BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
AND INDEPENDENT AUDITOR'S REPORT

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bena Steel Industries Company ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming auditor's opinion thereon, and we do not provide a separate opinion on these matters. The following is description of each key audit matter any how we addressed it during out audit.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition	
The Company's revenue amounted to SR 409 million for the year ended 31 December 2023 (2022: SR 374 million). Revenue is one of the core indicators for measuring performance, and as a result there are inherent risks in the revenue recognition process. Given the materiality of the amount of revenue recognized as well as the risks inherent in the revenue recognition process, revenue recognition was considered as key audit matter. The accounting policy for revenue is outlined in (note 2.2) and a breakdown of revenue is presented in (note 24).	The audit procedures we have performed included, among other things, based on our judgement, the following: ➢ Evaluating the appropriateness of the Company's accounting policies related to revenues, taking into consideration the requirements of the relevant accounting standards. ➢ Evaluating key contractual arrangements by referring to relevant documents and agreements with clients. ➢ Performed test of details on a sample of sale transactions and vouched to source documents. ➢ Examining a sample of sales transactions made during the year, before and after year end to assess whether revenue has been recognized in the proper accounting period along with the supporting documentation. ➢ Concluding analytical procedures and reconciliations between the various reports and examining any resulting material deviations. ➢ Evaluating the adequacy of the Company's financial statements disclosures in line with the requirements of the relevant International Financial Reporting Standards.

Other information

Other information consists of the information included in the Company's annual report for the year 2023, other than the financial statements and our auditor's report thereon. Management is responsible for the other information included in its annual report. It is expected that the annual report of the Company for the year 2023 will be available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements (Continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ISA that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

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

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
We communicate with the 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 financial statements of the Company 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.

Baker Tilly MKM & Co.
Certified Public Accountants
Al-Khobar, Kingdom of Saudi Arabia

Bader Hatim Al Tamimi
License No. 489
11 Ramadan 1445H
21 March 2024

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C.R. 2051235627
BAKER TILLY M K M & CO

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 SR	2022 SR
ASSETS			
Current assets			
Cash and cash equivalents	4	**458,753**	3,700,954
Trade receivables	5	**89,296,977**	83,031,633
Inventories	6	**109,108,608**	103,533,027
Prepayments and other assets	7	**3,063,095**	2,959,603
Total current assets		**201,927,433**	193,225,217
Non-current assets			
Property, plant and equipment	8	**57,379,341**	50,219,617
Right-of-use assets	9	**1,265,217**	1,866,304
Total non-current assets		**58,644,558**	52,085,921
TOTAL ASSETS		**260,571,991**	245,311,138
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		**80,479,564**	77,789,638
Short term borrowings	11	**60,979,921**	49,574,050
Current portion of term loan	12	**8,515,385**	8,515,385
Current portion of lease liabilities	16	**570,022**	550,046
Accruals and other liabilities	13	**6,014,145**	7,002,647
Dividends payable	14	**-**	304,699
Zakat payable	30	**1,000,000**	950,723
Total current liabilities		**157,559,037**	144,687,188
Non-current liabilities			
Non-current portion of term loan	12	**12,773,077**	21,288,462
Non-current portion of lease liabilities	16	**857,758**	1,427,780
Employee benefits obligations	15	**8,520,646**	8,263,592
Total non-current liabilities		**22,151,481**	30,979,834
Total liabilities		**179,710,518**	175,667,022
Equity			
Share capital	17	**50,000,000**	50,000,000
Contribution from shareholders	18	**216,832**	216,832
Statutory reserve	19	**2,946,776**	2,946,776
Actuarial reserve	15	**(605,962)**	(683,864)
Revaluation surplus	8	**6,324,944**	-
Retained earnings		**21,978,883**	17,164,372
Total equity		**80,861,473**	69,644,116
TOTAL LIABILITIES AND EQUITY		**260,571,991**	245,311,138

Mr. Khalid Bin Mohammed Bin Saad Albawardi
Chairman

Mr. Fawaz Khalid Mohammed Albawardi
Chief Executive Officer

Mr. Mahmoud Abbas Said Alkurdi
Finance Manager

The accompanying notes form an integral part of these financial statements

BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	***2023***	*2022*
		SR	*SR*
Revenue	23,24	**409,078,582**	374,111,230
Cost of revenue	23,25	**(378,852,003)**	(347,608,054)
Gross profit		**30,226,579**	26,503,176
Selling and marketing expenses	26	**(7,464,503)**	(6,180,006)
General and administrative expenses	27	**(5,674,350)**	(4,626,131)
Allowance for expected credit losses	5	**(402,622)**	-
Operating profit		**16,685,104**	15,697,039
Finance costs	28	**(10,942,172)**	(7,316,587)
Other income, net		**121,164**	909
Profit before zakat		**5,864,096**	8,381,361
Zakat	30	**(1,049,585)**	(682,095)
Profit for the year		**4,814,511**	7,699,266
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain / (loss) on employee benefit obligations	15	**77,902**	(160,804)
Surplus on revaluation	8	**6,324,944**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**11,217,357**	7,538,462
Earnings per share			
Earnings per share (Basic and Diluted) attributable to ordinary shareholders	21	**0.96**	1.54

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BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	*Contribution from shareholders*	*Statutory reserve*	*Actuarial reserve*	*Revaluation surplus*	*Retained earnings*	*Total*
	SR	*SR*	*SR*	*SR*	*SR*	*SR*	*SR*
As at 1 January 2023	**50,000,000**	**216,832**	**2,946,776**	**(683,864)**	**-**	**17,164,372**	**69,644,116**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**4,814,511**	**4,814,511**
Other comprehensive income	**-**	**-**	**-**	**77,902**	**6,324,944**	**-**	**6,402,846**
Total comprehensive income for the year	**-**	**-**	**-**	**77,902**	**6,324,944**	**4,814,511**	**11,217,357**
31 December 2023	**50,000,000**	**216,832**	**2,946,776**	**(605,962)**	**6,324,944**	**21,978,883**	**80,861,473**
As at 1 January 2022	50,000,000	216,832	2,176,849	(523,060)	-	16,018,023	67,888,644
Profit for the year	-	-	-	-	-	7,699,266	7,699,266
Other comprehensive loss	-	-	-	(160,804)	-	-	(160,804)
Total comprehensive income for the year	-	-	-	(160,804)	-	7,699,266	7,538,462
Transfer to statutory reserve (note 19)	-	-	769,927	-	-	(769,927)	-
Dividends (note 14)	-	-	-	-	-	(5,782,990)	(5,782,990)
31 December 2022	50,000,000	216,832	2,946,776	(683,864)	-	17,164,372	69,644,116

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BENA STEEL INDUSTRIES COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 SR	2022 SR
OPERATING ACTIVITIES		
Profit before zakat	**5,864,096**	8,381,361
Adjustments for non-cash flow items:		
Depreciation	**4,536,930**	4,807,945
Employee benefits obligations	**727,690**	635,240
Allowance for expected credit losses	**402,622**	-
Finance costs	**10,942,172**	7,316,587
Changes in working capital:		
Trade receivables	**(6,667,966)**	(14,650,060)
Prepayments and other assets	**(103,492)**	(907,559)
Inventories	**(5,575,581)**	(19,803,140)
Trade payables	**2,689,926**	27,746,197
Accruals and other liabilities	**(886,486)**	(831,369)
Cashflows from operations	**11,929,911**	12,695,202
Employee benefits obligations paid	**(774,891)**	(71,094)
Finance costs paid	**(10,584,769)**	(7,418,639)
Zakat paid	**(1,000,308)**	(731,372)
Net cash flows (used in) /generated from operating activities	**(430,057)**	4,474,097
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(4,770,623)**	(1,031,977)
Net cash flows used in investing activities	**(4,770,623)**	(1,031,977)
FINANCING ACTIVITIES		
Net movement in short term borrowings	**11,405,871**	(27,006,389)
Medium term borrowing obtained	**-**	36,900,000
Repayment of medium term borrowing	**(8,515,385)**	(7,096,153)
Lease liabilities payments	**(627,308)**	(748,098)
Dividends paid	**(304,699)**	(6,145,788)
Net cash flows from / (used in) financing activities	**1,958,479**	(4,096,428)
Net change in cash and cash equivalents	**(3,242,201)**	(654,308)
Cash and cash equivalents at the beginning of the year	**3,700,954**	4,355,262
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**458,753**	3,700,954
Non-cash transactions:		
Surplus on revaluation (note 8)	**6,324,944**	-
Employee benefits obligations transferred to a related party (note 15,23)	**-**	(13,856)

Mr. Khalid Bin Mohammed Bin Saad Albawardi
Chairman

Mr. Fawaz Khalid Mohammed Albawardi
Chief Executive Officer

Mr. Mahmoud Abbas Said Alkurdi
Finance Manager

The accompanying notes form an integral part of these financial statements

1 - GENERAL INFORMATION

Bena Steel Industries Company ("the Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under commercial registration No. 2050023902 issued in Dammam on 31 August 1992 (corresponding to 2 Rabi al Awal 1413H). The registered address of the Company is P.O. Box 112 Dammam 11411, Kingdom of Saudi Arabia.

During 2021, the Company commenced the process for Initial Public Offering ("IPO") and on 18 November 2021 (corresponding to 13 Rabi' II 1443H), the General Assembly approved the registration of the Company's shares in the Parallel Market (Nomu) and listing of 600,000 ordinary shares (12%) in Nomu. On 14 February 2022 (corresponding to 13 Rajab 1443H), the Company received the conditional approval on its application from Capital Markets Authority ("CMA").

On 2 November 2022 (corresponding to 8 Rabi' Al-Thani 1444H), the Capital Market Authority ("CMA") Board issued its resolution approving the Company's application for the offering of 600,000 shares representing 12% of Company's share capital . On 22 March 2023 (corresponding to 30 Sha'ban 1444H) the Company's shares were traded on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. The legal formalities of updating the Company's by-laws and commercial registration were completed on 31 May 2023 (corresponding to 11 Dhu'l-Qi'dah 1444H).

The principal activities of the Company are production of galvanized metal sheets, ribbed and non-ribbed, metal structures and metal sheets, ribbed and non-ribbed aluminum sheets and chromed metal sheets, electro plated steel, silicon steel, as well as aluminum. Pre-painted Corrugated Steel Sheets. Manufacture of ERW pipes & tubes and producing Wheelbarrow. The Company is licensed by Ministry of Industry and Mineral Resources under industrial license number 421102108609 dated 29 November 2020 (corresponding to 14 Rabi al Akhar 1442H).

The Company has the following branches, which are registered under separate commercial registration numbers:

Commercial registration number	Date of issue	Place of issue
2050056369	4 September 2007	Dammam
2050142163	4 February 2021	Dammam

The results, assets and liabilities of these branches are included in these financial statements.

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in the Kingdom of Saudi Arabia and other standards and pronouncements endrosed by the Saudi Organization for Chartered and Professional Accountants (SOCPA). Details of the Company's material accounting policies are disclosed in note 2.2.

These financial statements are prepared on historical cost basis, except as otherwise stated. These financial statements are presented in Saudi Riyals which is also the functional currency of the Company and all values are rounded to the nearest Saudi Riyal (SR).

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its financial statements:

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Fair value measurement

The Company measures financial instruments, such as financial derivatives, at fair value at each reporting date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Fair value measurement (Continued)

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue from contracts with customers
IFRS 15 establishes a five-step model that applies to revenue arising from contracts with customers as below:

Step 1: Identify the contracts with a customer:
Identify the contracts with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract:
A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price:
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract:
For a contract that has more than one performance obligation (if any), the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.
The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

When the Company satisfies a performance obligation by delivering the promised goods it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability, or the Company received the amount in advance for the provision of goods.

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Revenue from contracts with customers (Continued)

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Specific recognition criteria:

Sale of goods

Revenue is recognized when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs based on contractual terms of the contract, when the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been met.

Variable considerations

If the consideration promised in a contract includes a variable amount, the Company estimates the amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer. The Company estimates the transaction price on contracts with variable consideration using the expected value or most likely amount method. The method is applied consistently throughout the contract and to similar types of contracts.

Significant financing component

The Company adjusts the promised amount of consideration for the time value of money if the contract contains a significant financing component.

Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost incurred in bringing each product to its present location and condition accounted for, as follows:

Raw material and production supplies:

- Raw material and production supplies are valued on weighted average basis.

Finished goods and work in progress:

- Cost of direct materials and labors and proportion of manufacturing overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Expenses

Expenses related to operations are allocated on a consistent basis to cost of revenue, general and administration expenses, and selling and marketing expenses in accordance with consistent allocation factors determined as appropriate by the Company.

Zakat

The Company is subject to the regulations of the Zakat, Tax and Customs Authority (the "ZATCA") in the Kingdom of Saudi Arabia. A provision for zakat is charged to the statement of profit or loss. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Uncertain zakat positions

Differences that may arise at the finalization of an assessment are accounted for when the assessment is finalized with ZATCA.

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax, except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- Receivables and payables are stated with the amount of value added tax included

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

Withholding Tax

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law.

Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at the spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any, except for land (note 2.3), which are carried at revalued amount less any subsequent accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Repair and maintenance costs are recognized in profit or loss as incurred.

Increase in the carrying amounts arising on revaluation of land, is recognised, in other comprehensive income and accumulated in reserves in changes in equity.

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

	Years
- Buildings and leasehold improvements	5 - 20
- Machinery and equipment	4 - 10
- Vehicles	4
- Furniture, fixtures and office equipment	3 - 5

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognized.

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

Capital work in progress

Assets in the course of construction are capitalized in the capital work-in-progress ("CWIP") account. The asset under construction is transferred to the appropriate category in property, plant and equipment, once the asset is in a location and/or condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of capital work in progress comprises its purchase price, construction cost and any other cost directly attributable to the construction or acquisition of an item of CWIP intended by management.

Borrowing costs

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

Leases

The determination of whether an arrangement is, or contains, a lease is decided at the inception date. An arrangement is, or contains, a lease if it grants the right to control a particular asset or assets for a period of time in exchange for compensation.

Company as a lessee

A Right-of-use assets:

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognized right-of-use assets are depreciated on a straight-line basis over its estimated useful life.

B Lease liabilities:

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Leases (Continued)

B Lease liabilities (Continued):

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

C Short-term leases and leases of low-value assets:

Short-term leases are leases with a lease term of 12 months or less. Low value assets are items that do not meet the Company's capitalization threshold and are considered to be insignificant for the statement of financial position for the Company as a whole. Payments for short-term leases and leases of low value assets are recognized on a straight-line basis in the profit or loss.

Impairment of non-financial assets

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

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

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

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

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

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have any debt instruments at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the profit or loss.

The Company does not have any financial assets recognized at fair value through profit or loss.

Derecognition

A financial asset is primarily derecognized when:

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

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

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

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Financial assets (Continued)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on these liabilities are recognized in the statement of profit or loss.

The Company does not have any financial liabilities at fair value through profit or loss.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

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

Cash and cash equivalents

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

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Summary of material accounting policies (Continued)

Provisions

General
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits obligations

Short term employee benefits
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay, bonuses, and non-monetary benefits such as medical care), are recognized in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Employees' termination benefits obligations
The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Earnings per share
Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.3 Changes in accounting policy

During the year ended 31 December 2023, management changed its measurement policy for the specific class of land category from the cost model to the revaluation model, considering that the change in the method of measurement will depict more appropriate results. This change is considered a change in accounting policy in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and has been accounted for prospectively.

The change in accounting policy has resulted in the revaluation of the land category as at 31 December 2023. The carrying amount of the land category as at 31 December 2023 has been stated at its fair value of SR 23.48 million based on a valuation determined by an independent professional valuer and is based on market values at that date. The revaluation surplus of SR 6.3 million has been recognized in other comprehensive income for the current year only and accumulated in the revaluation surplus within equity.

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Changes in accounting policy (Continued)

Impact of the change in accounting policy on the financial statements of the Company:

Statement of Financial Position: The carrying amount of the land as at 31 December 2023 has been restated to its fair value. Total non-current assets and equity reflect these changes.

Statement of Profit or Loss: The change in accounting policy did not impact the net profit for the year ended 31 December 2023.

Statement of Comprehensive Income: Other comprehensive income for the year includes a revaluation surplus of SR 6.3 million related to the land.

Statement of Changes in Equity: The revaluation surplus of SR 6.3 million has been accumulated in the revaluation surplus within equity.

The revaluation surplus of SR 6.3 million recorded as a result of the change in accounting policy does not impact the calculation of earnings per share (EPS) for the year ended 31 December 2023, as it is recognized in other comprehensive income and not in the income statement.

The change in accounting policy is effective for the financial year beginning on 1 January 2023 and has been applied prospectively, with comparative information not restated. The transition to the revaluation model has been made in accordance with the transitional provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 16 Property, Plant and Equipment.

The change in accounting policy is not expected to have a significant impact on future periods, as it primarily affects the carrying amount of the land category as at 31 December 2023.

2.4 Application of New and Revised International Financial Reporting Standards (IFRSs)

2.4.1 New and amended IFRSs applied with no material effect on the financial statements

The following new and amended IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements. The application of these revised IFRSs has not any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.
- Extension of the Temporary Exemption from Applying IFRS 9 Financial Instruments - Amendments to changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments.
- Disclosure of Accounting Policies - Amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making Materiality Judgements. These amendments require the disclosure of 'material' rathen than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies disclosed in the financial statements.
- Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 Income Taxes.
- International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 Income Taxes

2 - BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.4 Application of New and Revised International Financial Reporting Standards (IFRSs) (Continued)

2.4.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities.	1 January 2024
Applicabilitiy of IFRS S1 General requirements for disclosure of sustainability - related financial information and IFRS S2 Climate-related disclosures.	1 January 2024
Amendments to IFRS 16 Leases regarding the treatment for sale and leaseback transactions.	1 January 2024
Amendments to IAS 7 Statement of Cash flows and IFRS 7 Financial Instrument: Disclosure regarding supplier finance arrangements.	1 January 2024
Amendments to IAS 21 The Effect of Changes in Foreign Exchange Rates regarding the lack of exchangeabilitiy.	1 January 2025

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

3 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risk and uncertainties' includes:

- Financial instruments risk management — Note 31
- Sensitivity analysis disclosures — Note 15,31

3.1 Judgements

(a) Determining the lease term for lease contracts

The Company has applied judgement to determine the lease term for those lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

(b) Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgements and estimates of the outcome of future events.

(c) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining whether the Company is a principal or an agent

The Company has determined that it is working in its capacity as a principal for its customers as the credit risk is entrusted with the Company.

3.2 Estimates and assumptions

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

(a) Long-term assumptions for employees' benefits

Employees' defined benefit liabilities and benefit payments represent obligations that will be settled in the future and require assumptions to project obligations and fair values of plan assets, if any. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase and return on assets, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Company consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

3 - SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

3.2 Estimates and assumptions (Continued)

(b) Uncertain zakat positions

The Company's current zakat payable of SR 1,000,000 relates to management's assessment of the amount of zakat and payable on open zakat positions where the liabilities remain to be agreed with the Zakat, Tax and Customs Authority (ZATCA). Due to the uncertainty associated with such zakat items, it is possible that, on finalization of open zakat assessments at a future date, the final outcome may differ significantly. Note 30 describes the status of zakat assessments.

(c) Valuation of land

The fair value of land is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13 Fair Value Measurement.

(d) Allowance for expected credit losses ("ECL") on trade receivables

The Company uses a provision matrix to calculate allowance for expected credit losses ("ECL") on trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

(e) Residual values and useful lives of property, plant and equipment

Management determines the residual values and estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset and physical wear and tear. Management reviews the residual values and useful lives annually and future depreciation charge would be adjusted where the management believes that the residual values and useful lives differ from previous estimates.

4 - CASH AND CASH EQUIVALENTS

	2023	*2022*
	SR	*SR*
Cash at banks	**458,753**	3,700,954

As at 31 December 2023, certain bank accounts were in the name of the major shareholder with balances of SR 77 (2022: SR 992,407).The shareholder has assigned these bank accounts to the Company.

5 - TRADE RECEIVABLES

	2023	*2022*
	SR	*SR*
Trade receivables - third parties	**85,285,601**	74,708,559
Trade receivables - related parties (note 23)	**6,334,181**	10,243,257
	91,619,782	84,951,816
Less: allowance for expected credit losses	**(2,322,805)**	(1,920,183)
	89,296,977	83,031,633

5 - TRADE RECEIVABLES (Continued)

Movement in the allowance for expected credit losses is as follows

	2023	*2022*
	SR	*SR*
1 January	**1,920,183**	1,920,183
Charge for the year	**402,622**	-
31 December	**2,322,805**	1,920,183

Trade receivables are unsecured and non-interest bearing. Trade receivables are generally on terms of 30 to 90 days.

An aged analysis of trade receivables as at 31 December is as follows:

	2023		
	Gross receivables	***Expected credit loss***	***Net receivables***
	SR	***SR***	***SR***
0 - 90 days	**62,367,160**	**(321,653)**	**62,045,507**
91 - 180 days	**13,596,630**	**(236,755)**	**13,359,875**
181 - 365 days	**9,707,040**	**(658,081)**	**9,048,959**
Above 365 days	**5,948,952**	**(1,106,316)**	**4,842,636**
	91,619,782	**(2,322,805)**	**89,296,977**

	2022		
	Gross receivables	*Expected credit loss*	*Net receivables*
	SR	*SR*	*SR*
0 - 90 days	45,138,599	(1,258,549)	43,880,050
91 - 180 days	34,375,339	(175,251)	34,200,088
181 - 365 days	3,291,950	(217,824)	3,074,126
Above 365 days	2,145,928	(268,559)	1,877,369
	84,951,816	(1,920,183)	83,031,633

The Company records an allowance for expected credit losses considering various factors including age of the receivable balances and financial condition of the customers.

6 - INVENTORIES

	2023	*2022*
	SR	*SR*
Raw materials	**76,785,217**	87,471,591
Work in progress	**8,868,420**	4,179,399
Finished goods	**4,779,521**	5,422,817
Spare parts	**2,910,291**	2,814,643
Goods in transit	**15,765,159**	3,644,577
	109,108,608	103,533,027

7 - PREPAYMENTS AND OTHER ASSETS

	2023	*2022*
	SR	*SR*
Prepayments	**1,024,671**	1,254,219
Employees receivable	**1,184,767**	1,100,867
Advance to suppliers	**652,530**	418,283
Other	**201,127**	186,234
	3,063,095	2,959,603

8 - PROPERTY, PLANT AND EQUIPMENT

	Land	*Buildings and leasehold improvements*	*Machinery and equipment*	*Vehicles*	*Furniture, fixtures and office equipment*	*Capital Work in progress*	*Total*
	SR	*SR*	*SR*	*SR*	*SR*	*SR*	*SR*
Cost or revalued amount:							
1 January 2022	17,152,056	34,542,951	59,481,091	1,727,247	4,364,112	622,823	117,890,280
Addition	-	214,206	154,875	-	115,858	547,038	1,031,977
Transfer	-	1,169,861	-	-	-	(1,169,861)	-
At 31 December 2022	17,152,056	35,927,018	59,635,966	1,727,247	4,479,970	-	118,922,257
Addition	**-**	**-**	**658,910**	**393,809**	**330,351**	**3,387,553**	**4,770,623**
Revaluation	**6,324,944**	**-**	**-**	**-**	**-**	**-**	**6,324,944**
At 31 December 2023	**23,477,000**	**35,927,018**	**60,294,876**	**2,121,056**	**4,810,321**	**3,387,553**	**130,017,824**
Accumulated depreciation:							
1 January 2022	-	14,333,733	44,799,636	1,312,251	4,163,833	-	64,609,453
Charge for the year	-	1,223,621	2,657,083	142,715	69,768	-	4,093,187
At 31 December 2022	-	15,557,354	47,456,719	1,454,966	4,233,601	-	68,702,640
Charge for the year	**-**	**1,243,827**	**2,382,607**	**208,351**	**101,058**	**-**	**3,935,843**
At 31 December 2023	**-**	**16,801,181**	**49,839,326**	**1,663,317**	**4,334,659**	**-**	**72,638,483**
Carrying amount:							
At 31 December 2023	**23,477,000**	**19,125,837**	**10,455,550**	**457,739**	**475,662**	**3,387,553**	**57,379,341**
At 31 December 2022	17,152,056	20,369,664	12,179,247	272,281	246,369	-	50,219,617

- Capital work in progress mainly represents the costs incurred for the expansion of hangers in factory building and advance paid to vendor against the purchase of machine which is expected to be received subsequent to the year ended 31 December 2023. The total unpaid capital commitment as of 31 December 2023 amounted to SR 1.6 million (Note 20).
- Buildings are constructed on leased land from Modon for periods ranging from 5 to 20 years.
- Included within the property, plant and equipment fully depreciated assets with total cost amounting to SR 58,602,569 (2022: SR 50,689,660).
- As at 31 December 2023, land is mortgaged against the medium term loan from a commercial bank (note 12). Subsequent to the year end, the land is released from bank.
- As at 31 December 2023, fair value of the land is SR 23.48 million (Cost: SR 17.2 million) which is derived on the basis of the valuation exercise carried out by independent valuer firm "Square Meter" (Nashwan Abdulkarim alshami 1220000354, Asem Yasin Mohammed Ahmed Yasin 1220001314, Mohammed Abdullah Massairi 1210000543, Yasser Ibrahim Asaad 1210000124) holding qualifications and relevant experience in assessing the valuation for the similar properties and licensed by the Saudi Authority for Accredited Valuers "Taqeem".

9 - RIGHT-OF-USE ASSETS

The Company leases land, buildings and vehicles. Information about leases for which the Company is a lessee is presented below:

	Land	*Buildings*	*Vehicles*	*Total*
	SR	*SR*	*SR*	*SR*
1 January 2022	2,445,294	46,813	88,955	2,581,062
Depreciation charge for the year	(647,723)	(23,375)	(43,660)	(714,758)
Balance at 31 December 2022	1,797,571	23,438	45,295	1,866,304
Depreciation charge for the year	**(532,417)**	**(23,375)**	**(45,295)**	**(601,087)**
Balance at 31 December 2023	**1,265,154**	**63**	**-**	**1,265,217**

The lease period ranges from 5 to 20 years.

10 - CAPITAL MANAGEMENT

For the purpose of capital management, capital includes capital, statutory reserve and all other equity reserves attributable to the shareholders of the Company. The primary objective of capital management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders.

11 - SHORT TERM BORROWINGS

	2023	*2022*
	SR	*SR*
Short-term loans	**59,874,044**	49,574,050
Bank overdrafts	**1,105,877**	-
	60,979,921	49,574,050

These represent borrowing facilities in the form of short-term loans, bank overdrafts, letters of credits and guarantees obtained from local commercial banks to finance the working capital requirements and bear financial charges on commercial rates prevailing in the market. These loans are guaranteed by signed promissory notes and corporate guarantees.

12 - TERM LOAN

	2023	*2022*
	SR	*SR*
Current portion of term loan	**8,515,385**	8,515,385
Non-current portion of term loan	**12,773,077**	21,288,462
	21,288,462	29,803,847

In 2022, the Company entered into a SR 36.9 million medium term loan facility with a local commercial bank. The facility is repayable in 52 monthly installments commenced from March 2022. The facility carries an interest rate of SIBOR plus a fixed margin. This loan is secured against land mortgage (note 8), signed promissory note and personal guarantees. Subsequent to the year end, the land is released from the bank.

12 - TERM LOAN (Continued)

Following is the repayment schedule of the loan as at 31 December:

	2023	*2022*
	SR	*SR*
2023	**-**	8,515,385
2024	**8,515,385**	8,515,385
2025	**8,515,385**	8,515,385
2026	**4,257,692**	4,257,692
	21,288,462	29,803,847

13 - ACCRUALS AND OTHER LIABILITIES

	2023	*2022*
	SR	*SR*
Advance from customers	**1,529,523**	1,329,556
VAT payable	**1,440,946**	2,733,213
Accrued employee benefits	**1,119,297**	1,389,183
Accrued interest	**315,753**	417,769
Other accruals	**1,608,626**	1,132,926
	6,014,145	7,002,647

14 - DIVIDENDS

The Board of Directors approved dividend distributions of SR Nil during the year (2022: SR 5,782,990).

15 - EMPLOYEE BENEFITS OBLIGATIONS

The movement in the employees' end of service benefits obligations for the year is as follows:

	2023	*2022*
	SR	*SR*
1 January	**8,263,592**	7,413,725
Expense charged for the year	**1,109,847**	774,013
Transfer to shareholder (note 23)	**-**	(13,856)
Benefits paid	**(774,891)**	(71,094)
Remeasurements recognized in OCI	**(77,902)**	160,804
31 December	**8,520,646**	8,263,592

The expense charged to profit or loss comprise of the following:

	2023	*2022*
	SR	*SR*
Current service cost	**727,690**	635,240
Interest cost	**382,157**	138,773
	1,109,847	774,013

The principal actuarial assumptions used were as follows:

	2023	*2022*
Discount rate	**4.60%**	4.65%
Expected rate of salary increases	**4.60%**	4.65%
Mortality rates	**WHO SA19**	WHO SA19
Rates of employee turnover	**Moderate**	Heavy

15 - EMPLOYEE BENEFITS OBLIGATIONS (Continued)

Sensitivity analysis:

	31 December 2023		*31 December 2022*	
	%	***SR***	*%*	*SR*
Discount rate				
Increase	**+ 0.5%**	**8,263,254**	+ 0.5%	8,003,896
Decrease	**- 0.5%**	**8,793,973**	- 0.5%	8,539,417
Salary growth rate				
Increase	**+ 0.5%**	**8,771,693**	+ 0.5%	8,538,065
Decrease	**- 0.5%**	**8,281,872**	- 0.5%	8,002,686

16 - LEASE LIABILITIES

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at inception of the lease.

Movement in lease liabilities is as follows:

	2023	*2022*
	SR	*SR*
1 January	**1,977,826**	2,616,273
Interest charge	**77,262**	109,651
Payments	**(627,308)**	(748,098)
31 December	**1,427,780**	1,977,826

Maturity analysis - contractual cashflows

	2023	*2022*
	SR	*SR*
Not later than one year	**624,908**	627,308
Later than one year not later than five years	**849,987**	1,279,835
Later than five years	**103,620**	298,680
	1,578,515	2,205,823
Less: deferred finance charges	**(150,735)**	(227,997)
Total lease liabilities	**1,427,780**	1,977,826

Lease liabilities included in the statement of financial position as at 31 December:

	2023	*2022*
	SR	*SR*
Current	**570,022**	550,046
Non-current	**857,758**	1,427,780
	1,427,780	1,977,826

Amounts recognized in profit or loss for the year ended 31 December:

	2023	*2022*
	SR	*SR*
Depreciation of right-of-use assets (note 9)	**601,087**	714,758
Interest on lease liabilities	**77,262**	109,651
	678,349	824,409

17 - SHARE CAPITAL

As of 31 December 2023 authorized, issued and paid-up capital comprise of 5,000,000 shares of Saudi Riyal 10 each (31 December 2022: 5,000,000 shares of Saudi Riyal 10 each). On 29 November 2023, the Board of Directors recommended to the extraordinary General Assembly to increase the share capital through issuing the bonus shares. This recommendation is subject to the approval of the authorities and the extraordinary General Assembly of shareholders.

18 - CONTRIBUTION FROM SHAREHOLDERS

On 29 November 2023, the Board of Directors decided to recommend to the General Assembly to transfer the entire balance of the contribution to retained earnings. This recommendation is subject to the approval of the General Assembly of shareholders.

19 - STATUTORY RESERVE

In accordance with the Company's By-laws, the Company is required to transfer 10% of the net income to a statutory reserve until such reserve reaches 30% of the Company's share capital. This reserve is not available for distribution to the shareholders as dividends. On 29 November 2023, the Board of Directors decided to recommend to the General Assembly to amend the company's by-laws in accordance with the new companies law, canceling the statutory reserve clause in the by-laws and transferring the entire balance of the statutory reserve to retained earnings. This recommendation is subject to the approval of the authorities and the General Assembly of shareholders.

20 - CONTIGENCIES AND COMMITMENTS

(a) As of 31 December 2023, the Company's outstanding contigencies and commitments are as follows:

	2023	*2022*
	SR	*SR*
Letter of credits and guarantees	**54,433,372**	48,957,866

(b) As of 31 December 2023, the Company has outstanding capital commitments amounting to SR 1.63 million (2022: Nil) related to property, plant and equipment.

21 - EARNINGS PER SHARE

	2023	*2022*
	SR	*SR*
Earnings per share attributable to ordinary shareholders	**0.96**	1.54
Profit for the year	**4,814,511**	7,699,266
Weighted average number of shares	**5,000,000**	5,000,000

22 - SEGMENT REPORTING

The Company operates solely in the Kingdom of Saudi Arabia and is organized into a single business unit based on its single stream of revenue i.e. sale of steel.

23 - RELATED PARTIES TRANSACTIONS AND BALANCES

The Company entered into transactions with related parties based on terms and conditions approved by the management of the Company.

Name	**Relationship**
Albawardi Group Holding Company (SCJSC)	Shareholder / Parent Company
M&A Albawardi Company	Affiliate
Albawardi Building Materials Company	Affiliate
Albawardi Tools and Hardware Company	Affiliate
Albwardi Woodwork Industries	Affiliate
Albawardi Grain Terminal Company	Affiliate

23 - RELATED PARTIES TRANSCATIONS AND BALANCES (Continued)

The significant transactions and the related approximate amounts are as follows:

	2023	*2022*
	SR	*SR*
a) Sales to related parties		
Albawardi Building Materials Company	**133,544,782**	92,871,967
Albawardi Tools and Hardware Company	**453,402**	612,625
Albawardi Grain Terminal Company	**1,057,420**	-
b) Purchase from related parties		
Albawardi Building Materials Company	**124,304,990**	72,665,297
Albawardi Tools and Hardware Company	**169,842**	122,671
M&A Albawardi Company	**-**	12,500
c) Employee benefits obligation transferred		
M&A Albawardi Company	**-**	13,856
d) Expenses charged to the related parties		
Albawardi Building Materials Company	**1,468,886**	7,103,192
Albawardi Tools and Hardware Company	**-**	12,048
e) Expenses charged by a related party		
Albawardi Building Materials Company	**12,895,326**	22,804,230
f) Collections from a related party		
Albawardi Building Materials Company	**4,650,525**	500,000

g) Trade receivables from related parties comprised of the following (note 5):

	2023	*2022*
	SR	*SR*
Albawardi Building Materials Company	**3,438,976**	8,890,179
Albawardi Tools and Hardware Company	**1,679,172**	1,353,078
Albawardi Grain Terminal Company	**1,216,033**	-
	6,334,181	10,243,257

Related parties balances bear no interest and are as per the standard credit terms. The Company has determined that balances with related parties are collectible and fully recoverable and that the financial position of the related entities is sound.

h) Compensation of key management personnel of the Company

Key management includes the Board of Directors (executive and non-executive) and all members of Company's top management. The Compensation paid or payable to key management for employee services is shown below:

	2023	*2022*
	SR	*SR*
Key management salary and allowances	**1,187,750**	1,035,000
Key management bonus and commission	**236,185**	681,404
Total key management compensation	**1,423,935**	1,716,404

24 - REVENUE FROM CONTRACTS WITH CUSTOMERS

DISAGGREGATED REVENUE INFORMATION

	2023	*2022*
	SR	*SR*
Type of goods or services		
Sale of goods	**409,078,582**	374,111,230
Type of customers		
Corporate customers	**409,078,582**	374,111,230
Credit terms		
Credit sales	**409,078,582**	374,111,230

PERFORMANCE OBLIGATION

Sale of goods:
The performance obligation is satisfied upon delivery of the goods and payment is generally due in advance or within 30 to 90 days from the date of delivery.

The ten largest customer revenue is approximately 58% (2022: 44%) of total revenue and outstanding trade receivables from the same customers approximately 41% (2022: 49%) of total balance.

25 - COST OF REVENUE

	2023	*2022*
	SR	*SR*
Material consumed	**345,299,427**	320,895,264
Salaries and employee benefits	**14,927,144**	12,315,432
Galvanising	**6,546,813**	2,390,593
Depreciation	**3,657,794**	4,066,041
Packing	**3,504,212**	3,207,471
Maintenance	**2,249,416**	1,608,574
Utilities	**1,137,810**	990,342
Insurance	**285,704**	220,003
Sub-contracting	**249,335**	1,158,918
Others	**994,348**	755,416
	378,852,003	347,608,054

26 - SELLING AND MARKETING EXPENSES

	2023	*2022*
	SR	*SR*
Transportation	**3,335,406**	2,725,287
Salaries and employee benefits	**2,450,789**	1,941,564
Commission	**928,947**	959,830
Depreciation	**323,985**	265,963
Others	**425,376**	287,362
	7,464,503	6,180,006

27 - GENERAL AND ADMINISTRATIVE EXPENSES

	2023	*2022*
	SR	*SR*
Salaries and employee benefits	**3,518,168**	3,395,068
Professional fees	**634,328**	224,413
Depreciation	**555,151**	475,941
Others	**966,703**	530,709
	5,674,350	4,626,131

28 - FINANCE COSTS

	2023	2022
	SR	SR
Interest on borrowings (note 11,12)	**10,478,113**	7,033,728
Interest on employee benefits obligations (note 15)	**382,157**	138,773
Interest on lease liabilities (note 16)	**77,262**	109,651
Others	**4,640**	34,435
	10,942,172	7,316,587

29 - EMPLOYEE BENEFITS AND DEPRECIATION INCLUDED IN THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023	2022
	SR	SR
Included in cost of revenue:		
Employee benefits	**14,927,144**	12,315,432
Depreciation	**3,657,794**	4,066,041
Included in selling and marketing expenses:		
Employee benefits	**2,450,789**	1,941,564
Depreciation	**323,985**	265,963
Included in general and administrative expenses:		
Employee benefits	**3,518,168**	3,395,068
Depreciation	**555,151**	475,941

30 - ZAKAT PAYABLE

Basis for Zakat:

The Company is subject to zakat. Zakat is payable at 2.5% of the greater of the approximate zakat base and adjusted profit. The significant components of the zakat base under zakat regulation principally comprise shareholders' equity, provisions at the beginning of year, long-term borrowings and adjusted net income, less a deduction for the net book value of long-term assets.

The principal elements of the zakat base are as follows:

	2023	2022
	SR	SR
Non-current assets	**58,644,558**	52,085,921
Non-current liabilities	**22,151,481**	30,979,834
Opening shareholders' equity	**69,644,116**	67,888,644
Profit before zakat	**5,864,096**	8,381,361

The movement in the zakat payable is as follows:

	2023	2022
	SR	SR
1 January	**950,723**	1,000,000
Charge for the year	**1,049,585**	682,095
Payment	**(1,000,308)**	(731,372)
31 December	**1,000,000**	950,723

30 - ZAKAT PAYABLE (Continued)

Zakat charged to profit or loss for the year ended 31 December are as follows:

	2023	*2022*
	SR	*SR*
Zakat for the year	**1,000,000**	950,723
Under / (excess) provision from prior year	**49,585**	(268,628)
	1,049,585	682,095

Status of certificates and assessments

The Company has submitted its zakat returns up to the year ended 31 December 2022.

31 - FINANCIAL INSTRUMENTS

31.1 Fair value measurements of financial instruments

The carrying amount of financial assets and financial liabilities is a reasonable approximation of fair value because of their short-term nature. As at the reporting date, the Company does not have any financial assets or financial liabilities measured at fair value.

31.2 Risk management of financial instruments

The Company's activities expose it to a variety of financial risks, credit risk, liquidity risk, market risk, currency risk and interest rate risk.

Credit risk:

Credit risk is the risk that one party to financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its cash and cash equivalents and trade receivables as follows:

	2023	*2022*
	SR	*SR*
Cash at banks	**458,753**	3,700,954
Trade receivables	**89,296,977**	83,031,633
	89,755,730	86,732,587

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

Credit risk on receivables, due from related parties and bank balances is limited by:
- Cash balances are held with banks with sound credit ratings.
- Trade receivable are shown net of allowance for expected credit losses.

The Company manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. The receivable balances are monitored with the result that the Company's exposure to bad debts is not significant. The five largest customers account approximately for 42% of outstanding trade receivables at 31 December 2023 (2022: 39%).

The Company records an allowance for expected credit losses considering various factors including age of the receivable balances, financial condition of the customers, etc.

The Company has determined that balances with related parties are collectible and fully recoverable and that the financial position of the related entities is good.

31 - FINANCIAL INSTRUMENTS (Continued)

Liquidity risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from the inability to sell a financial asset quickly at an amount close to its fair value. Following are the contractual maturities at the end of the reporting period of financial liabilities:

	31 December 2023			
	Carrying amount	***Less than 1 year***	***1 year to 5 years***	***More than 5 years***
	SR	***SR***	***SR***	***SR***
Financial liabilities:				
Trade payable	**80,479,564**	**80,479,564**	**-**	**-**
Short term borrowings	**60,979,921**	**60,979,921**	**-**	**-**
Term loan	**21,288,462**	**8,515,385**	**12,773,077**	**-**
Accruals and other liabilities	**4,484,622**	**4,484,622**	**-**	**-**
Lease liabilities	**1,427,780**	**570,022**	**857,758**	**-**
	168,660,349	**155,029,514**	**13,630,835**	**-**

	31 December 2022			
	Carrying amount	*Less than 1 year*	*1 year to 5 years*	*More than 5 years*
	SR	*SR*	*SR*	*SR*
Financial liabilities:				
Trade payable	77,789,638	77,789,638	-	-
Short term borrowings	49,574,050	49,574,050	-	-
Term loan	29,803,847	8,515,385	21,288,462	-
Accruals and other liabilities	5,673,091	5,673,091	-	-
Dividend payable	304,699	304,699	-	-
Lease liabilities	1,977,826	550,046	1,427,780	-
	165,123,151	142,406,909	22,716,242	-

Liquidity risk is managed by monitoring on a regular basis that sufficient funds from operations and banking and other credit facilities are available to meet the Company's future commitments.

The five largest suppliers account approximately for 87% of outstanding trade payables at 31 December 2023 (2022: 92%).

Market Risk:

Market price risk is the risk that value of a financial instrument will fluctuate as a result of changes in market prices, such as foreign exchange rates and interest rates, and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk:

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that's not the Company's currency. The Company exposure to foreign currency risk is primarily limited to transactions in United State Dollars ("USD"). The Company's management believes that their exposure to currency risk associated with USD is limited as the Company's currency is pegged to USD. The fluctuation in exchange rates against other currencies is monitored on a continuous basis.

31 - FINANCIAL INSTRUMENTS (Continued)

31.2 Risk management of financial instruments (Continued)

Interest Rate Risk

Interest rate risk is the exposure associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. Variable rate financial liabilities as at reporting date amounted to SR 83.70 million (2022: SR 81.35 million).

An increase of 100 basis points in the interest rate would have increased finance cost for the year 2023 amounted to SR 837,000 (2022: SR 813,500).

Management monitors the changes in interest rates and manages its impact on the financial statements accordingly.

32 - SUBSEQUENT EVENTS

There have been no significant subsequent events since the year end that would have a material impact on the financial position of the Company as reflected in these financial statements.

33 - DATE OF AUTHORIZATION

The financial statements of the Company for the year ended 31 December 2023 were authorized for issuance in accordance with directors resolution dated 21 March 2024.