NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED) AND INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

INDEX

AlKharashi & Co.
Certified Accountants And Auditors

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

October 28, 2019

To the **Shareholders of Najran Cement Company**
(A Saudi Joint Stock Company)

Introduction:
We have reviewed the accompanying interim condensed statement of financial position of Najran Cement Company (A Saudi joint stock company) (the "Company") as at September 30, 2019 and the related interim condensed statements of profit or loss and the other comprehensive income for the nine-months period then ended, and the related interim condensed statements of changes of shareholders' equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and presentation of these Interim condensed financial statements in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review:
We conducted our review in accordance with the international standard on review engagements 2410, "Review of Interim Financial Information Performed by the Independents Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries primarily to 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 that are 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 such an audit opinion.

Conclusion:
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. 34 endorsed in the Kingdom of Saudi Arabia.

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NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019
(Expressed in '000 Saudi Riyals)

	Notes	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
ASSETS			
NON- CURRENT ASSETS			
Property, plant and equipment	5	2,088,397	2,134,071
Intangible assets	6	4,088	4,080
Total non current assets		2,092,485	2,138,151
CURRENT ASSETS:			
Store, spare parts and loose tools	7	112,413	115,717
Stock in trade	8	225,678	267,144
Trade receivables		29,927	30,580
Advances, prepayments and other receivables	9	17,529	13,863
Cash and cash equivalents	10	18,093	12,024
Total current assets		403,640	439,328
TOTAL ASSETS		**2,496,125**	**2,577,479**
EQUITY AND LIABILITIES:			
EQUITY:			
Share capital	1	1,700,000	1,700,000
Statutory reserve		103,059	103,059
Retained earnings		148,069	130,569
TOTAL EQUITY		1,951,128	1,933,628
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Provision for employees' terminal benefits	11	27,928	25,629
Long term financing	12	45,000	490,000
Total non current liabilites		72,928	515,629
CURRENT LIABILTIES:			
Provision for zakat	13	18,344	20,486
Current portion of long term financing	12	416,058	61,170
Advances from customers		3,800	4,275
Trade payables		23,055	25,727
Accrued and other payables	14	10,812	16,564
Total current liabilites		472,069	128,222
TOTAL LIABILITIES		544,997	643,851
TOTAL EQUITY AND LIABILITIES		**2,496,125**	**2,577,479**

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

NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(Expressed in '000 Saudi Riyals)

	Notes	For the three months period		For the nine months period	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Turnover - net	15	97,232	53,845	279,995	206,184
Cost of sales	16	(67,317)	(60,480)	(213,189)	(216,596)
Gross profit		29,915	(6,635)	66,806	(10,412)
Selling and distribution expense		(1,679)	(1,367)	(5,144)	(4,384)
General and administrative expense		(6,278)	(7,021)	(20,056)	(23,814)
Operating profit / (loss) for the period		21,958	(15,023)	41,606	(38,610)
Finance cost		(6,389)	(6,368)	(20,255)	(20,032)
Other income (expenses)		65	(84)	1,499	(242)
Net profit / (loss) for the period before zakat		15,634	(21,475)	22,850	(58,884)
Zakat expense		(1,500)	(2,250)	(5,250)	(6,750)
Net profit / (loss) for the period after zakat		**14,134**	**(23,725)**	**17,600**	**(65,634)**
Other Comprehensive Income					
Items that will not be reclassifed to profit or loss		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income / (Loss) For The Period		**14,134**	**(23,725)**	**17,600**	**(65,634)**
Basic earnings per share (SAR)					
Net Income / (Loss) for the period		**0.08**	**(0.14)**	**0.10**	**(0.39)**
Total comprehensive Income / (Loss) for the period		**0.08**	**(0.14)**	**0.10**	**(0.39)**
Weighted average number of ordinary shares (No: '000')		**170,000**	**170,000**	**170,000**	**170,000**

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

NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(Expressed in '000 Saudi Riyals)

	Capital	Statutory Reserve	Retained Earnings	Total
As at January 01, 2018 (Audited)	1,700,000	103,059	225,824	2,028,883
Adjustment for IFRS 9 adoption	-	-	(10,698)	(10,698)
Net loss for the period	-	-	(65,634)	(65,634)
Balance as at September 30, 2018 (Unaudited)	1,700,000	103,059	149,492	1,952,551
Balance as at January 01, 2019 (Audited)	1,700,000	103,059	130,569	1,933,628
Directors' remuneration	-	-	(100)	(100)
Net profit for the period	-	-	17,600	17,600
Balance as at September 30, 2019 (Unaudited)	**1,700,000**	**103,059**	**148,069**	**1,951,128**

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

NAJRAN CEMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(Expressed in '000 Saudi Riyals)

	Notes	For the nine months period ended September 30 2019	2018
Cash flows from operating activities:			
Profit / (Loss) before zakat expense		22,850	(58,884)
Adjustments to reconcile net profit for the year to net cash generated from operational activities:			
Depreciation	5	57,250	71,866
Amortization	6	37	341
Write off of property, plant and equipment		-	109
(Gain) / loss on sale of property, plant and equipment		(14)	341
Provision for bad debts written back		(417)	-
Provision for potential claims		(1,404)	1,404
Provision for bad debts		-	29
Finance cost		20,255	20,032
Provision for employees' terminal benefits	11	3,332	3,657
Operating cash flow before working capital changes		**101,889**	**38,895**
Changes in operating assets and liabilities:			
Trade receivables		934	6,064
Store, spare parts and loose tools		3,303	49
Stock in trade		41,466	30,356
Prepayments and other receivables		(3,667)	80
Advance from customers		(475)	(875)
Trade payables		(2,674)	(9,982)
Accrued and other payables		(1,259)	(2,427)
Cash generated from operations:		**139,518**	**62,160**
Finance charges paid		(20,368)	(19,833)
Zakat paid		(7,391)	(5,364)
End of service benefits paid	11	(1,033)	(1,918)
Net cash generated from operating activities		**110,725**	**35,045**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(11,719)	(2,191)
Additions to the intangible assets		(45)	-
Movements in spare parts held for capital use (strategic)		(115)	(453)
Addition to capital work in progress - net		-	(2,072)
Proceeds from sale of property, plant and equipment		272	67
Net cash (used in) investing activities		**(11,607)**	**(4,649)**
Cash flows from financing activities:			
Repayment of long term debts		(90,000)	(37,500)
Dividends paid		-	(26)
Board of directors' remuneration paid		(3,050)	(3,000)
Net cash (used in) financing activities		**(93,050)**	**(40,526)**
Increase / (decrease) in cash and cash equivalents		6,069	(10,130)
Cash and cash equivalents at the beginning of the period		12,024	12,630
Cash and cash equivalents at the end of the period	10	**18,093**	**2,500**

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

1. CORPORATE INFORMATION:

Najran Cement Company ("the Company") is a Saudi Joint Stock Company which was registered on Ramadan 5, 1426 (corresponding to October 9, 2005) under Commercial Registration number 5950010479. On Shaaban 10, 1437 (corresponding to May 17, 2016), the Company was granted an Industrial License, number 2446.The principal activities of the Company are manufacturing of ordinary Portland cement and cement resistant to salts.

The share capital of the Company is SAR 1,700,000,000 divided into 170 million shares of SAR ten per share.

The Company's financial year starts on January 1 each Gregorian year and ends on December 31 of the same year.

2. STATEMENT OF COMPLIANCE:

These Condensed Interim Financial Statements have been prepared inaccordance with IAS 34 Interim Financial Reporting Standard as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants ('SOCPA'). Approved accounting standards comprise of such International Financial reporting standards (IFRS) issued by the International Accounting Standards Board as are notified by SOCPA.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2018. Comparative condensed interim statement of financial position is extracted from annual financial statements as at December 31, 2018 whereas comparative condensed interim statement of profit or loss account, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the period ended September 30, 2018.

3. FUNCTIONAL AND PRESENTATION CURRENCY:

These Financial Statements are presented in Saudi Riyal ("SAR"), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES:

4.1 Basis of preparation

These financial statements have been prepared on a going concern basis under historical cost convention except for the Provision for employees' terminal benefits which are recorded at the present value of future obligations under Projected Unit Credit Method.

4.2 Use of estimation and judgments

The preparation of the accompanying IFRS financial statements, in conformity with IFRS as endorsed in Kingdom of Saudi Arabia and other standards pronouncements issued by SOCPA, requires the use of judgements, estimates and assumptions. Such estimates and assumptions may affect the balances reported for certain assets and liabilities as well disclosure of certain contingent assets and liabilities as at the date of the condensed statements of financial position date. Any estimates or assumptions affecting assets and liabilities may also affect the reported revenues and expenses for the same reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

The significant areas of estimation uncertainty and critical adjustments in applying accounting policies that have most significant effect on the amounts recognized in the accompanying financial statements are as follows:

- Provisions for doubtful debts and slow-moving inventory;
- Estimated useful lives and residual values of property, plant and equipment;
- Provisions and accruals.
- Defined benefit obligations – Employees' benefits

4.3 New standards, amendments and standards issued and effective:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting years beginning on or after 1 January 2019.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

4.3 New standards, amendments and standards issued and effective (continued):

IFRS 16 –'Leases' (effective for annual years beginning on or after 1 January 2019).IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance including IAS 17 Leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the substance of transactions involving the legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption ispermitted for entities that apply IFRS 15 Revenue from contracts with customers at or before the date of initial application of IFRS 16.

Transition

As a lessee, the Company can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

As a lessor, the Company is not required to make any adjustments for leases inwhich it is alessor except where it is anintermediate lessor in a sub-lease.

The principal accounting policies applied in the preparation of these financial statements are set out below.

Impact

The Company's property, plant and equipment, except the headquarters building at Najran, are constructed on two separate leased lands from the Government at Sultanah and Aakfah areas in Najran region for the purpose of right of use of mineral resources for an indefinite period while the lease is for the period of 30 and 25 years respectively and is renewable at the option of the Company. Therefore, IFRS – 16 implications are not applicable to the entity for disclosure of right of use of assets.

(Expressed in '000 Saudi Riyals)

5. PROPERTY, PLANT AND EQUIPMENT:

	Land	Buildings	Plant, quarry, machinery and other equipment	Vehicles	Furniture and fixtures, and office equipment	Computers	Assets held for future use (strategic)	Capital work in progress	Total
Cost:									
At January 1, 2019	2,563	1,163,204	1,858,605	21,840	13,131	4,316	38,376	1,628	3,103,663
Additions during the period	-	-	1,935	9,600	38	146	115	-	11,834
Disposals during the period	-	-	-	(1,280)	-	-	-	-	(1,280)
Transfers during the year	-	-	2,520	-	-	-	(2,520)	-	-
At September 30, 2019 (unaudited)	2,563	1,163,204	1,863,060	30,160	13,169	4,462	35,971	1,628	3,114,217
Accumulated Depreciation:									
At January 1, 2019	-	309,644	631,127	17,734	8,477	2,610	-	-	969,592
Charge for the period	-	15,960	39,756	975	364	195	-	-	57,250
Disposals during the period	-	-	-	(1,022)	-	-	-	-	(1,022)
At September 30, 2019 (unaudited)	-	325,604	670,883	17,687	8,841	2,805	-	-	1,025,820
Net Book Value:									
At September 30, 2019 (unaudited)	**2,563**	**837,600**	**1,192,177**	**12,473**	**4,328**	**1,657**	**35,971**	**1,628**	**2,088,397**
At December 31, 2018 (audited)	**2,563**	**853,560**	**1,227,478**	**4,106**	**4,654**	**1,706**	**38,376**	**1,628**	**2,134,071**

(Expressed in '000 Saudi Riyals)

6. INTANGIBLE ASSETS:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Cost:		
Balance at the beginning of the period / year	8,676	7,446
Additions during the period / year	45	1,230
Balance at the end of the period / year	8,721	8,676
Accumulated amortization:		
Balance at the beginning of the period / year	4,596	4,411
Amortization for the period / year	37	185
At the end of the period / year	4,633	4,596
Net book value	**4,088**	**4,080**

Amortization expense is included in general and administration expenses.

7. STORES, SPARE PARTS AND LOOSE TOOLS:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Spare parts - Not for Sale	116,413	119,717
Less: provision for slow moving items and clinker stock handling	(4,000)	(4,000)
Net balance	**112,413**	**115,717**

7.1 Strategic spares held for future capital use amounting to SR 35,971 (2018: SR 38,376) are classified within property, plant and equipment.

8. STOCK IN TRADE:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Raw materials, fuel and packing materials	18,549	23,137
Work in process	199,207	235,724
Finished goods	7,922	8,283
Total	**225,678**	**267,144**

(Expressed in '000 Saudi Riyals)

9. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Advances to suppliers	5,323	3,781
Prepaid expenses	8,442	5,672
Refundable custom duties - net	1,470	2,014
Other receivables	2,294	2,396
Total	**17,529**	**13,863**

10. CASH AND CASH EQUIVALENTS

	September 30, 2019 Unaudited	December 31, 2018 Audited
Cash in hand	302	552
Current accounts at banks	12,791	11,472
Short term investment	5,000	-
Total	**18,093**	**12,024**

Cash at bank includes unclaimed dividends of SR 1,008 (2018: SR 1,008).

11. PROVISION FOR EMPLOYEES' TERMINAL BENEFITS:

The movement in provision for end-of-service benefits is as follows:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Balance at beginning of the period / year	25,629	25,366
Current service cost	3,332	3,907
Interest cost	-	843
Amount recognised in profit or loss account	3,332	4,750
Re-measurement loss recognized in other comprehensive income	-	(1,893)
Benefits (paid) during the period / year	(1,033)	(2,594)
Balance at the end of the period / year	**27,928**	**25,629**

(Expressed in '000 Saudi Riyals)

12. LONG TERM FINANCING:

	Banque Saudi Fransi Note 12.1	SUKUK Note 12.2	Total
Principal amount as of January 01, 2019 - audited	150,000	400,000	550,000
Accrued mark up	-	1,170	1,170
	150,000	401,170	551,170
Less: Repayments/ redemptions during the period	(90,000)	(1,170)	(91,170)
Net principal amount	60,000	400,000	460,000
Accrued mark up for the quarter	-	1,058	1,058
	60,000	401,058	461,058
Less: Transferred to current liabilities	(15,000)	(401,058)	(416,058)
Balance as of September 30, 2019 (long term portion) - unaudited	45,000	-	45,000

12.1 Tawarroq:

Company credit facilities with Banque Saudi Fransi that were restructured on 22nd January, 2018 are:

Specific facility of SR 150 million against waste heat recovery project is repayable in ten quarterly instalments of SR 15 million with repayment starting from March 2019 till the end of June 2021 at a markup of 2.50% plus three months SIBOR. Presettlement for instalments due in December 2019, March and June 2020 was made in September 2019.

In addition, a multiple purpose cash facility of SR 35,000 is also available but not utilized by the Company. These facilities are secured by, inter alia, an order note amounting to SR 170,120.

12.2 Sukuk:

In June 2015, the Company privately placed an unrated but registered Sukuk of SR 400,000 for five years maturing in June 2020 with current profit rate of 2.15%, effective for installments falling due in 2019, plus three month SIBOR, payable quarterly.

Waiver for the breach of conditions 7(d) and 7(e) to the Sukuk agreement is obtained till 31 December 2019(G) through extra ordinary resolution of the Sukukholders in their meeting on 10 December, 2018.

(Expressed in '000 Saudi Riyals)

13. PROVISION FOR ZAKAT:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Balance at January 1	20,485	24,343
Provision for the period / year	5,250	7,407
Payments made during the period / year	(7,391)	(11,264)
Balanse at end of the period/ year	**18,344**	**20,486**

14. ACCRUED AND OTHER PAYABLES:

	September 30, 2019 Unaudited	December 31, 2018 Audited
Raw material royalties payable	7,516	8,343
Other payables	1,562	6,701
Accrued expenses	726	512
Dividends payable	1,008	1,008
Total	**10,812**	**16,564**

15. TURNOVER - NET:

	SEPTEMBER 30, 2019	SEPTEMBER 30, 2018
	Unaudited	Unaudited
Gross turnover	353,367	280,801
Less: incentives	(73,372)	(74,617)
Turnover - net	**279,995**	**206,184**

(Expressed in '000 Saudi Riyals)

16 . COST OF SALES:

	SEPTEMBER 30,	
	2019	2018
	Unaudited	
Raw and packing material consumed	8,766	7,676
Salaries, wages and related benefits	38,612	43,732
Royalties on raw materials	7,556	6,316
Blasting costs	1,078	2,833
Material handling and transport	9,612	7,664
Fuel and power	27,391	24,967
Repairs and maintenance	12,301	12,597
Operation and management expenses	8,471	7,323
Insurance	3,008	3,300
Depreciation	56,155	70,643
Ground lease rents	474	225
Other expenses	2,800	3,691
	176,224	190,967
Changes in inventories level	36,965	25,629
Cost of sales	**213,189**	**216,596**

16.1 The cost of sales includes indirect cost which relates to the non-operating part of the Company's production line(s) during the period amounting to SR 27,265 (2018: SR 58,421).

17. CONTINGENT LIABILITES:

As of September 30, 2019, the Company had commitments in the form of letters of credit and bills for collection amounting to SR 10 (2018: SR 136).

18. SEGMENTAL REPORTING:

The Company operates in one trading segment and all sales are within the Kingdom of Saudi Arabia. Further, significant amount of liabilities of the company is payable in Saudi Arabia.

19. FINANCIAL RISK MANAGEMENT AND OBJECTIVES AND POLICIES:

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including profit rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as investments, trade and other receivables. The Company has various financial liabilities such as long-term financing, trade and other accounts payable.

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: profit rate risk, currency risk and other price risk.

a. Profit rate risk:

Profit rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market profit rates. The Company mitigates its risk against exposure through focusing on maintaining bank balances. As of the balance sheet date the Company is not materially exposed to profit rate risk.

b. Currency risk:

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies. The Company does not believe it is materially exposed to currency risk as the majority of the Company's transactions and the balances are denominated in Saudi Riyals or in US Dollars. US dollar rate is fixed with the Saudi Riyal. Certain transactions are in Euros, but these are not material.

c. Other price risk:

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices.

(Expressed in '000 Saudi Riyals)

19. FINANCIAL RISK MANAGEMENT AND OBJECTIVES AND POLICIES(CONTINUED):

Credit risk:

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company's credit risk is primarily attributable to its liquid funds and receivables. Cash balances are deposited with major banks with good credit standings. Whilst a small number of customers account for a significant portion of both revenues and accounts receivable balances. These customers have provided appropriate guarantees ensuring that their debts will be recoverable. All major customers are high profile customers with the Kingdom of Saudi Arabia and there is no reason to suggest that there will be a loss of revenue from these sources.
In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. To mitigate this risk, management monitors the maturity profile of its financial assets and liabilities to ensure that adequate liquidity if maintained.

Exposure to liquidity risk:

Maturity profile of the company's loan financial liabilities based on contractual payments:

	September 30, 2019			December 31, 2018		
	Within 1 year	1 -5 years	More than 5 years	Within 1 year	1 -5 years	More than 5 years
Long term financing	416,058	45,000	-	61,170	490,000	-
Trade payables	23,055	-	-	25,727	-	-
Accrued and other payables	10,812	-	-	16,564	-	-
Provision for zakat	18,344	-	-	20,486	-	-
Total	**468,269**	**45,000**	-	**123,947**	**490,000**	-

20. BOARD OF DIRECTORS APPROVAL:

These financial statements were approved by the Board of Directors of the Company on October 27, 2019.