of the Group by the weighted average number of ordinary shares outstanding during the period as follows:

	<b>For the six-month period ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit attributable to the shareholders of the Company	<b>20,575,553</b>	17,977,124
Number of ordinary shares outstanding	<b>6,000,000</b>	6,000,000
Basic and diluted earnings per share from profit for the period	<b>3.4</b>	3.0

**15 Segment reporting**

The principal activities of the Group are implementing contracting contracts of establishing, maintaining, operating, installing and managing of telecommunication networks, computer, electrical & electronic works, providing consulting, technical and administrative services, providing supporting at field of consulting, technical, administrative and consulting services, operating, managing, marketing and providing technical support for sales centers and customer care services. Selected financial information as at 30 June 2022 and its comparative figures for the period/year then ended, categorized by these business segments, is as follows:

***Kingdom of Saudi Arabia***

Provision of services in the geographical region of Kingdom of Saudi Arabia.

***Algeria***

Provision of services in the geographical region of Algeria.

	<b>Kingdom of Saudi Arabia</b>	<b>Algeria</b>	<b>Total</b>
<b><u>30 June 2022 (Unaudited)</u></b>			
Revenue	229,567,118	3,012,846	<b>232,579,965</b>
Depreciation (Property and equipment and right-of-use assets)	455,255	426	<b>455,681</b>
Profit/(loss) attributable to shareholders of the Company	21,501,216	(925,663)	<b>20,575,553</b>
<b><u>30 June 2021 (Unaudited)</u></b>			
Revenue	229,781,194	5,523,483	235,304,677
Depreciation (Property and equipment and right-of-use assets)	453,718	1,009	454,727
Profit attributable to shareholders of the Company	17,124,118	853,006	17,977,124
	<b>Kingdom of Saudi Arabia</b>	<b>Algeria</b>	<b>Total</b>
<b><u>30 June 2022 (Unaudited)</u></b>			
Total assets	165,250,621	9,512,204	<b>174,762,825</b>
Total liabilities	106,412,420	1,466,050	<b>107,878,470</b>
<b><u>31 December 2021 (Audited)</u></b>			
Total assets	158,862,776	12,068,904	170,931,680
Total liabilities	111,220,744	2,708,127	113,928,871

The Group's revenue is derived from contracts with customers for provision of services.

Segment assets are measured in the same way as in the Consolidated Financial Statements. These assets are allocated and analyzed based on the operations of the segment.

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**16 Leases**

The Group has lease contracts for motor vehicles and office building. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and sub-leasing the leased assets.

**Right-of-use assets**

	<b>Motor vehicles</b>	<b>Office building</b>	<b>Total</b>
<b>Cost</b>			
As at 1 January 2022 (Audited)	1,127,336	2,440,843	3,568,179
Additions	-	-	-
Disposals	(120,801)	(234,737)	(355,538)
Adjustment	(13,736)	9,854	(3,909)
<b>As at 30 June 2022 (Unaudited)</b>	<b>992,772</b>	<b>2,215,960</b>	<b>3,208,732</b>
<b>Accumulated Depreciation</b>			
As at 1 January 2022 (Audited)	792,247	1,113,152	1,905,399
Charge for the year	120,505	241,286	361,791
<b>As at 30 June 2022 (Unaudited)</b>	<b>912,752</b>	<b>1,354,438</b>	<b>2,267,190</b>
<b>Net book value</b>			
<b>As at 30 June 2022 (Unaudited)</b>	<b>80,019</b>	<b>861,522</b>	<b>941,542</b>
As at 31 December 2021 (Audited)	335,089	1,327,691	1,662,780

**Lease liabilities**

Following is the carrying amounts of lease liabilities and the movements during the period/year:

	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Balance at beginning of the year	<b>1,736,364</b>	1,434,616
Additions	-	998,431
Interest expense	<b>40,873</b>	99,575
Payments	<b>(402,273)</b>	(796,258)
Adjustment	<b>8,521</b>	-
Lease termination	<b>(374,083)</b>	-
Balance at end of the period/year	<b>1,009,402</b>	1,736,364
	<b>30 June 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Current portion of lease liabilities	<b>472,534</b>	522,400
Non-current portion of lease liabilities	<b>536,868</b>	1,213,964
	<b>1,009,402</b>	1,736,364

**SAUDI NETWORKERS SERVICES COMPANY**  
**(A Closed Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**(All amounts are in Saudi Riyals unless otherwise stated)**

**17 Events after the reporting period**

On 17 August 2022, Saudi Exchange announces the listing and trading shares of “Saudi Networkers Services Company” on Nomu – Parallel Market, with the symbol 9543 and ISIN Code SA15JH3KL3H8. The Company has floated 1.5 million shares on the Nomu – Parallel Market, after which the shareholding of Mr. Abdul Mohsen I. Al Touq and Mr. Osama M Al Sabeg has been reduced to 37.25%, respectively.

**18 Approval of these condensed consolidated interim financial statements**

These condensed consolidated interim financial statements of the Group for the period ended 30 June 2022 were authorized for issuance on 12 September 2022.