

SEERA HOLDING GROUP
(Saudi Joint Stock Company)
(Formerly known as
AL TAYYAR TRAVEL GROUP HOLDING COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 AND
INDEPENDENT AUDITOR'S REPORT

SEERA HOLDING GROUP (SAUDI JOINT STOCK COMPANY)
Consolidated Financial Statements

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Independent Auditor's Report

To the Shareholders of
Seera Holding Group (Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of Seera Holding Group (Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes 1 to 42 to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") endorsed in the Kingdom of Saudi Arabia.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters include:

Key audit matters (continued)

Revenue recognition	
Key audit matter	How the matter was addressed in our audit
<p>The Group recognized revenue of SR 2,190 million for the year ended 31 December 2019 (2018: SR 2,301 million).</p> <p>Revenue represents commission-based revenue such as airline ticketing and incentives, hotel bookings, shipments and train ticketing, and non-commission based revenue such as package holidays, car rentals, chartered flights, property rentals, and hospitality revenue.</p> <p>The Group recognizes revenue as follows:</p> <ul style="list-style-type: none"> Revenue on the issuance of airline, ferries and trains tickets to the customer is recorded when the commission is earned. Airline incentive revenue is earned under the supplier's incentive arrangements; Revenue from package holidays is recorded (tours and other services) on the date of departure. Revenue from hotel booking to the customer and room rental is recorded over the duration of stay. Revenue from customer loyalty program is recorded ranging from 1-2% of the relevant bookings' value; Revenue from car rental services is recorded over the term of the lease. Revenue from chartered flight services is recorded when flight arrives at the destination. Revenue from cargo shipment is recorded when booking request for cargo shipment is issued; Revenue from property rentals is recorded over the term of the lease. Revenue from the hospitality segment is recorded when goods and services provided excluding rebates and trade discounts; and When the control of goods and services has been transferred to the customer. <p>Revenue recognition is considered a key audit matter as there is a risk that revenue may be misstated due to management's override of controls, judgment involved in estimating the related provisions and that the timing and amount of revenue recognized in a financial period can have a material effect on the financial performance.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Considering the appropriateness of revenue recognition as per the Group's policies and assessing compliance with applicable accounting standards; Understanding and evaluating the design and effectiveness of internal controls implemented by the Group through the revenue cycle; Testing sales transactions taking place at either side of the consolidated statement of financial position date to assess whether the revenue was recognized in the correct period; Performing the test of controls on revenue-related transactions recorded in the financial statements and also, performing the relevant IT application controls' tests; Evaluating the method of accruing income related to tickets' sales. This was achieved through applying retrospective testing of management's judgment of such estimates; and Performing analytical review on revenue based on trends of monthly sales and profit margins.
Refer to note (6.21) of the consolidated financial statements for the accounting policy related to revenue.	

Key audit matters (continued)

Impairment of trade receivables	
Key audit matter	How the matter was addressed in our audit
<p>The Group's trade receivables, net balance was SR 1,347 million as at 31 December 2019 (31 December 2018: SR 1,254 million and 1 January 2018: SR 1,737 million).</p> <p>Management estimates the impairment loss for trade receivables in an amount equal to lifetime Expected Credit Loss (ECL). When estimating ECL, the management considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.</p> <p>We considered an impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the impairment of trade receivables and that the existence and the carrying value of trade receivables could be material on the Group's performance and assets.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of impairment of trade receivables as per the Group policies and assessing compliance with applicable accounting standards; • Understanding and evaluating the design and effectiveness of internal controls implemented by the Group through the trade receivables cycle; • Critically considering management's assumptions used in determining impairment losses for both specific and collective loss components; • Identifying those trade receivables with credit risk exposure and checking if they are properly included in management's impairment assessment; • Examining on a sample basis, evidence related to post year-end cash receipts. • Re-calculate the impairment against trade receivables based on the Group's policies to ensure that the impairment is appropriate at the statement of financial position date.
<p>Refer to note (6.12) of the consolidated financial statements for the accounting policy and note (14) for related disclosures.</p>	

Key audit matters (continued)

Recoverability of capital work in progress	
Key audit matter	How the matter was addressed in our audit
<p>The Group's capital work in progress consists of two items:</p> <p>Capital work in progress - as at 31 December 2019 SR 268 million (31 December 2018: SR 98 million and 1 January 2018: SR 133 million); and</p> <p>Capital work in progress - recoverable on disposal - as of 31 December 2019 SR 360 million (31 December 2018: 360 million and 1 January 2018: SR 360 million).</p> <p>The Group assesses, at each reporting date, whether there is any indication that the asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of value in use and fair value less costs to sell.</p> <p>We considered recoverability of capital work in progress as a key audit matter due to the assessment of the recoverable amounts of capital work in progress requiring estimation and judgment around expected production profiles, the useful life of assets, future operating and capital expenditure, commodity prices and discount rates. Additionally, we considered the amounts recoverable related to capital work in progress - recoverable on disposal, where the site has been identified by the government for the Haram's expansion in Makkah.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of Group's policies related to capital work in progress and assessing compliance with applicable accounting standards; • Assessing management's processes for identification of impairment indications and impairment testing and evaluating the design and implementation of key controls over these processes; • Assessing the reasonableness of the model used by management to estimate the recoverable amount; • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry and also the valuation techniques used by external valuer; • Assessing the valuation methodology; • Assessing the recoverable amount taking into account the payments made by the government to acquire the sites in the same area and for a similar purpose; • Assessing the adequacy of the related disclosures.
Refer to notes (6.4) of the consolidated financial statements for the accounting policy and notes (8 & 9) for related disclosures.	

Key audit matters (continued)

Impairment of non-current assets	
Key audit matter	How the matter was addressed in our audit
<p>Non-current assets mainly comprise property and equipment, intangible assets and goodwill and investment property. The total of Group's non-current assets mentioned above was SR 5,153 million as at 31 December 2019 (31 December 2018: SR 4,643 million and 1 January 2018: SR 4,612 million).</p> <p>The Group assesses, at each reporting date, whether there is any indication that the asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of value in use and fair value less costs to sell.</p> <p>We considered impairment of non-current assets as a key audit matter due to the significant management judgment involved.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Considering the appropriateness of Group's policies related to the impairment of non-current assets and assessing compliance with applicable accounting standards; • Assessing management's processes for identification of impairment indications and impairment testing and evaluating the design and implementation of key controls over these processes; • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry and also the valuation techniques used by external valuer; • Assessing the valuation methodology; • Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; • Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; • Assessing the reasonableness of management's estimates with regards the recoverable amount; • Assessing management's assumptions used in models as well as management's benchmarking with relevant market data and also with the Group's data related to its existing operations; and • Assessing the adequacy of the related disclosures.
<p>Refer to notes (6.3, 6.5 & 6.7) of the consolidated financial statements for the accounting policy and notes (7, 10 & 11) for related disclosures.</p>	

Key audit matters (continued)

Adoption of IFRS 16 "Leases"	
Key audit matter	How the matter was addressed in our audit
<p>The Group has adopted IFRS 16 "Leases" with effect from 1 January 2019 and this new standard supersedes the requirements of IAS 17 "Leases".</p> <p>Management performed a detailed analysis of each lease contract to identify differences between the requirements of the two standards, identify the changes required to be made to existing accounting policies and determine the transition adjustments and consequential changes to processes and controls required particularly in connection with the identification of whether an arrangement meets the definition of a lease.</p> <p>IFRS 16 principally modifies the accounting treatment of operating leases at inception, with the recognition of a right-of-use on the leased asset and a corresponding liability for the discounted amount of lease payments over the term of the lease contract.</p> <p>The Group has chosen to apply IFRS 16 "Leases" under the modified retrospective approach where the group has recorded the cumulative impact as an adjustment to the opening balance of retained earnings on the date of initial application as of 1 January 2019. Therefore, comparative financial statements have not been restated. Accordingly, this resulted in recognition of right-of-use assets of SR 87 million as of 1 January 2019 and lease liabilities of SR 91 million as of that date.</p> <p>Management also assessed the disclosure requirements of the new standard to be made in the consolidated financial statements.</p> <p>We considered this as a key audit matter because the calculations of amounts underlying the right-of-use assets and the corresponding lease liabilities involve new processes for collecting data, complex rules and the application of significant management judgment relating to the terms in the contracts.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Reviewing management's assessment of the impact of IFRS 16 in terms of the classification and measurement of its right-of-use assets and lease liabilities, and understood the approach taken towards implementation; • Assessed the accuracy of the lease data by testing, on a sample basis, the lease data extracted by management through the inspection of lease documents; • Tested lease schedules, on a sample basis, by recalculating the amounts underlying the right-of-use assets and lease liabilities, based on the terms of the lease contracts. • Tested the arithmetical accuracy of individual lease schedules and how these accumulated into the overall adjustment totals applied in the consolidated financial statements as at 1 January 2019; and • We also reviewed the adequacy of the Group's disclosures included in the accompanying consolidated financial statements in relation to the implementation of the new standard.
Refer to notes (6.1) of the consolidated financial statements for the accounting policy and note 7 and 21 for related disclosures.	

Key audit matters (continued)

Employee Stock Option Program	
Key audit matter	How the matter was addressed in our audit
<p>The Group announced an Employee Stock Option Program "ESOP" to its employees in the form of share-based payment transactions, whereby officers and employees render services and receive rights over shares. These share-based payment transactions are classified by the Group as an equity-settled share-based payment transactions. The impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019 reflected an expense charge of SR 9.5 million.</p> <p>We considered this as a key audit matter because the accounting for share-based payments as the expense recognized incorporates a judgmental option value. The Group valued the options, assisted by an external expert, using the Black Scholes Morten Model, where inputs such as volatility, dividend yield, and risk-free rate require judgment.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Compared the terms and conditions the options issued during the financial year included in the expense calculations with appropriate approvals; • Compared the option grant date used in the expense calculations to publicly available supporting data; • Obtained the Group's expert's options valuation report and assessed the reasonableness of selected inputs used in the valuation of the share options using available supporting data. Assessed the competency of the Group's expert including their experience and qualifications; • Assessed attributes, on a sample basis, in respect of the valuation of the share options. Ascertained whether these attributes were appropriately included in the share option valuation model, and the expense is recognized over the appropriate vesting period; • Assessed the reasonableness of the fair value calculation; and • We also reviewed the adequacy of the Group's disclosures included in the accompanying consolidated financial statements.
Refer to notes (6.20) of the consolidated financial statements for the accounting policy and note (18) for related disclosures.	

Other Information

Management is responsible for the other information. The other information in the annual report comprises Directors' report and Corporate governance report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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. We have nothing to report in this regard.

Responsibilities of management and Those Charged With Governance ("TCWG") for the financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with the management and TCWG 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.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the management and TCWG 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.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

For Dr. Mohamed Al-Amri & Co.,

M. A. Al-Amri

Dr. Mohamed A. Al-Amri
Certified Public Accountant
Registration No. 60

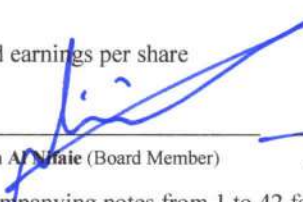

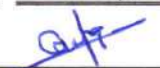


Riyadh, on: 9 Rajab 1441(H)
Corresponding to: 4 March 2020(G)

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Consolidated statement of financial position
As at 31 December 2019
(Saudi Riyals)

		31 December 2019	31 December 2018 (Re-stated)	1 January 2018 (Re-stated)
	<u>Note</u>			
ASSETS				
Non-current				
Property and equipment	7	3,768,436,519	3,373,349,367	3,384,064,647
Capital work in progress	8	268,108,077	97,666,663	132,147,360
Capital work in progress – recoverable on disposal	9	359,747,097	359,747,097	359,747,097
Intangible assets and goodwill	10	356,225,057	226,052,456	168,796,890
Investment properties	11	1,027,934,480	1,043,059,080	1,058,975,801
Investments in equity-accounted associates	12	22,822,973	50,098,827	921,489,825
Equity instruments	13	104,790,748	97,330,953	-
Deferred tax assets		7,197,882	4,603,513	4,445,627
		5,915,262,833	5,251,907,956	6,029,667,247
Current				
Trade and other receivables	14	1,583,903,935	1,744,629,477	1,864,126,771
Due from related parties	28.2	29,269,735	13,850,818	173,185,170
Prepayments and advances	15	386,517,402	318,992,407	295,016,153
Non-current asset held for sale	12	13,533,296	-	-
Short term investment	16	-	400,000,000	-
Cash and cash equivalents	17	349,663,187	263,887,892	981,198,632
		2,362,887,555	2,741,360,594	3,313,526,726
TOTAL ASSETS		8,278,150,388	7,993,268,550	9,343,193,973
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent:				
Share capital	18	3,000,000,000	2,096,500,000	2,096,500,000
Share premium	18	707,345,000	707,345,000	707,345,000
Statutory reserve	18	451,358,872	628,950,000	628,950,000
Other reserves	18	3,385,188	(15,681,534)	7,998,371
Treasury shares	18	(64,900,000)	-	-
Retained earnings		1,738,493,777	2,210,763,493	2,541,196,477
		5,835,682,837	5,627,876,959	5,981,989,848
Non-controlling interests	19	8,627,858	7,103,222	9,340,498
TOTAL EQUITY		5,844,310,695	5,634,980,181	5,991,330,346
LIABILITIES				
Non-current				
Loans and borrowings	20	468,334,586	480,096,391	880,433,761
Lease liabilities	21	73,551,757	-	-
Employees' benefits	22	115,770,111	114,477,245	98,169,751
Deferred tax liabilities		741,945	986,302	4,548,751
		658,398,399	595,559,938	983,152,263
Current				
Bank overdraft	17	5,169,582	31,304,212	10,399,165
Loans and borrowings	20	677,089,810	233,209,619	497,429,810
Lease liabilities	21	10,705,579	-	-
Zakat and tax liabilities	23	60,528,053	94,618,609	46,551,046
Trade and other payables	24	627,162,257	978,887,623	1,331,625,607
Due to related parties	28.2	1,360,117	3,844,701	92,057,947
Contract liabilities	25	368,425,896	395,863,667	365,647,789
Provisions	26	25,000,000	25,000,000	25,000,000
		1,775,441,294	1,762,728,431	2,368,711,364
TOTAL LIABILITIES		2,433,839,693	2,358,288,369	3,351,863,627
TOTAL EQUITY AND LIABILITIES		8,278,150,388	7,993,268,550	9,343,193,973
<p>Majed Aydeh Al Nifaie (Board Member) Abdullah Nasser Al Dawood (CEO) Yousif Mousa Yousif (Group CFO)</p> <p>The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.</p>				

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2019
(Saudi Riyals)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Continued operations			
Revenue	29	2,190,253,324	2,301,333,926
Cost of revenue		(917,250,495)	(874,328,495)
Gross profit		1,273,002,829	1,427,005,431
Selling expenses	30	(411,046,931)	(373,678,249)
Administrative expenses	31	(511,011,804)	(472,563,395)
Impairment loss (reversal) of trade receivables		(25,345,879)	70,295,537
Other expenses	32	(2,040,497)	(51,201,259)
Other income	33	15,924,224	13,628,830
Operating profit		339,481,942	613,486,895
Finance income	36	2,565,358	11,453,922
Finance costs	36	(69,522,159)	(65,461,265)
Net finance cost	36	(66,956,801)	(54,007,343)
Loss on disposal of equity-accounted associate		(16,634,316)	(420,523,381)
Impairment loss on other receivables	34	(32,649,887)	(129,447,424)
Share of loss from equity-accounted investees, net of tax	12	(7,185,213)	(67,073,502)
Profit / (loss) before zakat and tax from continued operations		216,055,725	(57,564,755)
Zakat and income tax	23	(32,806,652)	(84,019,724)
Profit / (loss) for the year from continued operations		183,249,073	(141,584,479)
Discontinued Operations			
Income / loss from discontinued operations		235,793	(398,548)
Gain on disposal from discontinued operations	35	16,660,616	190,654
Recognized foreign currency loss on discontinued operations	1.1	(11,273,269)	(286,255)
		5,623,140	(494,149)
Profit / (loss) for the year		188,872,213	(142,078,628)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement of employees' end of service benefits	22	13,022,591	(2,758,152)
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	18	12,335,200	(12,499,550)
Unrealized gain on equity investments - FVOCI	18	938,860	181,675
		13,274,060	(12,317,875)
Other comprehensive / (loss) for the year		26,296,651	(15,076,027)
Total comprehensive income / (loss)		215,168,864	(157,154,655)
Profit / (loss) attributable to:			
Owners of the parent		185,588,723	(144,957,446)
Non-controlling interests	19	3,283,490	2,878,818
		188,872,213	(142,078,628)
Total comprehensive income / (loss) attributable to:			
Owners of the parent		211,831,962	(159,510,312)
Non-controlling interests		3,336,902	2,355,657
		215,168,864	(157,154,655)
Basic and diluted earnings per share	37	0.62	(0.48)
 Majed Aydeh Al Maie (Board Member)	 Abdullah Nasser Al Dawood (CEO)	 Yousif Mousa Yousif (Group CFO)	
The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.			

SEERA HOLDING GROUP (A Saudi Joint Stock Company)

Consolidated Financial Statements

Consolidated statement of changes in equity

For the year ended 31 December 2019

(Saudi Riyals)

	Note	Share capital	Share premium	Statutory reserve	Other reserves				Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total equity
					Translation reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve					
Balance at 1 January 2019, (re-stated)		2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	-	-	5,627,876,959	7,103,222	5,634,980,181
Effect of transition to IFRS 16		-	-	-	-	-	-	-	-	-	(9,818,746)	-	(9,818,746)
Balance at 1 January 2019, adjusted		2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	-	-	5,618,058,213	7,103,222	5,625,161,435
Profit for the year		-	-	-	-	-	-	-	-	-	185,588,723	3,283,490	188,872,213
Other comprehensive income		-	-	-	12,335,200	-	-	938,860	-	-	12,969,179	53,412	26,296,651
Total comprehensive income		-	-	-	12,335,200	-	-	938,860	-	-	198,557,902	3,336,902	215,168,864
Transferred to statutory reserve		-	-	18,558,872	-	-	-	-	-	(18,558,872)	-	-	-
Net movement of staff general fund reserve	6	-	-	-	-	(785,158)	-	-	-	-	(785,158)	-	(785,158)
Net movement of charity fund reserve	6	-	-	-	-	-	(14,154,472)	-	-	-	(14,154,472)	-	(14,154,472)
Transactions with shareholders													
Increase in share capital		903,500,000	-	(196,150,000)	-	-	-	-	-	(707,350,000)	-	-	-
Issuance of treasury shares		-	-	-	-	-	-	-	(64,900,000)	64,900,000	-	-	-
Dividends	18	-	-	-	-	-	-	-	-	-	-	(1,812,266)	(1,812,266)
Share based payment expense		-	-	-	-	9,459,023	-	-	-	-	9,459,023	-	9,459,023
Changes in ownership interests													
Increase in ownership stake in subsidiary		-	-	-	-	-	-	-	-	-	-	-	-
Translation reserve realized on disposal of a subsidiary		-	-	-	11,273,269	-	-	-	-	-	11,273,269	-	11,273,269
Balance at 31 December 2019		3,000,000,000	707,345,000	451,358,872	(104,029,288)	96,177,075	10,116,866	1,120,535	(64,900,000)	1,738,493,777	5,835,682,837	8,627,858	5,844,310,695

Majed Ayedh Al-Nahle (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousif (Group CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Consolidated statement of changes in equity (continued)
For the year ended 31 December 2019
(Saudi Riyals)

	Other reserves										Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Translation reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total							
Balance at 1 January 2018, (re-stated)	2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	-	-	-	2,560,777,829	6,001,571,200	9,340,498	6,010,911,698
Effect of transition to IFRS 9	-	-	-	-	-	-	-	-	-	-	-	(19,581,352)	(19,581,352)	-	(19,581,352)
Balance at 1 January 2018, adjusted	2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	-	-	-	-	5,981,989,848	9,340,498	5,991,330,346
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	(144,957,446)	2,878,818	(142,078,628)
Other comprehensive loss	-	-	-	(12,499,550)	-	-	181,675	(12,317,875)	-	-	-	-	(2,234,991)	(523,161)	(15,076,027)
Total comprehensive loss	-	-	-	(12,499,550)	-	-	181,675	(12,317,875)	-	-	-	-	(147,192,437)	2,355,657	(157,154,655)
Transferred to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement of staff general fund reserve	6	-	-	-	(550,972)	-	-	(550,972)	-	-	(550,972)	-	-	-	(550,972)
Net movement of charity fund reserve	6	-	-	-	-	(11,147,931)	-	(11,147,931)	-	-	(11,147,931)	-	-	-	(11,147,931)
Transactions with shareholders															
Dividends	18	-	-	-	-	-	-	-	-	-	(104,825,000)	(104,825,000)	(5,760,450)	(110,585,450)	
Changes in ownership interests															
Increase in ownership stake in subsidiary		-	-	-	-	-	-	-	-	-	(78,415,547)	(78,415,547)	1,450,043	(76,965,504)	
Translation reserve realized on disposal of a subsidiary		-	-	-	336,873	-	-	-	-	-	336,873	-	(282,526)	54,347	
Balance at 31 December 2018, (re-stated)	2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	-	-	2,210,763,493	5,627,876,959	7,103,222	5,634,980,181	

Majed Aydeh Al-Nilaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Consolidated statement of cash flows
For the year ended 31 December 2019
(Saudi Riyals)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
Profit / (loss) before zakat and tax		221,678,865	(58,058,904)
Adjustments for:			
- Depreciation	7,11	199,504,257	150,010,109
- Amortization	10	25,898,610	12,536,191
- Share based payment		9,459,023	-
- Elimination of goodwill	32	-	4,868,970
- Impairment of trade receivables		25,345,879	(70,295,537)
- Impairment of other receivables	34	32,649,887	116,062,438
- Net finance cost	36	66,956,801	54,007,343
- Dividend income	33	(1,170,784)	(58,320)
- Return on investments	33	(1,861,472)	(298,278)
- (Gain) / loss from discontinued segment		(235,793)	398,548
- Recognized foreign currency loss on disposal of subsidiaries		11,273,269	286,255
- Gain on disposal of subsidiaries	35	(16,660,616)	(190,654)
- Share of loss of equity-accounted investees, net of tax	12	7,185,213	67,073,502
- Loss on disposal of equity-accounted investee	1.1	16,634,316	420,523,381
- Impairment loss on equity-accounted investee	12	-	6,419,483
- Loss on sale of property and equipment	32	554,812	46,332,289
- Gain on sale of equity investments - FVOCI		-	(271,359)
- Employees' end of service benefits	22	35,141,317	31,167,981
Changes in:			
- Trade and other receivables		140,790,109	489,532,653
- Prepayments and other assets		(72,069,959)	(140,038,692)
- Related parties- net	28	(17,903,501)	71,121,106
- Trade and other payables		(405,215,436)	(360,467,572)
- Contract liabilities	25	(27,437,771)	30,215,878
Cash generated from operating activities		250,517,026	870,876,811
Finance expense paid		(62,145,674)	(77,856,978)
Finance income received		2,602,008	12,095,915
Leased liabilities paid		(10,919,887)	-
Employees' end of service benefits paid	22	(20,825,860)	(17,618,639)
Zakat and income taxes paid	23	(66,897,208)	(35,952,161)
Net cash generated from operating activities		92,330,405	751,544,948
Cash flows from investing activities			
Proceeds from sale of property and equipment	7	129,797,776	67,051,871
Proceeds from sale of equity accounted investees		-	77,374,632
Disposal of subsidiaries	35	(19,639,199)	(1,342,428)
Proceeds from disposal of subsidiaries	35	10,708,500	362,925
Proceeds from disposal of investment		-	3,430,359
Cash paid on acquisition of minority share		-	(53,437,148)
Acquisition of property and equipment	7	(579,569,108)	(236,024,512)
Acquisition of intangible assets	10	(110,918,523)	(3,722,769)
Acquisition of equity-accounted investees	12	(18,433,296)	-
Acquisition of subsidiaries, net of cash acquired		(3,414,741)	-
Acquisition of equity investments		-	(103,498,679)
Short term investments	16	400,000,000	(400,000,000)
Dividends received		-	58,320
Net movement in capital work in progress	8	(217,251,610)	(49,126,309)
Net cash used in investing activities		(408,720,201)	(698,873,738)

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Notes forming part of consolidated financial statements
For the year ended 31 December 2019
(Saudi Riyals)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		1,284,411,503	1,884,403,243
Repayment of loans and borrowings		(852,293,117)	(2,548,960,804)
Staff general fund reserve paid		(785,158)	(550,972)
Charity fund reserve paid		(14,154,472)	(11,147,931)
Dividends paid to non-controlling interest	19	(1,812,266)	(110,585,450)
Net cash generated from / (used in) financing activities		415,366,490	(786,841,914)
Net increase / (decrease) in cash and cash equivalents		98,976,694	(734,170,704)
Cash and cash equivalents at 1 January	17	229,095,001	970,799,467
Effect of movements in exchange rates on cash held		16,421,910	(7,533,762)
Cash and cash equivalents at 31 December	17	344,493,605	229,095,001
Non-cash transactions:			
Impairment loss for trade receivables under IFRS 9 (transition effect)	6.1	-	19,581,352
Right of use of assets		87,379,126	-
Lease liability		(90,551,855)	-
Transfer from capital work in progress to property and equipment		35,789,860	1,343,028
Transfer from capital work in progress to intangible assets	10	11,020,336	82,263,978
Re-measurement of defined benefit liability	22	13,022,591	(2,758,152)
Receivable on disposal on equity accounted investees	12	3,669,383	300,000,000
Payable against equity accounted investees on disposal – Part of total deal		4,686,942	-
Payable on acquisition of minority interest		-	(16,562,852)
Equity investments	13,17	3,488,679	(3,488,679)
Impairment loss on goodwill	10	-	6,965,504
Consideration receivable on disposal of subsidiary	35	16,062,750	539,701

Majed Aydeh Al Nifae (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Notes forming part of consolidated financial statements
For the year ended 31 December 2019
(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

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

The Company changed its name from Al Tayyar Travel Group Holding Company to Seera Holding Group as a result of a resolution passed during the Company's Annual General Meeting held on 14 April 2019 corresponding to 9 Shaban 1440.

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conferences and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services (refer to operating segments in Note 39).

The Company's registered address is:

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

1.1 Interest in subsidiaries

Name of subsidiary	Activities	Country of incorporation	31 December 2019	31 December 2018	1 January 2018
National Travel and Tourism Bureau Limited (NTTB)	Travel and tourism business	KSA	100%	100%	100%
Al Sarh Travel and Tourism Limited (ASTT)	Travel and tourism business	KSA	80%	80%	80%
Elaa Air Transportation Agency Company Limited (EAT) (formerly Al Tayyar International Air Transportation Agency Company Limited)	Travel and tourism business	KSA	100%	100%	100%
Seera Holiday for Travel and Tourism Company Limited (SHT) (formerly Al Tayyar Holiday for Travel and Tourism Company Limited)	Travel and tourism business	KSA	100%	100%	100%
Elaa Travel, Tourism and Cargo Company Limited (ECC) (formerly Al Tayyar Travel, Tourism and Cargo Company Limited)	Travel and cargo business	KSA	100%	100%	100%
Al Tayyar Holidays Travel Group Company (ATE)	Travel and tourism business	Egypt	100%	100%	100%
Al Tayyar Cargo and Custom Clearance Company (ATCC)	Travel and cargo business	Egypt	100%	100%	100%
E Al Tayyar Tourism Company (ATT) *	Rent a car business	Egypt	-	100%	100%
E Al Tayyar Tours Company (ALC)	Rent a car business	Egypt	100%	100%	100%
Nile Holidays Tourism Company (NALC)	Rent a car business	Egypt	100%	100%	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	100%	100%	100%
Lena Tours & Travel (LTT)	Travel and tourism business	Lebanon	100%	100%	100%
Fuego Travel & Tours SDN.BHD (FTTSB)	Travel and tourism business	Malaysia	-	-	80%
Seera Travel and Tourism (STD) (Al Tayyar Travel and Tourism)	Tourism business	UAE	100%	100%	100%
Taqniattech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	100%	100%	100%
Seera Hospitality Company (SHC) (formerly Al Tayyar Real Estate, Tourism Development and Investment Company Hotels)	Hotel and property business	KSA	100%	100%	100%
Lumi Rental Co. (LRC) (formerly Al Tayyar Rent A Car)	Rent a car business	KSA	100%	100%	100%
High Speed Company for Transportation (HSC)	Transportation business	KSA	100%	100%	100%
Tajawal Travel and Tourism Company Limited (TTC)	Travel and tourism business	KSA	100%	100%	100%
Tajawal General Trading, LLC (TGT)	Travel and tourism business	UAE	100%	100%	100%
Al Mousim Travel & Tours (AMTT)	Travel and tourism business	KSA	100%	100%	100%
Jawlah Tours Establishment for Tourism (JTET)	Tourism business	KSA	51%	51%	51%
Mawasim Tourism and Umrah Services (MWT)	Tourism business	KSA	51%	51%	51%
Fly IT (FIT)	SMS / MMS services	KSA	60%	60%	60%
Muthmerah Real Estate Investment Company (MREIC)	Property rental business	KSA	100%	100%	100%
Mawasem Travel and Tourism Limited (MTT)	Travel and tourism business	UK	100%	100%	100%
Elegant Resorts Limited and subsidiaries (ERL)	Tourism business	UK	100%	100%	100%
Elite Private Jet Services Company (EPJS)	Own and operate aircraft	KSA	100%	100%	100%
Al Hanove Tourism and Services Company (AHTS)	Tourism business	Egypt	70%	70%	70%
Mawasem Limited (formerly Co-op Group Travel 1 Limited (CTM))	Transportation service	UK	100%	100%	100%
Connecting Trade & Services (CTS)	Travel and tourism business	Lebanon	51%	51%	51%
Fayfa Travel & Tourism Agency Company (FTT)	Travel and tourism business	KSA	100%	100%	100%
Saudi Conference & Incentive Tours Company (SCI)	Event management services	KSA	100%	100%	100%
Seera Group Travel IT Spain S.L. (SGTI) (formerly B2B Travel Group S.L.)	Travel and tourism business	Spain	100%	100%	100%
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	80%	80%	80%
Saudi Company for Transportation United (SCT)	Rent a car business	KSA	100%	100%	100%
Almosafer Company for Travel and Tourism (MCT)	Tourism business	KSA	100%	100%	60%

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Notes forming part of consolidated financial statements
For the year ended 31 December 2019
(Saudi Riyals)

1.1 Interest in subsidiaries (continued)

Name of subsidiary	Activities	Country of incorporation	31 December 2019	31 December 2018	1 January 2018
Wadi Saudi Trading Co. (WSTC)	Online shopping for fashion and accessories	KSA	100%	100%	100%
Portman Group International S.A.R.L. (PGI)	Travel and tourism business	UK	100%	100%	100%
Sheraton Makkah Company (SMC)	Hotel	KSA	100%	100%	-
Ian Allan (Retail and Travel) Limited*(IAT)	Travel and tourism business	UK	100%	-	-
IF Only Holidays Limited (IOHL)*	Tourism business	UK	100%	-	-
Discover Saudi for Travel and Tourism* (DSTT)	Tourism business	KSA	100%	-	-
Seera Sports S.L.U* (SSS)	Sports business association	Spain	100%	-	-

*On 30 January 2019 the Company signed an agreement to dispose of its 100% interest in ATT to Family Corporation Car Rental Company for a total consideration of EGP 125 million equivalent to SR 26.8 million, a net gain of SR 5.4 million is recognized in the Group's consolidated financial statements.

*On 1 May 2019 the Company acquired 100% shareholding of Ian Allan (Retail and Travel) Limited for a total consideration of GBP 4.8 million equivalent to SR 23.56 million. The Company carried out a purchase price allocation which resulted in a difference between the fair value of identifiable assets and liabilities and the total consideration paid GBP 4.2 million equivalent to SR 20.6 million, out of which SR 15 million recognized as goodwill and SR 5.6 million as intangible assets in the Group's consolidated financial statements.

*On 27 November 2019 the Company acquired 100% shareholding of If Only Holidays Limited for a total consideration of GBP 0.27 million equivalent to SR 1.32 million. The difference between the carrying value of identifiable assets and liabilities and the total consideration paid GBP 2.2 million equivalent to SR 10.4 million is recognized as goodwill in the Group's consolidated financial statements.

*On 19 October 2019 the Group incorporated Discover Saudi for Travel and Tourism Co. for with issued share capital of SR 1 million and fully owned by the Company.

*On 10 July 2019 the Company incorporated Seera Sports S.L.U. in Spain with issued share capital of EUR 3,000 equivalent to SR 12,630 and fully owned by the Company.

1.2 Interest in associates

Name of associates	Activities	Country of Incorporation	31 December 2019	31 December 2018	1 January 2018
Felix Airways Limited (FAL)	Travel business	Yemen	30%	30%	30%
Al Shamel International Holding Company KSC (ASI)	Travel business	Kuwait	-	30%	30%
Taqniatech Company for Communication Technology JV (TAQJV)	Telecommunication services	KSA	70%	70%	70%
Al Tayyar Travel and Tourism – Abu Dhabi (TTAD)	Travel business	UAE	49%	49%	49%
Voyage Amro Travel (VAT)	Travel business	Canada	49%	49%	49%
2share United Communication Company (TUCC)	Call Centre services	KSA	35%	35%	35%
Net Tours & Travels LLC (NT)	Tourism business	UAE	44.3%	44.3%	44.3%
Careem Inc.*	Rent a car business	BVI	15.3%	15.1%	14.7%
Saudi Heritage Hospitality Company (SHHC)	Hospitality services	KSA	20%	20%	20%
Equinox Group Limited (EGL)	Hospitality services	UAE	40%	40%	40%
Thaker Investment and Real Estate Company (TIREC)	Real estate business	KSA	-	-	30%
Wadi Middle East S.A.R.L (WME)	Trading companies and distributors	LUX	33.3%	33.3%	33.3%
CHME Limited (CHM)	Hospitality services	UAE	40%	40%	40%
Riyadh Front for Exhibitions and Conventions (RFEC)*	Event management services	KSA	40%	-	-

* Uber Technologies Inc. ("Uber") entered into an Asset Purchase Agreement ("APA") with Careem Inc. ("Careem") to buy all of Careem's assets and assume certain liabilities. The agreement was signed on 26 March 2019 between Uber and Careem's shareholders.

As per APA, the Aggregate Consideration payable is USD 3.1 billion and comprises the aggregate cash consideration of USD 1.4 billion plus the aggregate Notes consideration of USD 1.7 billion subject to modification. The Aggregate Consideration amounts between Uber and Careem were subject to Regulatory hold-back and Indemnity hold-backs. The hold-back amounts relate to: The legal and regulatory matters relating to the above arrangement were discharged by the relevant authorities on 30 December 2019. Subsequently, the Company has reclassified its investment in Careem Inc. from equity accounted associate to non-current asset held for sale in these consolidated financial statements.

* On 1 December 2019 the Company made an investment of SR 0.4 million and resultantly owned 40% shares in Riyadh Front for Exhibitions and Conventions and accounted for as investment in equity-accounted associate.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
Notes forming part of consolidated financial statements
For the year ended 31 December 2019
(Saudi Riyals)

1.3 Branches

Branch Commercial

Registration No.	Date	Location
1010219456	19/04/1427	Riyadh
3350042280	06/09/1435	Hail
4030152080	12/09/1425	Jeddah
5855006990	04/08/1403	Khamis Mushait
1010152673	24/10/1419	Riyadh
1010163035	22/08/1421	Riyadh
1010178558	22/04/1423	Riyadh
1010313084	22/08/1432	Riyadh
1010439521	19/02/1437	hayi hutayn - tariq al'amir muhamad bin saed
1010468389	01/06/1438	Riyadh
1010503594	10/05/1440	Riyadh
1010612837	18/02/1439	Riyadh
1011014157	05/08/1431	Al karj
1126000748	09/07/1422	Sudair
2050099565	16/06/1435	Al sooq District - King Saud Road
2051057125	16/06/1435	Al kabar
2251069609	17/03/1439	Al Hofuf
3450015430	14/02/1438	Aziziyah District- Prince Saud Al Kabeer Road
4030290495	04/11/1437	Al-Rawda District - Ibrahim Al-Zuaibi road
1010174914	09/01/1423	Riyadh
1010174916	09/01/1423	Riyadh
1010174917	09/01/1423	Riyadh
1010200743	24/06/1425	Riyadh
1010463216	04/11/1437	Riyadh
1010602932	10/03/1441	Riyadh
1010613744	30/03/1439	hayi alsalai
1011009215	10/01/1423	alkharaj
1011023674	23/01/1437	alkharaj
1131019984	10/05/1425	maktab alshahn albahrii
2050120932	25/04/1440	Dammam
2051022946	19/07/1419	Al kabar
2051035800	10/11/1428	hayi alkhalidiat alththani - sharie alkhamis
2251067758	08/06/1438	suq nazawi
3350024150	15/03/1431	hayi aleazizit - sharie almalik khalid - almarkaz altijariu
3400020154	25/11/1438	tariq almalik ebdaleziz
3550023790	28/05/1429	hayi almanshiat - sharie muhamad bin ebdalwhab
4030139646	01/06/1423	hayi alnakhil
4030194671	21/11/1430	hindawiat - tariq almalik khalid
4031063669	24/08/1432	hayi alzahara' - sharie 'am alqra
4032239589	06/04/1441	Taif
4650040877	25/02/1429	Airport Road
4700019610	23/11/1436	yanbae
5855025900	02/02/1426	khamis mushit
5900010283	09/02/1426	jazan
5911810278	10/02/1426	ahd almasarihih
5950010468	22/08/1426	najran
5950010888	01/07/1427	najran
1010174899	09/01/1423	altakhasusiu - almarkaz alrayiysiu
1010174900	09/01/1423	sharie albutaha' aleamu - mabnaa alsinaeia
1010174905	09/01/1423	Riyadh
1010174908	09/01/1423	sharie saed bin aba waqas
1010174910	09/01/1423	tariq almalik fahd - haya aleaqiq
1010174915	09/01/1423	tariq almalik ebdaleziz
1010174918	09/01/1423	hasan bin eali

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
Consolidated Financial Statements
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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
1010174920	09/01/1423	hayi alwurud - tariq almalik eabdaleaziz
1010174966	10/01/1423	jarir - hayi almlz
1010174968	10/01/1423	Olaya district - Thirty Street
1010174970	10/01/1423	Riyadh
1010174971	10/01/1423	Umm Al-Hamam - Am Al hamam Street
1010174972	10/01/1423	Prince Salman bin Abdulaziz Street
1010174973	10/01/1423	Al-Jazirah District - Al-Rajhi
1010174976	10/01/1423	Riyadh
1010174977	10/01/1423	Al thaqbah
1010175466	23/01/1423	Al thaqbah
1010204965	29/11/1425	arrival terminal
1010207107	12/02/1426	Khaled Bin Al-Waleed street
1010211389	19/06/1426	tariq alkharaj aljadid
1010227346	03/01/1428	Riyadh
1010235828	03/07/1428	Al-Morouj - Prince Turki Street
1010246702	03/11/1429	Riyadh
1010298763	08/01/1432	Khaled Bin Al-Waleed street
1010299214	15/01/1432	Riyadh
1010315116	23/09/1432	Riyadh
1010342346	28/07/1433	Riyadh
1010368319	13/05/1434	Riyadh
1010402139	20/03/1435	Abi Aswad International Street
1010404624	13/04/1435	Saad bin Abdul Rahman Street
1010430639	30/04/1436	Abi Saud Al-Khudairi Street
1010442262	22/05/1437	Riyadh
1010442263	22/05/1437	Riyadh
1010461284	09/08/1437	Al Munsiyah - Al Sahaba Street
1010461427	12/08/1437	Riyadh
1010465814	24/02/1438	Othman bin Affan Street
1010573844	12/08/1440	Riyadh
1010573845	12/08/1440	Riyadh
1010584442	24/10/1440	Riyadh
1010595481	18/01/1441	Riyadh
1010941223	16/06/1439	Riyadh
1011010938	19/10/1427	Al-Kharj - sixty Street
1011011630	03/07/1428	Al-Kharj - sixty Street
1013002418	12/03/1439	Prince Sultan Street
1015001488	28/05/1432	Al-Aflaj - Main Street
1111002463	12/08/1437	King Faisal Street
1115002963	27/06/1435	Sager
1116004839	17/09/1425	Shaqra - King Saud Street
1116004947	03/04/1426	Main street
1116010051	05/04/1435	Dawadmi - Saudi office
1117003533	23/08/1434	Al Quway'iyah - Main Street
1122005474	03/11/1436	Bundled
1123001495	25/01/1426	Al madenah Road
1128005977	15/06/1425	Al salsalh Road
1129004863	06/08/1438	albadayie
1131016643	25/02/1423	King Abdulaziz Road
1131017048	21/05/1423	Al-Rashdiyat District - Omar bin al-Khattab Road
1131040546	24/03/1433	Al-Hamra District - King Abdulaziz Road
1131057105	05/01/1438	Buraidah
1131057452	05/05/1438	Buraidah
1131057783	05/09/1438	Buraidah
1132003408	25/04/1428	King Abdulaziz Road

SEERA HOLDING GROUP (A Saudi Joint Stock Company)**Consolidated Financial Statements****Notes forming part of consolidated financial statements****For the year ended 31 December 2019***(Saudi Riyals)***1.3 Branches (continued)****Branch Commercial**

Registration No.	Date	Location
1132010893	12/10/1437	Alrass
1134002370	10/06/1433	King Khalid Road
1136003189	23/04/1436	alasyah
1185002264	03/04/1426	Wadi Al-Dawasir
2050041384	03/08/1423	Al-Amamra District - King Saud Road
2050079094	24/12/1432	King Fahd Road
2050131584	22/04/1441	Dammam
2051026830	07/08/1423	King Faisal North Road
2051030710	20/01/1426	Dhahran Street - Rush Mall
2051228900	22/04/1441	alkhabar
2053018636	11/01/1429	hayi almjidiat - sharie alquds
2055005400	07/08/1423	sharie aljabil
2055010609	16/06/1430	aljabil alsinaeiat - alwajihat albahria
2056005285	15/07/1436	alnaeyria
2057008557	04/06/1437	tariq al'amir nayif
2059002420	24/12/1432	hayi almatar
2060026831	07/08/1423	Makkah street
2066002537	11/01/1429	almadinat almarkazia
2251028779	18/11/1423	tariq al'amir fahd bin jlwy
2251044419	25/01/1433	tariq alkhaliadiat - jamieat almalik faysal
2251496035	22/04/1441	alhufuf
2252039922	04/04/1431	sharie alhizm
2257044417	25/01/1433	alsultaniat - almintaqat alththalitha
3350017317	18/01/1425	hayil
3350017318	18/01/1425	hayi sharaf - sharie munis
3350044442	24/02/1438	hayil
3352012639	28/03/1436	biqaea'
3400012637	23/01/1431	tariq almalik ebdaleziz
3400013572	03/03/1432	matar aljawf - alssalat alddakhilia
3400019731	24/04/1437	tariq almalik ebdaleziz
3400019814	18/07/1437	hay alrhmany
3450010511	02/02/1431	alshsharie alrayiysiu
3450011017	12/03/1432	mabnaa almughadirin fi almatar
3451001615	16/03/1432	mabnaa almughadirin fi almatar
3451002721	01/07/1435	tariq almalik ebdaleziz
3452006495	08/04/1432	sharie almatar
3452010481	07/02/1438	matar salat almughadara
3453002913	13/03/1432	mabnaa almughadirin fi almatar
3453004317	23/06/1435	hayi aleazizi
3550021381	01/12/1425	tariq al'amir fahd bin sultan
3550023791	28/05/1429	tariq muhamad bin ebdalwhab
3550023792	28/05/1429	alsulaymaniat - sharie al'amir ebdalmjyd
3550026438	11/03/1432	mabnaa almughadirin fi almatar al'iiqlimii
3550038270	20/02/1438	sultana
3550038927	04/09/1438	almuruij - sharie alkhwarzmy
3552000993	11/03/1432	mabnaa almughadirin fi almatar
4030139615	27/05/1423	Jeddah
4030139666	02/06/1423	Jeddah
4030143742	07/05/1424	suq alkhaymat - hindawi
4030225154	25/04/1433	matar almalik ebdaleziz - alssalat aljanubia
4030226035	10/05/1433	hayi alsafa - sharie alruwda
4030229075	05/07/1433	matar almalik ebdaleziz alduwalii - almabnaa alshamalii alddakhiliu
4030268241	01/06/1435	Jeddah
4030289739	25/08/1437	hayi alsalama

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
4030294683	12/10/1438	hayi alssamir
4030306833	17/11/1439	Jeddah
4030306938	18/11/1439	Jeddah
4031047108	01/12/1425	hayi alshashih
4031048640	25/11/1426	hayi alrasiqa
4031064375	20/10/1432	hayi alshrye
4031080879	14/01/1435	hayi alsuwqia
4031099160	14/06/1438	makat almukarama
4031216312	25/11/1439	makat almukarama
4032023506	13/01/1424	hayi shubra - sharie shubraan alshsham
4032026248	15/11/1427	sharie alsitiyn
4032027669	26/05/1429	sharie alshafa aleami
4032033171	16/06/1433	almatar
4032229347	01/12/1439	alttayif
4036000852	23/03/1426	runiya
4602003769	05/07/1433	alshsharie alrayiysiu
4603006152	24/01/1435	alqanafadha
4650035144	28/03/1425	tariq 'abu bakr alsadiq - sultana
4650047980	30/03/1431	tariq 'abu bakr alsadiq - siltanat 2
4650054295	03/12/1429	almadinat almunawara
4650055547	04/05/1433	hayi alhizam
4650202118	01/12/1439	almadinat almunawara
4651001238	18/05/1433	matar aleilla
4651002069	07/05/1436	tariq almalik fahd
4653001472	29/02/1438	tariq alqasim
4700009058	01/12/1425	tariq almalik ebdaleziz
4700009073	03/01/1426	markaz nyuklas - tariq jida
4700014406	10/06/1433	matar al'amir eabd almuhasin bin ebdaleziz
5800010290	14/10/1429	alshsharie aleamu
5806013344	14/04/1433	almakhawa
5810018254	26/08/1435	matar albaha
5850026008	10/03/1426	abha
5850052278	17/06/1434	abha
5850053522	15/08/1434	abha
5850068157	02/04/1436	abha
5851003631	07/06/1430	baysha
5855025898	02/02/1426	khamis mushit
5855025899	02/02/1426	khamis mushit
5855029704	29/11/1428	khamis mushit
5855034483	05/06/1431	khamis mushit
5855052284	17/07/1434	khamis mushit
5855054233	10/09/1434	khamis mushit
5855339863	15/09/1439	khamis mushit
5856035652	23/12/1431	sarat eubayida
5859003207	05/06/1431	alnamas
5860026007	10/03/1426	mahayil
5861036551	27/03/1432	rijal almae
5900010282	06/02/1426	jazan
5900010285	10/02/1426	jazan
5901717508	01/05/1440	'abu earish
5903010274	09/02/1426	baysh
5903010281	09/02/1426	baysh
5906330903	01/05/1440	sabianaan
5908010217	09/02/1426	farsan

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
5911010279	09/02/1426	ahd almasarihih
5950010469	22/08/1426	najran
5951001095	02/03/1429	sharura
1010148875	26/10/1418	Riyadh
1010174974	10/01/1423	Riyadh
1010280241	04/03/1431	alsulaymaniat - tuqatie almalik ebdaleziz mae aleurubih
1010315925	16/10/1432	hayi almlz - sharie jarir
1010374984	03/07/1434	sharie al'amir ebdallh
1010395001	16/01/1435	alsulaymaniat - sharie al'amir mamduh
1010421750	22/10/1435	sharie kharis
1010462948	21/10/1437	hayi almlz - sharie jarir
1010463090	27/10/1437	Riyadh
1010463091	27/10/1437	Riyadh
1010469398	28/06/1438	Riyadh
1010595871	20/01/1441	Riyadh
1131036513	10/09/1432	tariq almalik ebdaleziz - albank al'ahli
1131037213	04/11/1432	barida
1131056611	16/04/1437	barida
2050077936	19/10/1432	aldammam
2050078020	22/10/1432	sharie almalik sueud
2051046624	22/10/1432	sharie almalik faysal
2051058335	09/10/1435	tariq aldammam
2060046599	19/10/1432	althaqaba
2060046601	19/10/1432	althaqaba
2252057035	25/05/1435	sharie al'amir ebdallh
2252062678	18/10/1436	sharie al'amir ebdallh bin jlwy
3350042541	01/11/1435	althaqaba
3350042542	01/11/1435	althaqaba
3400019730	24/04/1437	tariq almalik ebdaleziz
3550033657	24/05/1435	sharie al'amir ebdalmjyd
3550033661	24/05/1435	hayi alfayasaliat - sharie al'amir fahd bin sultan
4030139647	01/06/1423	hayi alshrfat - sharie al'ahad - markaz eashur
4030154855	01/03/1426	markaz hayil altijarii - markaz alshrbtly
4030168092	13/03/1428	tariq almalik eabdallah - markaz alshrbtly
4030194530	16/11/1430	Jeddah
4030213579	11/07/1432	markaz mushaeil
4030213582	11/07/1432	hayi alsafa
4030248279	17/07/1434	hindawiat - markaz alshrbtly
4030274476	09/10/1435	tariq almadina
4030304459	16/09/1439	Jeddah
4032032984	02/05/1433	hayi alshaffa
4032032985	02/05/1433	markaz altayar lilshaq almafrusha
4650069005	12/02/1435	hayi siltanat - sharie 'abu bakr alsadiq
4650073787	20/09/1435	hayi alsiltanat - sharie 'abu bakr alsadiq
4650079802	29/01/1437	alsiltanat - sharie 'abu bakr alsadiq
4700013098	05/07/1432	hayi alshrbtly tariq almatar alqadim
4700013259	16/09/1432	markaz nyuklas
4700017817	06/07/1435	sharie eumar bin ebdaleziz - markaz bin sadiq
5855050048	05/05/1434	khamis mushit
5900035120	26/11/1437	jazan
5900037299	13/02/1439	jazan
1010933286	15/05/1439	Riyadh
4030125653	21/07/1419	Jeddah

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
010324433	13/02/1433	Riyadh
010567276	18/07/1440	Riyadh
010569335	27/07/1440	Riyadh
010599904	18/02/1441	Riyadh
010599908	18/02/1441	Riyadh
010616188	11/04/1441	Riyadh
131298375	21/07/1440	barida
050085522	11/10/1433	aldammam
050125982	16/09/1440	aldammam
050125983	16/09/1440	aldammam
050125984	16/09/1440	aldammam
051226156	16/09/1440	alkhabar
051228260	08/03/1441	alkhabar
055026257	11/02/1439	aljabil
055126812	08/03/1441	aljabil
251495553	02/09/1441	alhufuf
550129516	27/10/1440	tbwk
030279663	08/03/1438	Jeddah
030293122	05/05/1438	Jeddah
030367715	18/02/1441	Jeddah
030367716	18/02/1441	Jeddah
030367717	18/02/1441	Jeddah
030368604	02/03/1441	Jeddah
030369035	08/03/1441	Jeddah
031234013	11/04/1441	makat almukarama
650077802	10/05/1436	tariq almatar
650215319	08/03/1441	almadinat almunawara
651102370	20/04/1441	aleulla
700020105	20/02/1438	yanbae
700020204	10/06/1438	yanbae
855070552	05/05/1438	khamis mushit
900120565	08/03/1441	jazan
030151378	28/07/1425	Jeddah
010221997	17/04/1427	hayi almlz - sharie jarir
010434300	10/08/1436	Riyadh
010414062	14/07/1435	Riyadh
031049694	08/09/1427	makat almukarama
031057983	26/01/1431	makat almukarama
031088011	22/12/1435	makat almukarama
031095226	28/04/1437	makat almukarama
031102267	29/03/1439	makat almukarama
650030080	23/05/1421	Madina El Monawara
650069223	21/02/1435	Madina El Monawara
650083854	03/04/1439	Madina El Monawara
031081469	05/02/1435	makat almukarama
030267207	15/05/1435	Jeddah
010425896	20/12/1435	Riyadh
131054651	04/01/1436	Buraidah
131054902	20/01/1436	Buraidah
030256388	02/12/1434	Jeddah
030256392	02/12/1434	Jeddah
030256396	02/12/1434	Jeddah
030256400	02/12/1434	Jeddah
030256406	02/12/1434	Jeddah
031082763	26/03/1435	makat almukarama

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
4650073478	27/08/1435	almadinat almunawara
5850063393	07/07/1435	'abaha
5850063397	07/07/1435	'abaha
5855063394	07/07/1435	khamis mushit
5855063398	07/07/1435	khamis mushit
5900008845	18/09/1418	jazan
5900011849	24/01/1429	jazan
5900013684	30/10/1430	jazan
5900018071	09/05/1433	jazan
5901010139	08/10/1425	'abu earish
5906031509	15/03/1436	sabianaan
5907010054	23/07/1425	samita
1010205008	30/11/1425	alriyad
1010259995	29/12/1429	Riyadh
1010573840	12/08/1440	Riyadh
1010573841	12/08/1440	Riyadh
1010574896	18/08/1440	Riyadh
4030285386	08/01/1437	Jeddah
4031097043	20/10/1437	makat almukarama
4031100817	25/11/1438	makat almukarama
4032029825	23/03/1431	alittayif
1010366240	23/04/1434	Riyadh
1131057206	15/02/1438	Buraydah / Othman bin Affan Road
2050108932	28/06/1437	Dammam
2050110614	19/01/1438	Dammam
2050112491	27/07/1438	Dammam
2051063869	20/06/1438	alkhabar
4030216024	22/09/1432	Jeddah
4031098316	15/03/1438	makah almukaramh-haa alsuwqiu
4032051279	05/05/1438	alittayif
4650081697	15/02/1438	almadinat almunawara
4700020205	10/06/1438	yanbae
5900035839	05/05/1438	jazan
9235	14 /1/ 2002	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
9235	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
4846	8/3/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
4846	8/3/2000	10 Al-Obour Building ,Salah Salem Ave., Nasr City , Cairo , Egypt
4846	8/3/2000	5 Abd-Elhamed Badawy Elraml Station , Alexandria – Egypt
4846	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
3965	12/1/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
3965	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
328138	16/12/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
328138	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
328719	23/1/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
328719	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
13215	4/10/2005	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
13215	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
9-1245206	1/1/2005	Manchester
9-1250025	1/4/2005	Warrington
9-1251985	1/1/2008	London
9-1207546	15/8/2005	Stafford
9-1217943	2/1/2008	Bury St Edmunds
9-1254785	5/7/2005	Leeds
9-1278025	10/1/2010	Southampton
9-1207546	9/1/2015	Derby Implant

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
9-1273770	7/1/2016	London Implant
37112353	5/10/2005	Amsterdam
2100913	2/18/1987	Elegant House Sandpiper Way, Chester Business Park, Chester, CH4 9QE
268032	5/18/2004	Floor 1, 1 Waterloo Street, Glasgow, Scotland, G2 6AY
4846	8/3/2000	5 Abd-Elhamed Badawy Elraml Station , Alexandria – Egypt

2. STATEMENT OF COMPLIANCE WITH IFRS

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs), issued by the International Accounting Standards Board (IASB) as endorsed by Saudi Organization for Certified Public Accountants (“SOCPA”).

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective in current year

The following are the new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019.

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IFRS 16	Leases	January 1, 2019

3.2 Standards, interpretations and amendments effective in current year

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IFRS 3	Business Combinations	January 1, 2019
IFRS 9	Financial Instruments	January 1, 2019
IAS 19	Employee Benefits	January 1, 2019
IAS 23	Borrowing Costs	January 1, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 1, 2019

IFRS 3 - Business Combinations

Amendment requiring an entity to re-measure its previously held interest at fair value when it obtains control of a business that is a joint operation.

IFRS 9 - Financial Instruments

The amendment was issued to address the concerns about how IFRS 9 classifies particular prepayment feature of a financial assets. It amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. However, the calculation of this compensation payment must be the same both, for an early repayment penalty and the case of an early repayment gain.

IAS 19 - Employee Benefits

The amendment was to clarify that it is now mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement for a plan amendment, curtailment or settlement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

IAS 23 - Borrowing Costs

The amendment was to clarify that the Group treats as part of general borrowings any borrowing originally made to develop a specific asset when that asset is ready for its intended use or sale.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognize and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

The Group does not have material impact on its consolidated financial statements from the above.

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3.3 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IFRS 3	Business Combinations	January 1, 2020
IAS 1	Presentation of Financial Statements	January 1, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2020
	Revised Conceptual Framework for Financial Reporting	January 1, 2020

IFRS 3 - Business Combinations

The amendments narrowed and clarified the definition of a business, the amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test.

IAS 1 - Presentation of Financial Statements

Amendments to its definition of material to make it easier for companies to make materiality judgements. The materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments are intended to make the definition of material easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

3.4 Others

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

4. BASIS OF PREPARATION

4.1 Overall considerations

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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in note 6. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

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

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

- Equity instruments at fair value through other comprehensive income; and
- Defined benefits plan are measured at present value of future obligations using Projected Unit Credit Method.

Furthermore, these financial statements are prepared using the accrual basis of accounting and the going concern concept.

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4.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019.

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, if any.

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

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

Subsidiaries

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

Non-controlling interests (NCI)

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

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise of interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, these financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

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

5. USE OF JUDGEMENT AND ESTIMATES

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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5.1 Judgements

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

Principles of IFRS 15 are applied by identifying each specified (i.e. distinct) good or service promised to the customer in the contract and evaluating whether the entity under consideration obtains control of the specified good or service before it is transferred to the customer. This assessment requires significant judgment based on specific facts and circumstances. (Note 29)

Consolidation

When the Group has de facto control over an investee. (Note 4)

Impairment of trade receivable

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Trade accounts receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis. (Note 14)

Leases

Lease liabilities are determined by calculating the present value of the lease payments using an appropriate discount rate. The Group uses the effective commission rate to calculate the present value of lease payments, which represents the long term incremental borrowing rate. (Note 21)

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the year ended 31 December 2019 are included in the following notes:

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

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

The useful lives and residual values of Group's assets are determined by management based on technical evaluation at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology. (Note 7 and 10)

Employees' benefits

Employee defined benefit liabilities are determined using an actuarial valuation which requires estimates to be made of the various inputs. (Note 22)

Estimate of Zakat, current and deferred income taxes

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

The final resolution of some of these items may give rise to material profits / (losses) and/or cash flows. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. (Note 23)

Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year. (Note 7, 8, 10, 11, 12 and 14)

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Determination of fair value for disposal group

Fair value less costs to sell of the disposal group on the basis of significant unobservable inputs. (Note 9)

Recognition and measurement of provisions

Key assumptions about likelihood and magnitude of an outflow of resources (Note 26 and 27)

Acquisition of subsidiary

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

Disposal/liquidation of subsidiary

Fair value of the agreed consideration (including contingent consideration) and fair value of the assets disposed and liabilities released, measured on a provisional basis. (Note 35).

5.3 Measurement of fair values

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

Significant valuation issues are reported to the Group's audit committee.

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

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

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 11 – investment property;
- Note 38 - financial instruments; and
- Note 35 – disposal of subsidiary

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Changes in accounting policies

The Company adopted IFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The effect of initially applying this standard is mainly attributed to a recognition of Right-of-use assets with a corresponding lease liability together with a reduction in retained earnings.

IFRS 16 - Leases

IFRS 16 "Leases" provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 "Leases" supersedes IAS 17 "Leases" and the related Interpretations. It is effective for accounting periods beginning on or after January 1, 2019.

The Group used modified retrospective application of IFRS 16 and recorded the cumulative impact of initial application on the date of initial application in accordance with paragraph C5(b) and C7 of IFRS 16 "Leases" therefore, the comparative information is not restated and instead, the Group has recognized the cumulative effect of initial application as an adjustment to the opening balance of retained earnings.

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IFRS - 16 Leases (continued)

IFRS 16 “Leases” substantially carries forward the lessor accounting requirements in IAS 17 “Leases”, however, it provides different accounting treatments for the lessees.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled. Control is considered to exist if the Group has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of the identified asset.

The Group applied the definition of a lease and related guidance set out in IFRS 16 “Leases” to all lease contracts entered into.

The details of new significant accounting policy and the nature are set out below:

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

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

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

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

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

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

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

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

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

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IFRS 16 Leases (continued)

Financial impact of adoption IFRS 16 is as follows:

Impact on statement of financial position

	As at 1 January 2019		
	Before application of IFRS 16	Impact	After application of IFRS 16
Property and equipment	3,373,349,367	87,379,126	3,460,728,493
Prepayments and other assets	318,992,407	(8,849,954)	310,142,453
Lease liability	-	90,551,855	90,551,855
Retained earnings	2,210,763,493	(9,818,746)	2,200,944,747

Impact on statement of profit or loss and other comprehensive income

	For the year ended 31 December 2019		
	Before application of IFRS 16	Impact	After application of IFRS 16
Selling expenses	405,359,172	5,687,759	411,046,931
Administrative expenses	502,480,166	8,531,638	511,011,804
Finance charges	64,896,791	4,625,368	69,522,159

Impact on statement of cash flows

	For the year ended 31 December 2019		
	Before application of IFRS 16	Impact	After application of IFRS 16
Net cash flow from operating activities	92,330,405	-	92,330,405
Net cash flow from investing activities	(408,720,201)	-	(408,720,201)

6.2 Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (SR), which is also the functional currency of the Group.

Foreign currency transactions and balances

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

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

However, foreign currency differences arising from the translation of the following is recognized in other comprehensive income:

- Equity instruments at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss).

Foreign operations

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

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

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Foreign operations (continued)

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

6.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

All other repair and maintenance costs are recognized in the income statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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 on disposal of an item of property and equipment is recognized in profit or loss as other income.

Subsequent expenditure

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

Depreciation

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

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

Description	Number of years
• Buildings	50 years
• Furniture and fixtures	7-10 years
• Office equipment	5 years
• Vehicles	4 years
• Aircraft, engine and spare parts (estimated residual values 10-15%)	7-20 years

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

6.4 Capital work-in-progress

Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use. When assets are ready for their intended use, they are transferred to property and equipment or investment property. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the time period that is required to complete and prepare the asset for its intended use.

6.5 Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding development costs, are not capitalized and expenditure is recognized in the statement of comprehensive income when it is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

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6.5 Intangible assets and goodwill (continued)

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

Intangible assets including software, brand name and customer list, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

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

Intangible asset

Useful economic life

• Software	5 years
• Brand name	20 years
• Customer list	10 years

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

Goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations with indefinite lives are allocated to CGUs which are also operating and reportable segments, for impairment testing as carrying amount of goodwill and licenses allocated to each of the CGUs.

The recoverable amount of a CGU is determined based on the higher of fair values less costs to sell and value-in-use calculations. Fair values less costs to sell are estimated by using the capitalized earnings approach and comparing the same with those of other entities in the same industry within the region.

The calculation of value in use is most sensitive to the following assumptions:

- Gross margin
- Discount rates
- Market share during the budget period
- Growth rate used to extrapolate cash flows beyond the budget period

Discount rates — Discount rates represent the current market assessment of the risks specific to each cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly-available market data.

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6.6 Business combinations

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

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

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

6.7 Investment property

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

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

Cost model

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

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

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

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

6.8 Impairment testing of non-financial assets

Disclosures relating to impairment of non-financial assets are summarized in the following notes:

Accounting policy disclosures

Disclosures for significant assumptions and estimation uncertainties

Property and equipment

Intangible assets

Goodwill and intangible assets with indefinite lives

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

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

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6.8 Impairment testing of non-financial assets (continued)

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

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

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

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

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

6.9 Investment in subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Investments in subsidiaries that have not been consolidated due to in-significance are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group; plus
- any costs directly attributable to the acquisition of the subsidiary.

All subsidiaries have a reporting date of 31 December.

6.10 Investment in equity-accounted associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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6.10 Investment in associates and joint ventures (continued)

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the loss as impairment loss of an associate and a joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

6.11 Non-current assets held for sale

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

6.12 Trade receivables

Trade receivables are carried at original invoice amount less impairment losses at an amount equal to the lifetime ECLs. When account receivable is uncollectible, it is written-off against the impairment losses. Any subsequent recoveries of amounts previously written-off are credited against "Impairment losses on trade and other receivables" in the consolidated statement of profit or loss and other comprehensive income.

6.13 Cash and cash equivalents

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

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

6.14 Equity, reserves, dividends and treasury shares

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

Retained earnings include all current and prior period profits.

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

Share premium

Share premium represents the excess consideration received by the Group over the par value of ordinary shares issued, and is classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from share premium.

Treasury shares

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

Other reserves

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

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

i. Foreign currency translation reserve

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

ii. Fair value reserve

The fair value reserve comprises gains and losses on the fair value movements of the Group's available for sale investments.

iii. Staff general reserve fund

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

iv. Charity fund reserve

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

Statutory reserve

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

Dividend payments

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

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in profit or loss.

6.15 Employees' end of service benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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Defined benefit plans (continued)

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in OCI. The Group determines the net finance expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net finance expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

6.16 Zakat and income tax

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

Zakat and foreign subsidiaries income tax are charged in profit or loss.

Current tax

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

Deferred tax

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

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

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

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

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

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

6.17 Provisions

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

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6.17 Provisions (continued)

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

6.18 Borrowing costs

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

6.19 Payables and accruals

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

6.20 Share-based payments

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

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

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

The cumulative expense recognized for ESOP at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of Options that will ultimately vest.

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

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

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6.21 Revenue

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

The following is a description of principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments (see note 39).

Ticketing segment

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

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

Tourism segment

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

For bundled packages, the Group accounts for individual services separately if they are distinct – i.e. if a service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the hotel booking and airline ticket. For items that are not sold separately – e.g. customer loyalty program – the Group estimates stand-alone selling prices using the adjusted market assessment approach.

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

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Transportation segment

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

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

Property rentals segment

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

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

Hospitality segment

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

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

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

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

6.22 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

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6.23 Finance income and finance costs

The Group's finance income and finance costs include:

- Tawaruq / Murabaha income on Sharia Compliant facilities and profit margin on other facilities;
- Tawaruq / Murabaha charges on Sharia Compliant facilities and profit on other facilities;

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

6.24 Operating expenses

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

6.25 Selling, administrative and other expenses

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

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7. PROPERTY AND EQUIPMENT

	Land & buildings	Furniture & fixtures	Office Equipment	Vehicles	Air Conditioners	Telecom & Security systems	Tools & Hardware	Aircrafts	Right-of-use assets	Total
Cost:										
Balance at 1 January 2018	2,962,141,478	204,850,641	87,920,861	268,375,497	34,095,787	30,056,628	27,965,182	101,285,428	-	3,716,691,502
Additions	8,057,183	9,037,900	4,145,442	209,639,594	1,406,697	2,850,857	886,839	-	-	236,024,512
Transfer from capital work in progress	-	-	23,636	1,317,392	-	-	2,000	-	-	1,343,028
Disposals during the year	-	(21,327,904)	(4,544,480)	(65,729,299)	(1,212,735)	(601,465)	(1,805,954)	(101,285,428)	-	(196,507,265)
Effect of movement in exchange rates	(142,692)	(586,932)	(1,426,028)	(134,156)	(1,976)	(2,142)	(4,097)	-	-	(2,298,023)
Balance at 31 December 2018	2,970,055,969	191,973,705	86,119,431	413,469,028	34,287,773	32,303,878	27,043,970	-	-	3,755,253,754
Effect of transition to IFRS 16	-	-	-	-	-	-	-	-	87,379,126	87,379,126
Balance at 1 January 2019	2,970,055,969	191,973,705	86,119,431	413,469,028	34,287,773	32,303,878	27,043,970	-	87,379,126	3,842,632,880
Additions	40,555,174	20,490,022	36,818,932	478,507,470	318,281	3,624,334	2,416,400	-	-	582,730,613
Transfer from capital work in progress	-	35,789,860	-	-	-	-	-	-	-	35,789,860
Disposals during the year	(51,165,268)	(7,044,272)	(15,946,334)	(149,249,843)	(398,375)	(497,972)	(75,976)	-	-	(224,378,040)
Effect of movement in exchange rates	2,050,994	774,519	844,622	3,114,065	26,760	34,373	3,428	-	-	6,848,761
Balance at 31 December 2019	2,961,496,869	241,983,834	107,836,651	745,840,720	34,234,439	35,464,613	29,387,822	-	87,379,126	4,243,624,074

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7. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office Equipment	Vehicles	Air Conditioners	Telecom & Security systems	Tools & Hardware	Aircrafts	Right-of-use assets	Total
Accumulated depreciation:										
Balance at 1 January 2018	114,234,870	73,482,351	40,044,189	49,573,625	9,659,465	8,550,761	7,962,034	29,119,560	-	332,626,855
Charge for the year	14,283,390	26,564,913	13,757,600	64,890,033	4,756,262	5,482,308	2,459,780	1,899,102	-	134,093,388
Disposals	-	(11,558,306)	(3,335,161)	(34,589,174)	(259,478)	(557,856)	(1,804,468)	(31,018,662)	-	(83,123,105)
Effect of movement in exchange rates	(25,717)	(302,809)	(1,294,893)	(63,108)	(1,152)	(1,163)	(3,909)	-	-	(1,692,751)
Balance at 31 December 2018	128,492,543	88,186,149	49,171,735	79,811,376	14,155,097	13,474,050	8,613,437	-	-	381,904,387
Charge for the year	13,793,084	24,079,024	14,124,550	105,481,286	4,526,509	5,780,119	2,375,688	-	14,219,397	184,379,657
Disposals	(4,528,080)	(5,259,439)	(15,883,442)	(67,717,832)	(254,531)	(306,157)	(75,971)	-	-	(94,025,452)
Effect of movement in exchange rates	133,028	432,081	791,433	1,359,976	20,078	24,205	192	-	167,970	2,928,963
Balance at 31 December 2019	137,890,575	107,437,815	48,204,276	118,934,806	18,447,153	18,972,217	10,913,346	-	14,387,367	475,187,555
Carrying amounts :										
At 1 January 2018	2,847,906,608	131,368,290	47,876,672	218,801,872	24,436,322	21,505,867	20,003,148	72,165,868	-	3,384,064,647
At 31 December 2018	2,841,563,426	103,787,556	36,947,696	333,657,652	20,132,676	18,829,828	18,430,533	-	-	3,373,349,367
At 31 December 2019	2,823,606,294	134,546,019	59,632,375	626,905,914	15,787,286	16,492,396	18,474,476	-	72,991,759	3,768,436,519

Land and buildings include lands amounting to SR 2.2 billion (31 December 2018: SR 2.2 billion; 1 January 2018: SR 2.4 billion) which are not depreciated. Included within the vehicles is a net book value amount of SR 625 million (31 December 2018: 330 million; 1 January 2018: 215 million) in respect of vehicles used in the car rental business to customers.

There has been an impairment of SR nil in land and buildings related to Olaya Hotel, Mazar Hotel and Naseem Jeddah as at 31 December 2019 (31 December 2018: SR nil and 1 January 2018: SR 66 million).

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7. PROPERTY AND EQUIPMENT (continued)

Depreciation charge for the year has been allocated as follows:

	2019	2018
Cost of revenue	147,140,977	99,865,226
Selling expenses (note 30)	14,412,743	14,094,879
Administrative expenses (note 31)	22,825,937	20,133,283
	184,379,657	134,093,388

8. CAPITAL WORK IN PROGRESS

	Prince Majed hotel project	Call center project - Egypt	Renovation project	CRM data integration project	SAP accounting software	Service center	ERP software development	Total
Balance at 1 January 2018	60,008,540	-	-	-	68,901,060	3,237,760	-	132,147,360
Additions	30,911,806	781,984	-	985,214	15,372,764	1,074,542	-	49,126,310
Transfer to property and equipment	-	-	-	-	-	(1,343,029)	-	(1,343,029)
Transfer to intangible assets and goodwill	-	-	-	-	(82,263,978)	-	-	(82,263,978)
Balance at 31 December 2018	90,920,346	781,984	-	985,214	2,009,846	2,969,273	-	97,666,663
Additions	115,548,457	28,672,047	11,292,629	4,632,004	9,010,490	402,659	47,693,324	217,251,610
Transfer to property and equipment	-	(29,454,031)	(6,335,829)	-	-	-	-	(35,789,860)
Transfer to intangible assets and goodwill	-	-	-	-	(11,020,336)	-	-	(11,020,336)
Balance at 31 December 2019	206,468,803	-	4,956,800	5,617,218	-	3,371,932	47,693,324	268,108,077

In the opinion of management, there has been no impairment in the carrying value of the Group's capital work in progress as at 31 December 2019 (31 December 2018: SR nil and 1 January 2018: SR nil).

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9. CAPITAL WORK IN PROGRESS – RECOVERABLE ON DISPOSAL

	31 December	31 December	1 January
	<u>2019</u>	<u>2018</u>	<u>2018</u>
Capital work in progress	359,747,097	359,747,097	359,747,097

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

In the opinion of management, there has been no impairment in the carrying value of the Group's capital work in progress - recoverable on disposal as at 31 December 2019 (31 December 2018: SR nil and 1 January 2018: SR nil).

10. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Software	Brand name	Customer list	Total
Cost					
Balance at 1 January 2018	300,310,523	17,662,320	31,065,394	20,300,366	369,338,603
Additions	-	3,614,915	107,854	-	3,722,769
Elimination on liquidation	(4,868,970)	-	-	-	(4,868,970)
Transfer from capital work in progress	-	82,263,978	-	-	82,263,978
Effect of movement in exchange rates	(2,200,601)	(462,421)	(1,686,922)	(1,116,586)	(5,466,530)
Balance at 31 December 2018	293,240,952	103,078,792	29,486,326	19,183,780	444,989,850
Additions	25,353,779	110,359,404	3,304,654	2,766,277	141,784,114
Disposal	(13,805,118)	(998,217)	-	-	(14,803,335)
Transfer from capital work in progress	-	11,020,336	-	-	11,020,336
Effect of movement in exchange rates	2,020,605	173,198	1,154,694	762,688	4,111,185
Balance at 31 December 2019	306,810,218	223,633,513	33,945,674	22,712,745	587,102,150
Accumulated amortization and impairment					
Balance at 1 January 2018	182,622,655	4,795,408	6,200,594	6,923,056	200,541,713
Amortization	-	9,377,694	1,157,922	2,000,575	12,536,191
Impairment loss	6,965,504	-	-	-	6,965,504
Effect of movement in exchange rates	-	(258,421)	(384,606)	(462,987)	(1,106,014)
Balance at 31 December 2018	189,588,159	13,914,681	6,973,910	8,460,644	218,937,394
Amortization	-	22,447,628	1,272,063	2,178,919	25,898,610
Disposal	(13,805,118)	(998,217)	-	-	(14,803,335)
Effect of movement in exchange rates	-	112,955	315,917	415,552	844,424
Balance at 31 December 2019	175,783,041	35,477,047	8,561,890	11,055,115	230,877,093
Carrying amounts					
At 1 January 2018	117,687,868	12,866,912	24,864,800	13,377,310	168,796,890
At 31 December 2018	103,652,793	89,164,111	22,512,416	10,723,136	226,052,456
At 31 December 2019	131,027,177	188,156,466	25,383,784	11,657,630	356,225,057

Amortization charge for the year has been allocated as follows:

	<u>2019</u>	<u>2018</u>
Cost of revenue	3,705,818	-
Selling expenses (note 30)	8,506,535	5,014,476
Administrative expenses (note 31)	13,686,257	7,521,715
	<u>25,898,610</u>	<u>12,536,191</u>

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10.1 Impairment test

Goodwill related to Group's subsidiary in Egypt has been eliminated on liquidation. The total impairment loss with regards to Group's subsidiaries subject to impairment, for all the years up to 31 December 2019 is as follows.:

	31 December 2019	31 December 2018	1 January 2018
Al Tayyar Tours Company	26,297,274	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372	13,390,372
E Al Tayyar Tourism Company	-	13,805,118	13,805,118
Nile Holidays Tourism Company	13,603,448	13,603,448	13,603,448
Lena Tours and Travel	2,718,479	2,718,479	2,718,479
Lumi Rental Company	44,500,000	44,500,000	44,500,000
Connecting Trade & Services	7,569,646	7,569,646	7,569,646
Fayfa Travel & Tourism Agency Company	16,846,286	16,846,286	16,846,286
Hanay Trading Company Limited	7,735,408	7,735,408	7,735,408
Al Hanove Tourism and Services Company	36,156,624	36,156,624	36,156,624
Almosafer Company for Travel and Tourism	6,965,504	6,965,504	-
	175,783,041	189,588,159	182,622,655

Impairment testing for CGUs containing goodwill

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

	31 December 2019	31 December 2018	1 January 2018
National Travel and Tourism Bureau Limited	6,212,311	6,212,311	6,212,311
Al Sarh Travel and Tourism Limited	11,600,000	11,600,000	11,600,000
E Al Tayyar Tours Company	26,297,274	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372	13,390,372
E Al Tayyar Tourism Company	-	13,805,118	13,805,118
Nile Holidays Tourism Company	13,603,448	13,603,448	13,603,448
Lena Tours and Travel	2,718,479	2,718,479	2,718,479
Lumi Rental Company	44,500,000	44,500,000	44,500,000
Al Mousim Travel and Tours	13,750,000	13,750,000	13,750,000
Jawlah Tours Establishment for Tourism	1,578,247	1,578,247	1,578,247
Mawasim Tourism and Umrah Services	21,235,000	21,235,000	21,235,000
Elegant Resorts Limited and subsidiaries	37,517,662	37,517,662	37,517,662
Al Hanove Tourism and Services Company	36,156,624	36,156,624	36,156,624
Mawasem Limited (formerly Co-op Group Travel 1 Limited)	11,652,929	11,652,929	11,652,929
Connecting Trade & Services	7,569,646	7,569,646	7,569,646
Fayfa Travel & Tourism Agency Company	16,846,286	16,846,286	16,846,286
Hanay Trading Company Limited	7,735,408	7,735,408	7,735,409
Almosafer Company for Travel and Tourism	18,434,785	18,434,785	18,434,785
Calculus Technologies LLC	-	-	4,868,970
Ian Allan (Retail and Travel) Limited*	14,993,434	-	-
IF Only Holidays Limited *	10,360,345	-	-
Effect of foreign currency translation	(9,342,032)	(11,362,637)	(9,162,037)
	306,810,218	293,240,952	300,310,523

Subsidiaries in the United Kingdom

The recoverable amount of these CGUs were based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

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Subsidiaries in the United Kingdom (continued)

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	<u>2019</u>	<u>2018</u>
Discount rate	11%	12%
Terminal value growth rate	2%	2%
Budgeted EBITDA growth rate (average of next five years)	31%	7%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

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

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

	Travel and Tours	
	<u>2019</u>	<u>2018</u>
Discount rate	33%	24%
Budgeted EBITDA growth rate (average of next five years)	30%	(58%)

Subsidiaries in the Kingdom of Saudi Arabia

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	<u>2019</u>	<u>2018</u>
Discount rate	12%	12%
Terminal value growth rate	3%	3%
Budgeted EBITDA growth rate (average of next five years)	17%	13%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

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

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Subsidiaries in the Kingdom of Saudi Arabia (continued)

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

	Travel and Tours	
	<u>2019</u>	<u>2018</u>
Discount rate	27%	27%
Budgeted EBITDA growth rate (average of next five years)	10%	4%

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11. INVESTMENT PROPERTY

	Land	Buildings	Furniture & fixture	Electrical equipment	Hotel Tools	Total
Cost:						
Balance at 1 January 2018	502,760,726	617,151,975	12,191,809	1,051,426	5,106,664	1,138,262,600
Additions	-	-	-	-	-	-
As at 31 December 2018	502,760,726	617,151,975	12,191,809	1,051,426	5,106,664	1,138,262,600
Additions	-	-	-	-	-	-
As at 31 December 2019	502,760,726	617,151,975	12,191,809	1,051,426	5,106,664	1,138,262,600
Accumulated depreciation:						
Balance at 1 January 2018	6,955,216	65,648,438	5,062,071	266,522	1,354,552	79,286,799
Charge for the year	-	12,262,937	2,438,239	194,212	1,021,333	15,916,721
As at 31 December 2018	6,955,216	77,911,375	7,500,310	460,734	2,375,885	95,203,520
Charge for the year	-	11,909,655	2,089,921	180,141	944,883	15,124,600
As at 31 December 2019	6,955,216	89,821,030	9,590,231	640,875	3,320,768	110,328,120
Carrying amount:						
At 1 January 2018	495,805,510	551,503,537	7,129,738	784,904	3,752,112	1,058,975,801
At 31 December 2018	495,805,510	539,240,600	4,691,499	590,692	2,730,779	1,043,059,080
At 31 December 2019	495,805,510	527,330,945	2,601,578	410,551	1,785,896	1,027,934,480

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11. INVESTMENT PROPERTY (continued)

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

	<u>2019</u>	<u>2018</u>
Rental income from investment property	78,350,088	86,368,916
Operating expenses generating rental income	(15,124,599)	(15,823,296)
Direct expenses not generating rental income	(7,821,612)	(7,192,840)

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

The fair value of these investment properties is amounting to SR 1.53 billion (31 December 2018: SR 1.28 billion and 1 January 2018: SR 1.23 billion)

Furnished apartments in Taif had a net book value of SR 22.43 million (31 December 2018: SR 22.73 million and 1 January 2018: SR 43.09 million) and having a fair value of SR 33.6 million (31 December 2018: SR 22.9 million and 1 January 2018: SR 23.8 million).

11.1 Measurement of fair values

Fair value hierarchy

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

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

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

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

Significant unobservable inputs used are as follows:

- Expected market rental growth
- Occupancy rate
- Risk-adjusted discount rate 6.9% (31 December 2018: 6.5% and 1 January 2018: 8.75%)

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

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

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12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

	31 December 2019	31 December 2018	1 January 2018
Balance brought forward	50,098,827	921,489,825	1,041,771,975
Additions	18,433,296	-	18,479,001
Share of loss from associates	(7,185,213)	(67,073,502)	(127,838,764)
Impairment	-	(6,419,483)	-
Disposal	(24,990,641)	(797,898,013)	(11,192,387)
Re-classed to non-current asset held for sale	(13,533,296)	-	-
Balance carried forward	22,822,973	50,098,827	921,489,825

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

Carrying value of investment in equity accounted associates – Unquoted

Associate name	Percentage holding			31 December 2019	31 December 2018	1 January 2018
	31 December 2019	31 December 2018	1 January 2018			
Al Shamel International Holding Co. KSC (ASI)	-	30%	30%	-	24,990,641	23,318,009
Taqniattech Company for Communication Technology JV (TAQJV)	70%	70%	70%	-	-	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	49%	49%	49%	-	-	-
Voyage Amro Travel (VAT)	49%	49%	49%	-	-	6,419,483
2Share Emerging Technology (TSET)	35%	35%	35%	-	-	-
Net Tours & Travels LLC (NT)	44.3%	44.3%	44.3%	-	-	-
Careem Inc. (CIL)*	-	14.7%	14.7%	13,533,296	-	9,268,648
Saudi Heritage Hospitality Company (SHHC)	20%	20%	20%	8,962,918	9,487,560	9,872,522
Equinox Group Limited (EGL)	40%	40%	40%	13,460,055	13,714,668	13,843,765
Thakher Investment and Real Estate Co. (TIREC)	-	-	30%	-	-	801,600,100
Wadi Middle East S.A.R.L. (WME)	33.3%	33.3%	33.3%	-	-	51,055,338
CHME Limited (CHM)	40%	40%	40%	-	1,905,958	6,111,960
Riyadh Front for Exhibitions and Conventions	40%	-	-	400,000	-	-
				36,356,269	50,098,827	921,489,825
Reclassification						
*Non-current asset held for sale (CIL)				(13,533,296)	-	-
				22,822,973	50,098,827	921,489,825

*The Company reclassified its investment in Careem Inc. from equity accounted associate to non-current asset held for sale in these consolidated financial statements, as the legal and regulatory matters relating to the above arrangement were cleared by the relevant authorities on 30 December 2020.

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12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES (continued)

Movement of equity accounted associates - Unquoted

	31 December 2018	Share of (loss)	Additions	Disposal	31 December 2019
Al Shamel International Holding Co. KSC (ASI)	24,990,641	-	-	(24,990,641)	-
Voyage Amro Travel (VAT)	-	-	-	-	-
Careem Inc. (CIL)	-	(4,500,000)	18,033,296	-	13,533,296
Saudi Heritage Hospitality Company (SHHC)	9,487,560	(524,642)	-	-	8,962,918
Equinox Group Limited (EGL)	13,714,668	(254,613)	-	-	13,460,055
Thakher Investment and Real Estate Co. (TIREC)	-	-	-	-	-
Wadi Middle East S.A.R.L. (WME)	-	-	-	-	-
CHME Limited (CHM)	1,905,958	(1,905,958)	-	-	-
Riyadh Front for Exhibitions and Conventions	-	-	400,000	-	400,000
	50,098,827	(7,185,213)	18,433,296	(24,990,641)	36,356,269

	1 January 2018	Share of profit / (loss)	Impairment	Disposal	31 December 2018
Al Shamel International Holding Co. KSC (ASI)	23,318,009	1,672,632	-	-	24,990,641
Voyage Amro Travel (VAT)	6,419,483	(6,419,483)	-	-	-
Careem Inc. (CIL)	9,268,648	(9,268,648)	-	-	-
Saudi Heritage Hospitality Company (SHHC)	9,872,522	(384,962)	-	-	9,487,560
Equinox Group Limited (EGL)	13,843,765	(129,097)	-	-	13,714,668
Thakher Investment and Real Estate Co. (TIREC)	801,600,100	(3,702,087)	-	(797,898,013)	-
Wadi Middle East S.A.R.L. (WME)	51,055,338	(51,055,338)	-	-	-
CHME Limited (CHM)	6,111,960	(4,206,002)	-	-	1,905,958
	921,489,825	(67,073,502)	(6,419,483)	(797,898,013)	50,098,827

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

	Country of incorporation/ listing	Total assets*	Total liabilities*	Net assets*	Revenues*	Profit/(loss) after tax*
2019						
Al Shamel International Holding Co. KSC (ASI)	Kuwait	-	-	-	-	-
Wadi Middle East S.A.R.L. (WME)	Luxembourg	-	-	-	-	-
		-	-	-	-	-
2018						
Al Shamel International Holding Co. KSC (ASI)	Kuwait	79,484,685	20,037,305	59,447,380	239,025,445	4,337,553
Wadi Middle East S.A.R.L. (WME)	Luxembourg	107,011,976	458,992,137	(351,980,161)	66,665,515	(156,348,549)
		186,496,661	479,029,442	(292,532,781)	305,690,960	(152,010,996)

12. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES (continued)

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	Country of incorporation / listing	Loss after tax*
2019		
Saudi Heritage Hospitality Company (SHHC)	Saudi Arabia	(2,623,207)
Equinox Group Limited (EGL)	United Arab Emirates	(636,533)
CHME Limited (CHM)	United Arab Emirates	(5,307,330)
		<u>(8,567,070)</u>
2018		
Saudi Heritage Hospitality Company (SHHC)	Saudi Arabia	(1,924,808)
Equinox Group Limited (EGL)	United Arab Emirates	(322,741)
CHME Limited (CHM)	United Arab Emirates	(10,515,004)
		<u>(12,762,553)</u>

*These represent amounts reported from un-audited financial statements for the year ended 31 December 2019 and 2018.

13. EQUITY INVESTMENTS

Name of security	Classification	31 December 2019	31 December 2018	1 January 2018
Taif Investments and Tourism Company	FVOCI – equity instrument	-	-	1,000,000
Saudi Arabian Oil Company	FVOCI – equity instrument	9,559,871	-	-
SAIB Trade Finance Fund	FVOCI – equity instrument	50,230,877	57,032,675	-
ANB_06-01-2019_ICAP	Financial assets at	45,000,000	40,298,278	-
Impairment	amortized cost	-	-	(1,000,000)
		<u>104,790,748</u>	<u>97,330,953</u>	<u>-</u>

During the year the Group has recorded a dividend income of SR 1.2 million and a realized gain from sale of an investment for SR 1.9 million (31 December 2018: SR 0.3 million). The unrealized gain resulted from the fair value of quoted investments amounting SR 0.9 million (31 December 2018: SR 0.2 million) has been recognized in other comprehensive income and a corresponding impact in other reserves in consolidated statement of changes in equity.

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 38.

14. TRADE AND OTHER RECEIVABLES

	31 December 2019	31 December 2018	1 January 2018
Trade receivables	1,564,565,059	1,446,129,842	1,999,373,287
Impairment allowances	(217,536,660)	(192,190,781)	(262,486,318)
	<u>1,347,028,399</u>	<u>1,253,939,061</u>	<u>1,736,886,969</u>
Other receivables:			
Accrued incentives	145,385,700	116,680,602	63,219,948
Employees' receivables	22,933,328	9,921,441	13,951,748
Taxes	21,961,561	6,253,073	5,314,971
Consumables	3,392,780	3,804,197	8,160,016
Accrued finance income	11,663	48,313	690,306
Receivable from disposal of Thakher Investment and Real Estate Company	-	300,000,000	-
Others	43,190,504	53,982,790	35,902,813
	<u>236,875,536</u>	<u>490,690,416</u>	<u>127,239,802</u>
	<u>1,583,903,935</u>	<u>1,744,629,477</u>	<u>1,864,126,771</u>

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 38.

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15. PREPAYMENTS AND ADVANCES

	31 December 2019	31 December 2018	1 January 2018
Prepayments			
Rents	5,971,663	15,422,472	16,163,387
Insurance	16,269,441	15,426,056	16,520,123
Subscription fees	12,523,030	2,212,058	841,284
Others	14,365,924	3,683,118	5,990,654
	49,130,058	36,743,704	39,515,448
Other advances			
Advances to suppliers	412,100,152	364,713,130	240,427,719
Impairment of other receivables	(129,154,593)	(129,062,438)	(13,000,000)
Write off during the year	-	-	(5,700,495)
	282,945,559	235,650,692	221,727,224
Advances for letter of guarantee margins (see note 27)	39,006,550	41,207,887	28,698,917
Other advances	15,435,235	5,390,124	5,074,564
	337,387,344	282,248,703	255,500,705
	386,517,402	318,992,407	295,016,153

16. SHORT TERM INVESTMENT

The Group made a short term investment as Murabaha Investments for a period of four months on agreed commercial terms amounting to SR nil (31 December 2018: 400 million and 1 January 2018 SR nil).

17. CASH AND CASH EQUIVALENTS

	31 December 2019	31 December 2018	1 January 2018
Cash in hand	5,969,600	5,791,466	7,289,806
Bank balances – current account	343,693,587	254,607,747	469,587,040
Call deposits	-	-	504,321,786
Cash held with fund manager	-	3,488,679	-
Cash and cash equivalents in the statement of financial position	349,663,187	263,887,892	981,198,632
Cash held with fund manager	-	(3,488,679)	-
Bank overdrafts used for cash management purposes	(5,169,582)	(31,304,212)	(10,399,165)
Cash and cash equivalents in the statement of cash flows	344,493,605	229,095,001	970,799,467

Call deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, which earn finance income at the respective short-term deposit rates.

At 31 December 2019, the Group had undrawn committed borrowing facilities available of SR nil (31 December 2018: SR nil and 1 January 2018: SR 504 million).

18. CAPITAL AND RESERVES

Share capital

	31 December 2019	31 December 2018	1 January 2018
Ordinary shares			
At the beginning of the year	209,650,000	209,650,000	209,650,000
Bonus shares	90,350,000	-	-
Issued and fully paid	300,000,000	209,650,000	209,650,000
Par value @ SR 10 each	3,000,000,000	2,096,500,000	2,096,500,000

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

Ordinary shares

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

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Share premium, statutory reserves and other reserves

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

Dividends

The board of directors of the Group during its meeting dated 8 February 2018 approved dividends for the financial results of the year ended 31 December 2017 amounting to SAR 104.8 million (SAR 0.5 per share) and were paid on 21 February 2018 (1 January 2018: SR 104.8 million).

Other comprehensive income accumulated in reserves, net of tax

	Attributable to owners of the parent			Total	NCI	Total OCI
	Translation reserve	Fair value reserve	Retained earnings			
31 December 2019						
Foreign operations – foreign currency translation differences	12,335,200	-	-	12,335,200	-	12,335,200
Equity investments - FVOCI	-	938,860	-	938,860	-	938,860
Re-measurement of defined benefit liability	-	-	12,969,179	12,969,179	53,412	13,022,591
	12,335,200	938,860	12,969,179	26,243,239	53,412	26,296,651

	Attributable to owners of the parent			Total	NCI	Total OCI
	Translation reserve	Fair value reserve	Retained earnings			
31 December 2018						
Foreign currency translation differences	(12,499,550)	-	-	(12,499,550)	-	(12,499,550)
Equity investments - FVOCI	-	181,675	-	181,675	-	181,675
Re-measurement of defined benefit liability	-	-	(2,234,991)	(2,234,991)	(523,161)	(2,758,152)
	(12,499,550)	181,675	(2,234,991)	(14,552,866)	(523,161)	(15,076,027)

Employee Stock option program (ESOP)

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

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

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

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

The total expense related to the program for the year ended December 31, 2019 was charged to employees’ benefit expense with a corresponding increase in the statement of changes in equity in accordance with the requirements of the International Financial Reporting Standard No. (2) “Share-based Payment”.

The ESOP 2019 was granted on April 1, 2019 corresponding to (25 Rajab 1440 A.H). The number of shares granted under the 3 years program is 2,390,000.

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

	31 December 2019	31 December 2018	1 January 2018
Granted during the year	2,390,000	-	-

The fair value per Option is estimated at the grant date using the Black Scholes Merton pricing model, taking into account the terms and conditions upon which the share options were granted.

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Employee Stock option program (ESOP) (continued)

Inputs to the Model	ESOP 2019
Dividend yield	5.12%
Expected Volatility	67%
Risk Free interest rate	2.77%
Contractual life of share option	3 years
Share price in (SAR) at grant date	20.51
Exercise price in (SAR) at grant date	-
Fair value in (SAR) per option using Black Scholes Merton	17.59

Treasury shares

The following table shows movement during the year:

	31 December 2019	31 December 2018	1 January 2018
Acquired during the year	64,900,000	-	-

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19. NON-CONTROLLING INTERESTS (NCI)

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

31 December 2019

NCI percentage	MWT 49	ASTT 20	AHTS 30	HTCL 20	MCT 40	JTET 49	FIT 40	FTTSB 20	CTS 49	Total
Non-current assets	1,503,399	10,411,061	6,047,900	5,384,770	-	566,903	309,270	-	395,947	24,619,250
Current assets	61,515,542	79,766,493	23,745,941	30,008,214	-	6,904,584	287,735	-	10,345,694	212,574,203
Non-current liabilities	(4,932,551)	(11,379,734)	(1,045,747)	(229,842)	-	(554,579)	(65,881)	-	(65,833)	(18,274,167)
Current liabilities	(49,025,870)	(55,930,354)	(15,497,773)	(63,966,157)	-	(6,683,083)	(156,154)	-	(10,548,031)	(201,807,422)
Net assets	9,060,520	22,867,466	13,250,321	(28,803,015)	-	233,825	374,970	-	127,777	17,111,864
Net assets attributable to NCI	2,886,371	3,105,806	6,991,799	(5,792,995)	-	180,755	329,950	-	926,172	8,627,858
Revenue	169,617,503	43,234,078	5,115,946	277,280	-	9,865,181	-	-	5,163,409	233,273,397
Profit	613,065	9,778,518	2,182,722	(3,281,771)	-	1,147,773	-	-	952,069	11,392,376
OCI	(11,666)	590,742	(191,715)	-	-	(3,071)	-	-	-	384,290
Total comprehensive income	601,399	10,369,260	1,991,007	(3,281,771)	-	1,144,702	-	-	952,069	11,776,666
Profit allocated to NCI	300,402	1,955,703	654,817	(656,354)	-	562,408	-	-	466,514	3,283,490
OCI allocated to NCI	(5,716)	118,148	(57,515)	-	-	(1,505)	-	-	-	53,412
Cash flows from operating activities	(307,306)	14,848,281	1,453,650	(565,357)	-	127,097	-	-	331,823	15,888,188
Cash flows from investment activities	731,955	(3,337,877)	(354,406)	554,785	-	567,822	-	-	67,545	(1,770,176)
Cash flows from financing activities	-	(1,812,266)	-	-	-	-	-	-	-	(1,812,266)
Net increase/(decrease) in cash and cash equivalents	424,649	9,698,138	1,099,244	(10,572)	-	694,919	-	-	399,368	12,305,746

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

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

31 December 2018

NCI percentage	MWT 49	ASTT 20	AHTS 30	HTCL 20	MCT 40	JTET 49	FIT 40	FTTSB 20	CTS 49	Total
Non-current assets	2,235,354	7,073,184	5,693,493	5,939,555	-	1,134,725	309,270	-	463,492	22,849,073
Current assets	56,232,754	87,846,118	16,748,976	27,442,207	-	6,135,419	287,735	-	9,874,095	204,567,304
Non-current liabilities	(4,346,340)	(9,118,280)	(592,685)	(499,326)	-	(419,297)	(65,881)	-	(62,209)	(15,104,018)
Current liabilities	(44,841,939)	(63,922,693)	(11,554,127)	(58,403,681)	-	(7,761,723)	(156,154)	-	(11,099,670)	(197,739,987)
Net assets	9,279,829	21,878,329	10,295,657	(25,521,245)	-	(910,876)	374,970	-	(824,292)	14,572,372
Net assets attributable to NCI	2,591,685	2,844,221	6,394,497	(5,136,640)	-	(380,149)	329,950	-	459,658	7,103,222
Revenue	190,833,148	35,497,604	4,523,671	17,377,447	-	1,008,361	-	-	5,163,409	254,403,640
Profit	4,448,379	9,061,333	2,173,372	(9,957,601)	-	(490,120)	-	-	952,069	6,187,432
OCI	(187,944)	(215,725)	(55,947)	2,064	-	(65,609)	-	-	-	(523,161)
Total comprehensive income	4,260,435	8,845,608	2,117,425	(9,955,537)	-	(555,729)	-	-	952,069	5,664,271
Profit allocated to NCI	2,179,705	1,812,267	652,011	(1,991,520)	-	(240,159)	-	-	466,514	2,878,818
OCI allocated to NCI	(187,944)	(215,725)	(55,947)	2,064	-	(65,609)	-	-	-	(523,161)
Cash flows from operating activities	(22,040,926)	6,999,853	630,324	(620,004)	-	(98,661)	-	-	8,183,835	(6,945,579)
Cash flows from investment activities	(1,385,992)	630,649	299,852	851,702	-	98,661	-	-	(78,731)	416,141
Cash flows from financing activities	(14,751,446)	(2,505,126)	-	-	-	-	-	-	(9,360,514)	(26,617,086)
Net increase/(decrease) in cash and cash equivalents	(38,178,364)	5,125,376	930,176	231,698	-	-	-	-	(1,255,410)	(33,146,524)

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

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

1 January 2018

NCI percentage	MWT 49	ASTT 20	AHTS 30	HTCL 20	MCT 40	JTET 49	FIT 40	FTTSB 20	CTS 49	Total
Non-current assets	849,362	7,703,833	5,993,345	6,791,258	1,748,106	1,233,386	309,270	170,440	384,761	25,183,761
Current assets	62,695,535	65,461,381	15,071,167	13,081,492	72,700,540	6,380,889	287,735	3,199,087	22,854,045	261,731,871
Non-current liabilities	(3,473,355)	(7,765,034)	(306,730)	(1,122,576)	(993,807)	(140,169)	(65,881)	-	(62,209)	(13,929,761)
Current liabilities	(57,283,224)	(44,002,765)	(10,763,138)	(34,122,681)	(76,324,042)	(7,760,966)	(156,154)	(1,831,104)	(24,335,749)	(256,579,823)
Net assets	2,788,318	21,397,415	9,994,644	(15,372,507)	(2,869,203)	(286,860)	374,970	1,538,423	(1,159,152)	16,406,048
Net assets attributable to NCI	599,923	7,008,130	5,798,433	(3,147,185)	(1,450,043)	(74,381)	329,950	282,526	(6,855)	9,340,498
Revenue	183,276,780	39,238,495	3,201,213	29,815,019	18,120,206	1,008,361	-	840,541	3,454,084	278,954,699
Profit	(831,960)	7,150,708	1,241,913	(11,235,133)	(16,005,139)	(440,583)	-	39,043	(836,156)	(20,917,307)
OCI	20,499	517,051	(92,684)	111,752	52,428	60,458	-	-	--	669,504
Total comprehensive income	(811,461)	7,667,759	1,149,229	(11,123,381)	(15,952,711)	(380,125)	-	39,043	(836,156)	(20,247,803)
Profit allocated to NCI	(407,660)	1,430,142	372,574	(2,247,027)	(6,402,056)	(215,885)	-	282,526	(409,717)	(7,597,103)
OCI allocated to NCI	20,499	517,051	(92,684)	111,752	52,428	60,458	-	-	-	669,504
Cash flows from operating activities	49,733,953	282,797	(2,685,579)	(4,879,216)	19,091,628	2,165,232	-	117,068	(8,443,340)	55,382,543
Cash flows from investment activities	(7,740)	2,098,094	196,394	489,148	(363,072)	(1,007,948)	-	(120,554)	(94,511)	1,189,811
Cash flows from financing activities	(14,751,446)	(2,505,126)	-	-	2,240,020	(200,161)	-	-	9,268,366	(5,948,347)
Net increase/(decrease) in cash and cash equivalents	34,974,767	(124,235)	(2,489,185)	(4,390,068)	20,968,576	957,123	-	(3,486)	730,515	50,624,007

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20. LOANS AND BORROWINGS

	31 December 2019	31 December 2018	1 January 2018
Non-current liabilities			
Secured bank loan	392,857,143	480,096,391	861,000,000
Unsecured bank loans	75,477,443	-	19,433,761
	468,334,586	480,096,391	880,433,761
Current liabilities			
Current portion of secured bank loan	78,571,429	69,903,609	-
Unsecured bank loans	598,518,381	163,306,010	497,429,810
	677,089,810	233,209,619	497,429,810

Information about the Group's exposure to commission rate, foreign currency and liquidity risks is included in note 38.

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

			31 December 2019		31 December 2018		1 January 2018	
	Currency	Year of maturity	Face Value	Carrying Amount	Face value	Carrying Amount	Face value	Carrying Amount
Secured:								
Arab National Bank	SR	2018	-	-	-	-	861,000,000	861,000,000
Saudi British Bank	SR	2025	471,428,572	471,428,572	550,000,000	550,000,000	-	-
Unsecured:								
Gulf International Bank	SR	2020	125,000,000	125,000,000	-	-	50,000,000	50,000,000
Saudi British Bank	SR	2022	248,701,272	248,701,272	-	-	-	-
Al Rajhi Bank	SR	2019	-	-	163,306,010	163,306,010	199,997,190	199,997,190
Saudi Investment Bank	SR	2020	300,294,552	300,294,552	-	-	88,375,000	88,375,000
Alawwal Bank	SR	2018	-	-	-	-	150,000,000	150,000,000
Arab Banking Corporation	USD	2018	-	-	-	-	28,491,381	28,491,381
Total commission-bearing liabilities			1,145,424,396	1,145,424,396	713,306,010	713,306,010	1,377,863,571	1,377,863,571

The secured bank loans are secured against land and buildings with a carrying amount of SR 1.93 billion (31 December 2018: SR 1.94 billion and 1 January 2018: SR 2 billion).

The outstanding secured and unsecured loans as of 31 December 2019, 31 December 2018 and 1 January 2018 have markup cost which is generally based on prevailing market rates.

21. LEASE LIABILITY

	31 December 2019	31 December 2018	1 January 2018
Lease Liability			
Balance at the beginning of the year (note 6)	90,551,855	-	-
Finance cost	4,625,368	-	-
Paid	(10,919,887)	-	-
Balance at end of year	84,257,336	-	-
Divided into			
Current portion	10,705,579	-	-
Non-current portion	73,551,757	-	-
	84,257,336	-	-

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22. EMPLOYEES' END OF SERVICE BENEFITS

	31 December 2019	31 December 2018	1 January 2018
Net defined benefit liability	115,770,111	114,477,245	98,169,751

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

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

Movement in net defined benefit liability

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

	31 December 2019	31 December 2018	1 January 2018
Balance at 1 January	114,477,245	98,169,751	100,737,137
Included in profit or loss			
Current service cost	31,132,628	27,260,831	26,528,571
Finance expense	4,008,689	3,907,150	4,592,036
	35,141,317	31,167,981	31,120,607
Included in other comprehensive income			
Actuarial gain/(loss)	(13,022,591)	2,758,152	(16,190,218)
Benefits paid	(20,825,860)	(17,618,639)	(17,497,775)
Balance at the end of the year	115,770,111	114,477,245	98,169,751

Represented by:

Net defined benefit liability for plans in:

	31 December 2019	31 December 2018	1 January 2018
Kingdom of Saudi Arabia	99,310,529	107,732,064	93,171,703
Egypt	2,683,621	2,054,632	1,054,842
United Arab Emirates	13,775,961	4,690,549	3,943,206
	115,770,111	114,477,245	98,169,751

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22. EMPLOYEES' END OF SERVICE BENEFITS (continued)

Actuarial assumptions on defined benefit liability

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

	31 December 2019		
	KSA	Egypt	UAE
Discount rate	3.60%	13.60%	2.90%
Future salary growth	5%	10.90%	5%
Future benefits growth	0.98%	5.43%	0.49%
	31 December 2018		
	KSA	Egypt	UAE
Discount rate	3.70%	18.50%	3.20%
Future salary growth	5%	14%	5%
Future benefits growth	0.98%	9.03%	0.69%
	1 January 2018		
	KSA	Egypt	UAE
Discount rate	4.25%	15.35%	4.25%
Future salary growth	5%	7.07%	5%
Future benefits growth	0.75%	(8.28%)	0.75%

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

	31 December 2019		
	KSA	Egypt	UAE
According to number of plans			
Longevity for current members (in years)	24	30	27
	31 December 2018		
	KSA	Egypt	UAE
According to number of plans			
Longevity for current members (in years)	24	26	27
	1 January 2018		
	KSA	Egypt	UAE
According to number of plans			
Longevity for current members (in years)	24	24	25

At 31 December 2019, the weighted average duration of the defined benefit obligation was as follow:

	31 December 2019		
	KSA	Egypt	UAE
<i>In years</i>	9	6	10
	31 December 2018		
	KSA	Egypt	UAE
<i>In years</i>	8	4	9
	31 December 2017		
	KSA	Egypt	UAE
<i>In years</i>	14	11	14

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22. EMPLOYEES' END OF SERVICE BENEFITS (continued)

Sensitivity analysis

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

	<u>31 December 2019</u>		<u>31 December 2018</u>		<u>1 January 2018</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	(9,244,613)	10,861,275	(8,613,012)	10,069,418	(9,885,918)	11,874,247
Future salary growth (1% movement)	10,970,475	(9,543,351)	10,194,354	(8,908,539)	11,664,226	(9,911,834)
Future mortality (10% movement)	(56,238)	56,496	(47,707)	47,914	(43,526)	20,794

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

Employee benefit expenses

	<u>31 December 2019</u>	<u>31 December 2018</u>
Salaries and benefits	526,959,705	523,657,625
Social security contributions	13,868,159	23,634,825
Contributions to defined contribution plans	13,509,107	10,265,773
Expenses related to post-employment defined benefit plans	35,141,317	31,167,981
Expenses related to paid leaves	13,331,255	8,816,873
	<u>602,809,543</u>	<u>597,543,077</u>

23. ZAKAT AND INCOME TAXES

Movement in provision

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

	<u>31 December 2019</u>	<u>31 December 2018</u>	<u>1 January 2018</u>
At the beginning of the year	94,618,609	46,551,046	43,458,250
Provided during the year	32,806,652	84,019,724	30,982,132
Payments made during the year	(66,897,208)	(35,952,161)	(27,889,336)
At the end of the year	<u>60,528,053</u>	<u>94,618,609</u>	<u>46,551,046</u>

Amount recognized in profit or loss

	<u>31 December 2019</u>	<u>31 December 2018</u>
Current zakat and tax expense		
Current year – zakat	29,946,941	80,663,292
Current year – tax	3,925,599	7,288,889
	<u>33,872,540</u>	<u>87,952,181</u>
Deferred tax expense		
Origination and reversal of temporary differences	(1,065,888)	(3,932,457)
Zakat and tax expense	<u>32,806,652</u>	<u>84,019,724</u>

Tax expense on continuing operations' excludes the Group's share of the tax expense of equity-accounted investees of SR nil (31 December 2018: SR nil and 1 January 2018: SR 3,897), which has been included in 'share of profit of equity-accounted investees, net of tax'.

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

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23. ZAKAT AND INCOME TAXES (continued)

Movement in deferred tax balances

	Net balance at 1 January	Recognized in profit or loss	Other	Net	Deferred tax Assets	Deferred tax liabilities
31 December 2019						
Property and equipment	2,004,512	(339,361)	1,581,732	3,246,883	3,246,883	-
Property and equipment	(804,469)	(27,508)	90,032	(741,945)	-	(741,945)
Pension deficit	2,599,001	(836,585)	103,328	1,865,744	1,865,744	-
Fair value gains	(181,833)	578,281	(7,229)	389,219	389,219	-
Net tax assets / (liabilities) before set-off	3,617,211	(625,173)	1,767,863	4,759,901	5,501,846	(741,945)
Set-off of tax	-	1,691,061	4,975	1,696,036	1,696,036	-
Net tax assets / (liabilities)	3,617,211	1,065,888	1,772,838	6,455,937	7,197,882	(741,945)
31 December 2018						
Property and equipment	1,909,354	200,179	(105,021)	2,004,512	2,004,512	-
Property and equipment	(4,356,335)	3,530,046	21,820	(804,469)	-	(804,469)
Pension deficit	2,536,273	202,232	(139,504)	2,599,001	2,599,001	-
Fair value gains	(192,416)	-	10,583	(181,833)	-	(181,833)
Net tax assets / (liabilities)	(103,124)	3,932,457	(212,122)	3,617,211	4,603,513	(986,302)
1 January 2018						
Property and equipment	3,658,441	(2,146,216)	397,129	1,909,354	1,909,354	-
Property and equipment	(4,257,916)	(56,036)	(42,383)	(4,356,335)	-	(4,356,335)
Pension deficit	2,109,029	229,128	198,116	2,536,273	2,536,273	-
Fair value gains	(175,893)	-	(16,523)	(192,416)	-	(192,416)
Net tax assets / (liabilities)	1,333,661	(1,973,124)	536,339	(103,124)	4,445,627	(4,548,751)

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

Status of assessment

Zakat assessments for the Company have been finalized with the General Authority of Zakat and Tax (GAZT) and final Zakat certificates obtained for the years up to 2017. The Company has submitted the Zakat returns for all the years up to 2018.

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

24. TRADE AND OTHER PAYABLES

	31 December 2019	31 December 2018	1 January 2018
Trade payables	418,755,855	737,884,817	1,099,309,797
Tickets under settlement	-	-	5,112,374
	418,755,855	737,884,817	1,104,422,171
Non-trade payables	85,878,224	95,638,143	65,781,280
Salaries and benefits	74,408,163	68,613,855	70,014,866
Rents and utilities	10,848,952	7,328,421	8,137,918
Payable of defined contribution plan	13,509,107	10,265,773	14,107,673
Finance cost payable	8,895,588	6,144,471	18,540,184
Others	14,866,368	53,012,143	50,621,515
	208,406,402	241,002,806	227,203,436
Total trade and other payables	627,162,257	978,887,623	1,331,625,607

Information about the Group's exposure to currency and liquidity risks is included in note 38.

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25. CONTRACT LIABILITIES

	31 December 2019	31 December 2018	1 January 2018
Customer advances	366,660,046	393,308,618	362,943,090
Customer loyalty claims	1,765,850	2,555,049	2,704,699
	368,425,896	395,863,667	365,647,789

26. PROVISIONS

	31 December 2019	31 December 2018	1 January 2018
Legal case	25,000,000	25,000,000	25,000,000

Legal case

Blue Sky Travel ("BST") is the Company's supplier and an associate which is 49% owned by the Company. During 2013, a legal claim was lodged by one of the shareholders of BST against the Company. Following trial in the USA, there was a judgment of USD 11.9 million (SAR 44.8million) against the Company. A further verdict has been received in Dec 2015 whereby USD 1.9 million (SAR 7.5 million) has been confirmed as payable to BST. The Company considered a provision of SAR 25 million in 2013, with a view that the final verdict has not been issued by court; this is based on the management's best estimate. The Company believes that there is a right of appeal against other party. Accordingly, no reversal has been made in the financial statements.

27. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 December 2019, the Group has capital commitments of SR nil (31 December 2018: 60 million and 1 January 2018: 91 million) with respect to property developments, software development and construction of new office premises.

Contingencies

At 31 December 2019, the Group has letter of guarantees amounting SR 353 million (31 December 2018: 389 million and 1 January 2018: 295 million) issued by the Company's banks in favor of certain suppliers. Included within this are advances for letter of guarantee margins amounting SR 39 million (31 December 2018: 41.2 million; 1 January 2018: 28.7 million) see note 15 for details.

28. RELATED PARTIES TRANSACTIONS AND BALANCES

28.1 Related parties' transactions

Senior management remuneration

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

	31 December 2019				31 December 2018			
	CEO	Directors	Executives	Total	CEO	Directors	Executives	Total
Managerial remuneration	2,160,000	-	3,795,648	5,955,648	2,160,000	-	3,672,000	5,832,000
Housing & Travel allowance	756,000	-	1,474,699	2,230,699	756,000	-	1,117,200	1,873,200
Business Trips	467,035	-	943,797	1,410,832	573,113	-	184,490	757,603
Bonus	6,834,000	-	3,036,610	9,870,610	834,000	-	1,152,000	1,986,000
End of Service Benefits	121,500	-	347,770	469,270	148,500	-	398,956	547,456
Board Member Fees	-	4,370,000	-	4,370,000	-	4,091,000	-	4,091,000
Total	10,338,535	4,370,000	9,598,524	24,307,059	4,471,613	4,091,000	6,524,646	15,087,259

Aggregate amount charged in these financial statements in respect of Directors fees for attending Board and other Committee meetings amounted to SR 310,000 and SR 260,000, respectively (31 December 2018: SR 358,000 and SR 138,000 respectively). The Directors' fees for attending Board and other Committee meetings were paid as prescribed in the Articles of Association.

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Senior management remuneration (continued)

Directors of the Company control 0.32% (31 December 2018: 0.69%; 1 January 2018: 0.67%) of the voting shares of the Company.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

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

Related party	Relationship	31 December 19				Other costs / (revenues)
		Sales	Purchases	Receipts	Payments	
Voyage Amro Travel	Associate	-	-	-	-	-
Al Shamel International Holding Company	Associate	-	-	-	-	254,273
Wadi Middle East S.A.R.L.	Associate	-	-	-	-	-
CHME Limited	Associate	-	-	-	-	6,751
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	14,133,940
Riyadh Cables Group	Common directorship	53,938	-	62,405	-	-
Gulf International Trading and Real Estate Company	Common directorship	191,317	-	177,000	-	-
National Agriculture Development Co.	Common directorship	7,242,042	-	8,813,946	-	-
2share United Communications	Ownership interest by majority shareholder of ATG	-	-	-	-	-
Forbes Middle East	Ownership interest by majority shareholder of ATG	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of ATG	-	3,143,529	4,915,944	12,809,990	(4,074,842)
Riyadh Airport Company	Common directorship	-	-	-	-	-
Saudi Batal Design Company	Ownership interest by majority shareholder of ATG	440,800	-	423,000	-	-
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	(119,250)
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	4,500,366	-

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28.1 Related parties' transactions (continued)

Related party	Relationship	31-Dec-18				
		Sales	Purchases	Receipts	Payments	Other costs / (revenues)
Voyage Amro Travel	Associate	-	33,849	-	-	78,194,289
Al Shamel International Holding Company	Associate	7,734	6,895,241	-	6,393,243	477,692
Wadi Middle East S.A.R.L.	Associate	-	-	37,501,685	-	-
CHME Limited	Associate	156,680	-	167,963	-	194,000
Jean Abboud	Minority shareholder of CTS	-	-	-	-	(806,100)
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	9,735,250
Riyadh Cables Group	Common directorship	91,187	-	79,344	-	-
Gulf International Trading and Real Estate Company	Common directorship	319,399	-	309,272	-	(3,795)
National Agriculture Development Co.	Common directorship	7,515,885	-	6,454,346	-	-
Forbes Middle East	Ownership interest by majority shareholder of ATG	-	-	-	-	(1,234,549)
Nile Air	Ownership interest by majority shareholder of ATG	282,180	12,125,279	3,007,580	8,132,307	3,841,488
Riyadh Airport Company	Common directorship	-	-	-	-	281,065
Saudi Batal Design Company	Ownership interest by majority shareholder of ATG	606,701	-	565,016	-	-
Al Tayyar Real Estate Development Company	Ownership interest by majority shareholder of ATG	-	-	-	-	(326,866)
Careem Inc.	Associate / Ownership interest by Board member	-	-	-	-	(164,505)
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	138,921
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	-	64,176

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28.2 Related party balances

Related party balances at year end are as below:

	31 December 2019	31 December 2018	1 January 2018
Due from related parties			
Mohaideb Ali Al Mohaideb	-	22,208	-
Thaker Investment and Real Estate Co.	-	-	107,558,134
Wadi Middle East S.A.R.L.	-	-	37,501,685
Forbes Middle East	375,501	375,501	1,610,050
Saudi Batal Design Company	130,049	112,249	70,564
2share United Communications	27,930	27,930	27,930
Nile Air	8,682,228	8,006,553	10,883,437
Riyadh Cables Group	24,822	33,289	21,446
National Agriculture Development Co.	1,499,516	3,071,419	2,009,880
Careem Inc.	-	-	164,505
Al Tayyar Real Estate Development Company	-	-	326,866
Riyadh Airports Company	281,065	281,065	-
Gulf International Trading and Real Estate Company	29,371	15,055	8,723
CHME Limited (CHM)	6,751	-	-
Farook Al Jarasy	-	-	10,319,779
Jean Abboud	1,876,071	1,876,071	2,682,171
Abdullah Al Ajlani	2,173,013	-	-
Majid Al Nafai	14,163,418	29,478	-
	29,269,735	13,850,818	173,185,170
Due to related parties			
	31 December 2019	31 December 2018	1 January 2018
Voyage Amro Travel	1,263,075	1,263,075	79,423,515
Abdullah Al Ajlani	-	2,327,353	2,391,529
Al Shamel International Holding Company	-	254,273	237,701
Mohaideb Ali Al Mohaideb	97,042	-	116,713
CHME Limited (CHM)	-	-	182,717
Majid Al Nafai	-	-	9,705,772
	1,360,117	3,844,701	92,057,947

29. REVENUE

Commission element	2019	2018
Airline ticketing & incentives	936,822,862	1,053,189,953
Hotel booking	249,319,735	84,249,361
Shipments	14,454,568	18,558,136
Train ticketing	21,451,576	22,906,011
	1,222,048,741	1,178,903,461
Other revenue		
Package holidays	343,620,776	452,409,559
Car rentals	325,281,780	202,637,198
Property and room rentals	78,450,088	86,368,915
Chartered flights	196,452,028	357,738,706
Others	24,399,911	23,276,087
	968,204,583	1,122,430,465
	2,190,253,324	2,301,333,926

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29. REVENUE (continued)

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

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

Disaggregation of revenue

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

2019							
Primary geographical markets	Reportable segments					All other segments	Total
	Ticketing	Tourism	Transportation	Hospitality	Property		
Kingdom of Saudi Arabia	851,355,748	261,566,687	535,907,739	78,450,088	-	14,955,342	1,742,235,604
United Kingdom	104,990,641	316,342,814	-	-	-	-	421,333,455
Egypt	1,988,131	9,769,683	280,637	-	-	194,027	12,232,478
United Arab Emirates	(4,740,367)	3,278,632	-	-	-	12,297	(1,449,438)
Spain	-	768,467	-	-	-	9,238,245	10,006,712
Lebanon	4,680,285	1,214,228	-	-	-	-	5,894,513
	958,274,438	592,940,511	536,188,376	78,450,088	-	24,399,911	2,190,253,324
Timing of revenue recognition							
Services transferred at a point in time	958,274,438	249,319,735	14,454,568	78,450,088	-	-	1,300,498,829
Services transferred over time	-	343,620,776	521,733,808	-	-	24,399,911	889,754,495
	958,274,438	592,940,511	536,188,376	78,450,088	-	24,399,911	2,190,253,324
2018							
Primary geographical markets	Reportable segments					All other segments	Total
	Ticketing	Tourism	Transportation	Hospitality	Property		
Kingdom of Saudi Arabia	982,920,255	226,468,443	564,027,278	79,031,171	7,337,744	12,735,912	1,872,520,803
United Kingdom	101,817,474	309,932,532	-	-	-	-	411,750,006
Egypt	1,249,698	7,451,995	14,906,762	-	-	346,178	23,954,633
United Arab Emirates	(14,571,748)	(9,379,925)	-	-	-	1,055,686	(22,895,987)
Spain	-	971,648	-	-	-	9,138,311	10,109,959
Lebanon	4,680,285	1,214,227	-	-	-	-	5,894,512
	1,076,095,964	536,658,920	578,934,040	79,031,171	7,337,744	23,276,087	2,301,333,926
Timing of revenue recognition							
Services transferred at a point in time	1,076,095,964	84,249,361	18,558,136	79,031,171	-	-	1,257,934,632
Services transferred over time	-	452,409,559	560,375,904	-	7,337,744	23,276,087	1,043,399,294
	1,076,095,964	536,658,920	578,934,040	79,031,171	7,337,744	23,276,087	2,301,333,926

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29. REVENUE (continued)

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers:

	31 December	31 December	1 January
	<u>2019</u>	<u>2018</u>	<u>2018</u>
Receivables, which are included in "Trade and other receivables"	<u>1,347,028,399</u>	1,253,939,061	1,756,468,321
Contract liabilities	<u>366,660,046</u>	393,308,618	362,943,090

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

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

	31 December	31 December	1 January
	<u>2019</u>	<u>2018</u>	<u>2018</u>
Contract liabilities			
Contract liability at the beginning of the year	393,308,618	362,943,090	449,377,358
Contract liabilities that was recognized as revenue during the year	(51,306,514)	(354,273,167)	(436,959,831)
Cash received in advance of performance and not recognized as revenue during the year	<u>24,657,942</u>	384,638,695	350,525,563
Contract liability at the end of the year	<u>366,660,046</u>	393,308,618	362,943,090

Transaction price allocated to the remaining performance obligations

As of 31 December 2019, the amount allocated to the customer loyalty program is SR 1.8 million (31 December 2018: 2.6 million and 1 January 2018: SR 2.7 million). This will be recognized as revenue as the customer loyalty program points are redeemed, which is expected to occur over the next one year.

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

The Group applies the practical expedient in paragraph C5(c) of IFRS 15 and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognize that amount as revenue.

30. SELLING EXPENSES

	<u>2019</u>	<u>2018</u>
Employee benefits	187,330,106	186,700,236
Sales commission and incentives	29,749,786	29,074,443
Advertising	114,453,672	74,836,046
Rentals	56,594,089	63,958,169
Depreciation (note 7)	14,412,743	14,094,879
Amortization (note 10)	<u>8,506,535</u>	<u>5,014,476</u>
	<u>411,046,931</u>	<u>373,678,249</u>

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31. ADMINISTRATIVE EXPENSES

	<u>2019</u>	<u>2018</u>
Employee benefits	317,612,225	315,712,449
Consultancy	37,454,607	15,658,985
Insurance	19,587,835	18,790,853
Depreciation (note 7)	22,825,937	20,133,283
Communication	14,661,904	15,818,428
Information technology	26,108,995	28,867,437
Travel	16,591,261	10,963,316
Repairs and maintenance	13,094,008	13,613,544
Stationery	5,727,285	4,780,271
Utilities	11,048,705	11,168,835
Amortization (note 10)	13,686,257	7,521,715
Entertainment expenses	3,316,860	1,775,112
Vehicles maintenance	-	2,169,327
Other expenses	9,295,925	5,589,840
	<u>511,011,804</u>	<u>472,563,395</u>

32. OTHER EXPENSES

	<u>2019</u>	<u>2018</u>
Loss on disposal of property and equipment	554,812	46,332,289
Foreign currency exchange loss	1,485,685	
Elimination on liquidation of a subsidiary	-	4,868,970
	<u>2,040,497</u>	<u>51,201,259</u>

33. OTHER INCOME

	<u>2019</u>	<u>2018</u>
Dividend income	1,170,784	58,320
Foreign currency exchange gain	-	4,241,541
Interest income from investment	-	298,278
Gain on sale of investment	1,861,472	271,359
Income from insurance claim	7,791,089	4,888,579
Others	5,100,879	3,870,753
	<u>15,924,224</u>	<u>13,628,830</u>

34. Impairment losses

	<u>2019</u>	<u>2018</u>
Impairment loss on other assets	32,649,887	116,062,437
Impairment loss on goodwill (see note 10)	-	6,965,504
Impairment loss on equity-accounted investees (see note 12)	-	6,419,483
	<u>32,649,887</u>	<u>129,447,424</u>

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35. DISPOSAL OF SUBSIDIARIES

During the year, the Company disposed of its interest in the following subsidiaries:

On 28 February 2019, the Company disposed its 100% owned subsidiary, E. Al Tayyar Tourism Company (ATT), for an agreed amount of SR 26.8 million. The Company recognized a net profit of SR 16.9 million in the statement of profit or loss and other comprehensive income from this disposal.

Net assets on disposal

The following table summarizes the net assets of subsidiary at disposal date:

	<u>ATT</u>
Property and equipment	12,101,548
Trade and other receivables	5,266,457
Cash and cash equivalents	2,827,227
Trade and other payables	(11,168,822)
Employee benefits	(424,687)
Total net assets disposed off	8,601,723
% of ownership	100%
Net assets on disposal	<u>8,601,723</u>

Gain on disposal for year 2019

Gain in relation to the subsidiaries disposed of was recognized as follows:

	<u>ATT</u>
Consideration agreed	25,262,339
Net assets on disposal	(8,601,723)
	<u>16,660,616</u>

(Loss) / gain on disposal for year 2018

(Loss) / gain in relation to the subsidiaries disposed of was recognized as follows:

	<u>FTTSB</u>	<u>CTL</u>	<u>Total</u>
Consideration received	873,923	28,703	902,626
Net assets on disposal	(1,352,344)	640,372	(711,972)
	<u>(478,421)</u>	<u>669,075</u>	<u>190,654</u>

36. FINANCE INCOME AND COST

Finance income

Finance income on term deposits

Finance cost

Bank charges

Finance cost on lease liabilities

Finance cost on loans and borrowings

Net finance cost for the purpose of cash flow statement

	<u>2019</u>	<u>2018</u>
Finance income on term deposits	2,565,358	11,453,922
Bank charges	(28,485,410)	(19,198,780)
Finance cost on lease liabilities	(4,625,368)	-
Finance cost on loans and borrowings	(36,411,381)	(46,262,485)
	<u>(69,522,159)</u>	<u>(65,461,265)</u>
Net finance cost for the purpose of cash flow statement	<u>(66,956,801)</u>	<u>(54,007,343)</u>

37. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

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

Profit attributable to ordinary shareholders (basic)

	<u>2019</u>	<u>2018</u>
Profit / (loss) attributable to ordinary shareholders	185,588,723	(144,957,446)
Weighted-average number of ordinary shares at the end of the year	300,000,000	300,000,000
Basic and diluted	<u>0.62</u>	<u>(0.48)</u>

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38. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

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

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

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

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

Principal financial instruments

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

- Trade receivables
- Cash and cash equivalents
- Investments in quoted and unquoted equity securities
- Trade and other payables
- Bank overdrafts
- Floating-rate bank loans
- Fixed rate bank loans
- Lease liabilities

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Financial instruments by category

	Carrying amount		Total Carrying amount	Fair value			Total
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
31 December 2019							
Financial assets measured at fair value							
Equity investments	59,790,748	45,000,000	104,790,748	59,790,748	45,000,000	-	104,790,748
Current:							
Cash and cash equivalents	-	349,663,187	349,663,187	-	-	-	349,663,187
Trade and other receivables	-	1,347,028,399	1,347,028,399	-	-	-	1,347,028,399
Due from related parties	-	29,269,735	29,269,735	-	-	-	29,269,735
Total financial assets	59,790,748	1,770,961,321	1,830,752,069	59,790,748	45,000,000	-	1,830,752,069
Financial liabilities							
Non-current:							
Loans and borrowings	-	468,334,586	468,334,586	-	-	-	468,334,586
Lease liabilities	-	73,551,757	73,551,757	-	-	-	73,551,757
	-	541,886,343	541,886,343	-	-	-	541,886,343
Current:							
Bank overdraft	-	5,169,582	5,169,582	-	-	-	5,169,582
Loans and borrowings	-	677,089,810	677,089,810	-	-	-	677,089,810
Lease liabilities	-	10,705,579	10,705,579	-	-	-	10,705,579
Trade and other payables	-	513,529,667	513,529,667	-	-	-	513,529,667
Due to related parties	-	1,360,117	1,360,117	-	-	-	1,360,117
Total financial liabilities	-	1,749,741,098	1,749,741,098	-	-	-	1,749,741,098

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Financial instruments by category (continued)

	Carrying amount		Total Carrying amount	Fair value			Total
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
31 December 2018							
Financial assets measured at fair value							
Equity investments	57,032,675	40,298,278	97,330,953	57,032,675	40,298,278	-	97,330,953
Current:							
Cash and cash equivalents	-	263,887,892	263,887,892	-	-	-	263,887,892
Short term investment	-	400,000,000	400,000,000	-	-	-	400,000,000
Trade and other receivables	-	1,553,939,061	1,553,939,061	-	-	-	1,553,939,061
Due from related parties	-	13,850,818	13,850,818	-	-	-	13,850,818
Total financial assets	57,032,675	2,271,976,049	2,329,008,724	57,032,675	40,298,278	-	2,329,008,724
Financial liabilities							
Non-current:							
Loans and borrowings	-	480,096,391	480,096,391	-	-	-	480,096,391
Current:							
Bank overdraft	-	31,304,212	31,304,212	-	-	-	31,304,212
Loans and borrowings	-	233,209,619	233,209,619	-	-	-	233,209,619
Trade and other payables	-	839,667,431	839,667,431	-	-	-	839,667,431
Due to related parties	-	3,844,701	3,844,701	-	-	-	3,844,701
Total financial liabilities	-	1,588,122,354	1,588,122,354	-	-	-	1,588,122,354

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Financial instruments by category (continued)

	Carrying amount		Total Carrying amount	Fair value			Total
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
1 January 2018							
Financial assets measured at fair value							
Equity investments	-	-	-	-	-	-	-
Current:							
Cash and cash equivalents	-	981,198,632	981,198,632	-	-	-	981,198,632
Trade and other receivables	-	1,736,886,969	1,736,886,969	-	-	-	1,736,886,969
Due from related parties	-	173,185,170	173,185,170	-	-	-	173,185,170
Total financial assets	-	2,891,270,771	2,891,270,771	-	-	-	2,891,270,771
Financial liabilities							
Non-current:							
Loans and borrowings	-	880,433,761	880,433,761	-	-	-	880,433,761
Current:							
Bank overdraft	-	10,399,165	10,399,165	-	-	-	10,399,165
Loans and borrowings	-	497,429,810	497,429,810	-	-	-	497,429,810
Trade and other payables	-	1,188,743,635	1,188,743,635	-	-	-	1,188,743,635
Due to related parties	-	92,057,947	92,057,947	-	-	-	92,057,947
Total financial liabilities	-	2,669,064,318	2,669,064,318	-	-	-	2,669,064,318

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

Trade and other receivables

	<u>Note</u>	31 December 2019	31 December 2018	1 January 2018
Trade receivables, net	14	1,347,028,399	1,253,939,061	1,736,886,969
Receivable from disposal of Thakher Investment and Real Estate Co.	14	-	300,000,000	-
		1,347,028,399	1,553,939,061	1,736,886,969

Trade and other payables

	<u>Note</u>	31 December 2019	31 December 2018	1 January 2018
Trade payables	23	418,755,855	737,884,817	1,099,309,797
Tickets under settlement	23	-	-	5,112,374
Non-trade payables	23	85,878,224	95,638,143	65,781,280
Finance cost payable	23	8,895,588	6,144,471	18,540,184
		513,529,667	839,667,431	1,188,743,635

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Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, short term investments, trade and other receivables, trade and other payables and short term loans and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, short term investments, trade and other receivables, trade and other payables and short term loans and borrowings approximates their fair value.

The details of the fair value hierarchy, valuation techniques, and significant unobservable inputs related to determining the fair value of loans and borrowings, which are classified in level 3 of the fair value hierarchy, have been fully described in relevant notes.

There were no transfers between levels during the period.

General objectives, policies and processes

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

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

Credit risk

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

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

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

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

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

	31 December 2019	31 December 2018	1 January 2018
Cash at bank (note 17)	343,693,587	254,607,747	469,587,040
Trade receivables - third parties (note 14)	1,347,028,399	1,253,939,061	1,736,886,969
Trade receivables – related parties (note 28.2)	29,269,735	13,850,818	173,185,170
	<u>1,719,991,721</u>	<u>1,522,397,626</u>	<u>2,379,659,179</u>

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

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Credit risk (continued)

Credit risk on receivable and bank balances is limited as:

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

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. Trade receivables outstanding balance comprises of 82% in KSA, 13% in UK and 5% in other countries. The two largest customers account approximately for 12% of outstanding trade receivables at 31 December 2019.

As at 31 December 2019, 31 December 2018 and 1 January 2018, the ageing of trade receivables that were not impaired was as follows:

	31 December 2019	31 December 2018	1 January 2018
Neither past due nor impaired	627,379,664	640,468,081	415,695,806
Past due 1-30 days	385,943,635	272,268,210	133,729,523
Past due 31-90 days	130,733,400	123,438,689	142,695,328
Past due 91-180 days	91,038,432	108,028,833	255,288,967
Past due 181-365 days	59,227,260	104,027,833	777,638,028
Past due over 365 days	52,706,008	5,707,415	11,839,317
	1,347,028,399	1,253,939,061	1,736,886,969

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Collective impairment
Balance at 1 January 2018	262,486,318
Reversal	(70,295,537)
Impairment loss on 31 December 2018	192,190,781
Charge for the year	25,345,879
Balance at 31 December 2019	217,536,660

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

Market risk

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

Commission rate risk

Fair value and cash flow interest rate risks are the exposures to various risk associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group is not exposed to fair value and cash flow commission rate risks as investments in long term Murabaha finance have a fixed income rate or a fixed finance rate.

Management of the Group does not enter into future agreement to hedge its interest rate risk. However, these are monitored on regular basis and corrective measures initiated wherever required. All of the borrowings are on fixed interest rates; therefore, interest rate sensitivity analysis has not been disclosed.

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Foreign Currency risk

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

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

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

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

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

31 December 2019	EGP	GBP	AUD	CAD	USD
Cash and cash equivalents	15,420,600	125,312,329	-	-	24,632,044
Trade and other receivables	29,436,300	197,590,131	-	-	11,201,017
Due from related parties	24,436,164	3,335,488	-	-	-
Lease liabilities	-	(22,500,269)	-	-	-
Bank overdraft	-	-	-	-	(3,650,639)
Trade and other payables	(20,544,905)	(145,414,744)	-	(1,263,075)	-
Due to related parties	(26,609,684)	(190,822,973)	-	-	(488,858)
Net statement of financial position exposure	22,138,475	(32,500,038)	-	(1,263,075)	31,693,564

31 December 2018	EGP	GBP	AUD	CAD	USD
Cash and cash equivalents	6,758,247	135,429,386	-	-	4,365,119
Trade and other receivables	36,206,547	204,843,414	-	9,743,357	11,390,240
Due from related parties	33,775,711	16,687,836	-	-	-
Bank overdraft	(24,238)	(24,380,887)	-	-	(3,817,084)
Trade and other payables	(34,395,272)	(271,739,706)	(125,917,290)	(5,074,595)	(138,755,368)
Due to related parties	(38,682,894)	(193,653,865)	-	-	(488,858)
Net statement of financial position exposure	3,638,101	(132,813,822)	(125,917,290)	4,668,762	(127,305,951)

1 January 2018	EGP	GBP	AUD	CAD	USD
Cash and cash equivalents	10,462,320	144,445,368	-	-	5,042,806
Trade and other receivables	27,623,721	179,117,638	-	-	25,129,608
Due from related parties	33,606,424	-	-	-	-
Equity accounted investees	-	-	-	6,419,483	9,268,648
Loans and borrowings	-	-	-	-	(28,491,381)
Bank overdraft	(194,202)	-	-	-	(9,659,738)
Trade and other payables	(14,261,247)	(287,278,179)	(125,824,169)	(79,423,515)	(103,688,535)
Due to related parties	(51,576,911)	(189,858,966)	-	-	(494,820)
Net statement of financial position exposure	5,660,105	(153,574,139)	(125,824,169)	(73,004,032)	(102,893,412)

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Foreign Currency risk (continued)

Sensitivity Analysis

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

	Strengthening	Weakening
<u>31 December 2019</u>		
EGP (1%)	221,385	(221,385)
GBP (1%)	(325,000)	325,000
AUD (1%)	-	-
CAD (1%)	(12,631)	12,631
USD (1%)	316,936	316,936
<u>31 December 2018</u>		
EGP (1%)	36,381	(36,381)
GBP (1%)	(1,328,138)	1,328,138
AUD (1%)	(1,259,173)	1,259,173
CAD (1%)	46,688	(46,688)
USD (1%)	(1,273,060)	1,273,060
<u>1 January 2018</u>		
EGP (1%)	56,601	(56,601)
GBP (1%)	(1,535,741)	1,535,741
AUD (1%)	(1,258,242)	1,258,242
CAD (1%)	(730,040)	730,040
USD (1%)	(1,028,934)	1,028,934

Other price risk

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

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

Liquidity risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group also seeks to reduce liquidity risk by fixing commission rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'commission rate risk' section above.

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

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Liquidity risk (continued)

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

Following are the contractual maturities at the end of the reporting period of financial liabilities. The amounts are grossed and undiscounted, and include estimated interest payments.

31 December 2019	Carrying amount	Contractual cash flow					
		Total	3 months or less	3 to 12 months	1 to 2 Years	2 to 5 Years	More than 5 years
Liabilities							
Loans and borrowings	1,145,424,396	1,218,468,648	284,564,208	422,659,649	116,687,097	313,652,476	80,905,224
Bank overdraft	5,169,582	5,169,582	5,169,582	-	-	-	-
Trade and other payables	627,162,257	627,162,257	627,162,257	-	-	-	-
Trade payables to related parties	1,360,117	1,360,117	1,360,117	-	-	-	-
	1,779,116,352	1,852,160,604	918,256,164	422,659,649	116,687,097	313,652,476	80,905,224

31 December 2018	Carrying amount	Contractual cash flow					
		Total	3 months or less	3 to 12 months	1 to 2 Years	2 to 5 Years	More than 5 years
Liabilities							
Loans and borrowings	713,306,010	801,827,610	164,993,258	90,976,336	90,976,336	272,929,008	181,952,672
Bank overdraft	31,304,212	31,304,212	31,304,212	-	-	-	-
Trade and other payables	978,887,623	978,887,623	978,887,623	-	-	-	-
Trade payables to related parties	3,844,701	3,844,701	3,844,701	-	-	-	-
	1,727,342,546	1,815,864,146	1,179,029,794	90,976,336	90,976,336	272,929,008	181,952,672

1 January 2018	Carrying amount	Contractual cash flow					
		Total	3 months or less	3 to 12 months	1 to 2 Years	2 to 5 Years	More than 5 years
Liabilities							
Loans and borrowings	1,377,863,571	1,556,279,165	446,780,704	53,043,458	183,782,043	460,277,075	412,395,885
Bank overdraft	10,399,165	10,399,165	10,399,165	-	-	-	-
Trade and other payables	1,297,839,138	1,297,839,138	1,297,839,138	-	-	-	-
Trade payables to related parties	92,057,947	92,057,947	92,057,947	-	-	-	-
	2,778,159,821	2,956,575,415	1,847,076,954	53,043,458	183,782,043	460,277,075	412,395,885

Excessive risk concentration

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

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

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Fair value and fair value hierarchy

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

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

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

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

A fair value measurement of a non-financial asset 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

The Company has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and, short term investments and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values largely because of short term maturity of these instruments. Company has disclosed the fair values of long term murabaha finance measured. The fair value of murabaha finance facility is approximately the same as the carrying value.

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Current versus non-current classification

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

An asset is current when it is:

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

A liability is current when:

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

Capital disclosures

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

The Group's objectives when maintaining capital are:

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

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

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

There have been no changes in the strategy for capital maintenance or externally imposed capital requirements from the previous year. Capital for the reporting periods are summarized as follows:

	31 December 2019	31 December 2018	1 January 2018
Total equity	5,844,310,695	5,634,980,181	5,991,330,346
Cash and cash equivalents	(349,663,187)	(263,887,892)	(981,198,632)
Capital	5,494,647,508	5,371,092,289	5,010,131,714
Total equity	5,844,310,695	5,634,980,181	5,991,330,346
Borrowings	1,145,424,396	713,306,010	926,984,807
Bank Overdraft	5,169,582	31,304,212	10,399,165
Overall financing	6,994,904,673	6,379,590,403	6,928,714,318
Capital-to-overall financing ratio	79%	84%	72%

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39. OPERATING SEGMENTS

Basis for segmentation

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

The following summary describes the operations of each reportable segment:

Reportable segments Operations

Ticketing	Providing air, ferry and train ticketing services across the Group.
Tourism	Providing tourism, package holidays and rooms on rent across the Group.
Transportation	Providing car rental, chartered flights and delivery of shipments across the Group.
Property rentals	Providing investment property on operating lease mainly in the Kingdom of Saudi

Other operations include sundry services such as events management, IT support, advertising, drivers professional fee, insurance brokerage, triptique and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2019 or 2018.

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

Inter-segment pricing is determined on an arm's length basis.

Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	2019						
	Reportable segments						Total
	Ticketing	Tourism	Transportation	Hospitality	Property rentals	All other segments	
External revenues	-	343,620,776	521,733,808	78,450,088	-	24,399,911	968,204,583
Inter-segment revenue	-	-	8,022,923	-	71,655,692	4,930,805	84,609,420
External commissions	958,274,438	249,319,735	14,454,568	-	-	-	1,222,048,741
Segment revenue	958,274,438	592,940,511	544,211,299	78,450,088	71,655,692	29,330,716	2,274,862,744
Segment profit before zakat and tax	125,752,790	34,954,184	31,151,771	(27,145,524)	49,117,153	2,225,351	216,055,725
Finance income	1,954,080	543,156	33,542	-	-	34,580	2,565,358
Finance expense	(49,548,458)	(13,772,465)	(5,360,477)	-	-	(840,759)	(69,522,159)
Depreciation and amortization	(47,084,713)	(13,087,644)	(111,280,502)	(38,271,427)	(14,845,360)	(833,221)	(225,402,867)
Share of profit / (loss) of equity-accounted investees	-	(524,642)	-	(2,160,571)	-	(4,500,000)	(7,185,213)
Other material non-cash items:							
Impairment losses on financial assets	(23,201,361)	(6,481,727)	(2,012,366)	-	-	(26,300,312)	(57,995,766)
Impairment losses on non-financial assets	-	-	-	-	-	-	-
Elimination of goodwill	-	-	-	-	-	-	-
Segment assets	2,823,240,567	784,746,560	1,152,614,165	3,089,902,842	1,361,565,218	49,960,741	9,262,030,093
Equity-accounted investees	-	8,962,918	-	13,460,055	-	400,000	22,822,973
Capital expenditure	(154,671,521)	(42,992,420)	(481,939,283)	(117,641,895)	-	(2,737,104)	(799,982,223)
Segment liabilities	1,012,002,303	281,295,663	1,089,299,468	26,883,005	6,450,619	17,908,635	2,433,839,693

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Information about reportable segments (continued)

	2018						
	Reportable segments						
	Ticketing	Tourism	Transportation	Hospitality	Property Rentals	All other segments	Total
External revenues	-	452,409,559	560,375,904	79,031,171	7,337,744	23,276,087	1,122,430,465
Inter-segment revenue	-	-	23,685,854	-	69,000,000	-	92,685,854
External commissions	1,076,095,964	84,249,361	18,558,136	-	-	-	1,178,903,461
Segment revenue	1,076,095,964	536,658,920	602,619,894	79,031,171	76,337,744	23,276,087	2,394,019,780
Segment profit / (loss) before zakat and tax	433,370,652	52,727,039	8,224,219	(31,349,147)	44,393,308	(564,930,826)	(57,564,755)
Finance income	9,835,824	1,198,065	284,954	-	-	135,079	11,453,922
Finance expense	(56,347,527)	(6,863,478)	(1,438,014)	(38,261)	(146)	(773,839)	(65,461,265)
Depreciation and amortization	(33,541,270)	(4,085,534)	(68,107,299)	(40,963,764)	(15,387,800)	(460,633)	(162,546,300)
Share of profit (loss) of equity-accounted investees	1,408,256	(120,586)	-	(4,335,099)	-	(64,026,073)	(67,073,502)
Other material non-cash items:							
Impairment losses on financial assets	62,662,818	7,632,719	-	-	-	-	70,295,537
Impairment losses on non-financial assets	(19,101,739)	(2,787,551)	-	-	-	(107,558,134)	(129,447,424)
Elimination of goodwill	-	-	-	-	-	(4,868,970)	(4,868,970)
Segment assets	3,457,070,783	421,092,626	707,103,898	2,989,669,593	1,371,076,154	47,477,101	8,993,490,155
Equity-accounted investees	21,040,626	13,437,575	-	15,620,626	-	-	50,098,827
Capital expenditure	(49,351,233)	(6,011,286)	(205,704,419)	(23,406,127)	-	(677,757)	(285,150,822)
Segment liabilities	1,444,140,101	171,789,804	656,440,640	57,982,362	8,566,607	19,368,855	2,358,288,369

Reconciliations of information on reportable segments to IFRS measures

	2019	2018
Revenues		
Total revenue for reportable segments	2,245,532,028	2,370,743,693
Revenue for other segments	29,330,716	23,276,087
Elimination of inter-segment revenue	(84,609,420)	(92,685,854)
Consolidated revenue	2,190,253,324	2,301,333,926
Profit before zakat and tax		
Total profit before zakat and tax for reportable segments	213,830,374	507,366,071
Profit before zakat and tax for other segments	2,225,351	(564,930,826)
Consolidated profit before zakat and tax	216,055,725	(57,564,755)
	31 December 2019	31 December 2018
Assets		1 January 2018
Total assets for reportable segments	9,212,069,352	8,946,013,054
Assets for other segments	49,960,741	47,477,101
Inter-segment eliminations	(983,879,705)	(1,000,221,605)
Consolidated assets	8,278,150,388	7,993,268,550
Liabilities		
Total liabilities for reportable segments	2,415,931,058	2,338,919,514
Liabilities for other segments	17,908,635	19,368,855
Consolidated liabilities	2,433,839,693	2,358,288,369

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Information about reportable segments (continued)

Other material items

31 December 2019	Reportable segments totals	Adjustments	Consolidated totals
Finance income	2,530,778	34,580	2,565,358
Finance expense	(68,681,400)	(840,759)	(69,522,159)
Capital expenditure	(797,245,119)	(2,737,104)	(799,982,223)
Depreciation and amortization	(224,569,646)	(833,221)	(225,402,867)
Impairment of trade and other receivables	(31,695,454)	(26,300,312)	(57,995,766)

Other material items

31 December 2018	Reportable segments totals	Adjustments	Consolidated Totals
Finance income	11,318,843	135,079	11,453,922
Finance expense	(64,687,426)	(773,839)	(65,461,265)
Capital Expenditure			
Depreciation and amortization	(162,085,667)	(460,633)	(162,546,300)
Reversal on impairment of trade and other receivables	70,295,537	-	70,295,537
Impairment on trade and other receivables	(21,889,290)	(107,558,134)	(129,447,424)
Impairment on property and equipment and intangible assets	-	(4,868,970)	(4,868,970)

Geographic information

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

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

Revenue

	31 December 2019	31 December 2018
Kingdom of Saudi Arabia	1,742,235,604	1,872,520,803
All foreign countries		
United Kingdom	421,333,455	411,750,006
Egypt	12,232,478	23,954,633
United Arab Emirates	(1,449,438)	(22,895,987)
Spain	10,006,712	10,109,959
Lebanon	5,894,513	5,894,512
	448,017,720	428,813,123
	2,190,253,324	2,301,333,926

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Information about reportable segments (continued)

Non-current assets

	31 December 2019	31 December 2018	1 January 2018
Kingdom of Saudi Arabia	5,714,781,146	5,117,756,557	5,892,085,183
All foreign countries			
United Kingdom	138,732,845	84,966,461	90,503,437
Egypt	17,307,855	36,418,474	39,456,174
United Arab Emirates	41,316,171	9,699,120	4,096,355
India	-	-	222,086
Spain	2,582,442	2,410,843	2,506,894
Lebanon	542,374	656,501	626,678
Malaysia	-	-	170,440
	200,481,687	134,151,399	137,582,064
	5,915,262,833	5,251,907,956	6,029,667,247

40. CORRECTION OF ACCOUNTING ERROR

The Group restated its opening retained earnings of the prior year, details are as follows:

	Note	Amount in SAR
Retained earnings as at 31 December 2017 (reported)		2,594,564,298
Sales incentive commission	A	(33,786,469)
Effect of transition to IFRS 9		(19,581,352)
Retained earnings as at 1 January 2018 (restated)		2,541,196,477
Profit for the year ended 31 December 2018 (reported)		(147,192,437)
Dividends (reported)		(104,825,000)
Increase in ownership stake in a subsidiary (reported)		(78,415,547)
Retained earnings as at 31 December 2018 (restated)		2,210,763,493

Explanatory note:

A. The Company's management identified that sales incentive commission of SR 33.8 million was not accrued for the year ended 31 December 2016. This was identified through a court order received against the Company during the year. Therefore, the Company has adjusted this expense in its opening retained earnings as at 1 January 2018 with a corresponding increase in its trade and other payables for the same amount.

41. SUBSEQUENT EVENTS

On 2 January 2020, Uber completed the acquisition deal of Careem Inc assets. The impact on Group's results from the sale of its investment in Careem Inc. will be recorded during the first quarter of 2020.

42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the board of directors on 9 Rajab 1441 (H) corresponding to 4 March 2020 (G).