



**Bahrain Car Parks  
Company (B.S.C)**

**2020  
Annual Report**

**Ready for  
Tomorrow**



**HIS ROYAL HIGHNESS  
PRINCE SALMAN BIN  
HAMAD AL KHALIFA**  
CROWN PRINCE, DEPUTY  
SUPREME COMMANDER AND  
PRIME MINISTER OF THE  
KINGDOM OF BAHRAIN



**HIS MAJESTY KING  
HAMAD BIN ISA  
AL KHALIFA**  
THE KING OF THE KINGDOM OF  
BAHRAIN

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# Administration & Contact Details

AS AT 31 DECEMBER 2020

## COMMERCIAL REGISTRATION NUMBER

11455 obtained on 31 October 1981

## BOARD OF DIRECTORS

**Amin Ahmed Alarrayed**  
Chairman  
(appointed on 18 July 2019)

**Abdulla Ahmed Kamal**  
Vice-Chairman  
(appointed on 18 July 2019)

**Adnan Habib Hashim**  
(appointed on 18 July 2019)

**Ali Eajaz Murtaza**  
(appointed on 18 July 2019)

**Arej Abdulla Abdulghaffar**  
(appointed on 18 July 2019)

**Bader Kassim Buallay**  
(appointed on 18 July 2019)

**Mohamed Rasheed AlMaraj**  
(appointed on 18 July 2019)

**Wael Ezzeldeen Arafa**  
(appointed on 21 July 2019)

**Fahad Abdulrahman AlSaad**  
(appointed on 18 July 2019)

**Yaser Abduljalil AlSharifi**  
(appointed on 22 March 2017)

## EXECUTIVE COMMITTEE MEMBERS

**Abdulla Ahmed Kamal**  
Chairman  
(appointed on 18 July 2019)

**Bader Kassim Buallay**  
(appointed on 18 July 2019)

**Mohamed Rasheed AlMaraj**  
(appointed on 18 July 2019)

**Ali Ejaz Murtaza**  
(appointed on 18 July 2019)

## AUDIT COMMITTEE MEMBERS

**Yaser Abduljalil AlSharifi**  
Chairman  
(appointed on 18 July 2019)

**Areej Abdulla Abdulghaffar**  
(appointed on 18 July 2019)

**Adnan Habib Hashim**  
(appointed on 18 July 2019)

## NRCG COMMITTEE MEMBERS

**Amin Ahmed Alarrayed**  
Chairman  
(appointed on 18 July 2019)

**Fahad Abdulrahman AlSaad**  
(appointed on 18 July 2019)

**Wael Ezzeldeen Arafa**  
(appointed on 21 July 2019)

## CHIEF EXECUTIVE OFFICER

**Tariq Ali Aljowder**

## IT DIRECTOR

**Ehsan Ali Al-Kooheji**  
(appointed on 28 February 2021)

## BOARD SECRETARY

**Fatima Habib Altajir**  
(appointed on 2 February 2020)

## REGISTERED OFFICE

Flat No. 209, Building No.128,  
Road No. 383, Block No. 316,  
2nd Floor, Car Parks &  
Commercial Centre,  
Government Avenue

## OPERATIONS DIRECTOR

**Aqeel Hasan Abdulrahim**

## HR MANAGER & COMPLIANCE OFFICER

**Sajeda Abdulla AlShehabi**

## FINANCE DIRECTOR

**Hassan Ali AlShoala**  
(appointed on 10 December 2020)

## FACILITIES MANAGER

**Looai Hasan Ali**

P.O. Box 5298,  
Manama,  
Kingdom of Bahrain

## BANKERS

**Ahli United Bank**  
**National Bank of Bahrain**

**Bank of Bahrain and Kuwait**  
**Al Salam Bank**

**National Bank of Kuwait**  
**Ithmaar Bank**

## EXTERNAL AUDITORS

**BDO**  
17th Floor,  
Diplomat Commercial Offices  
Tower

P.O. Box 787,  
Manama,  
Kingdom of Bahrain

## INTERNAL AUDITORS

**Protiviti – Bahrain**

P.O. Box 10231,  
Manama,  
Kingdom of Bahrain

## SHARE REGISTRARS

**Kfin Technologies (Bahrain) W.L.L.**  
P.O. Box 514,  
Manama,  
Kingdom of Bahrain

**Bahrain Clear B.S.C. (c)**  
P.O. Box 3203,  
Manama,  
Kingdom of Bahrain

# Board of Directors

## PROFILES



**Amin Ahmed Alarrayed**  
Chairman  
Non-Executive / Non-Independent

Amin Ahmed Alarrayed is the Chief Executive Officer at Bahrain Real Estate Investment Company (Edamah). Mr. Alarrayed has over two decades of experience in banking, real estate investment, and real estate development. Prior to joining Edamah, he worked at First Bahrain Real Estate Development Company as the Chief Executive Officer. Additionally, he is the Managing Director of both Sa'ada Real Estate Investment Company and Bilaj Al Jazayer Real Estate Investment Company, both wholly owned subsidiaries of Edamah. His board positions include Durrat Khaleej Al Bahrain B.S.C, Durrat Resort Management Company W.L.L., South City and The National Bank of Bahrain.

As a leader in the real estate industry his successful career includes valuable experience across several industries, having held key leadership roles, including, Head of Retail and Placement as a Founding Member of Reef Real Estate Finance, and Regional Head of Retail Banking at Bank of Bahrain and Kuwait.

He also worked at the Central Bank of Bahrain and gaining international experience whilst working at the International Monetary Fund in Washington DC, USA.

Mr. Alarrayed holds a Master of Business Administration Degree (MBA) with Distinction from Kellstadt Graduate School of Business at DePaul University, Chicago, USA, and a Bachelor's Degree in Economics from the University of Redlands, California, USA.



**Abdulla Ahmed Kamal**  
Vice Chairman  
Non-Executive / Non-Independent

Abdulla Ahmed Kamal is the Head of Operations at Osool Asset Management. Mr. Kamal has 18 years of experience in audit, assurance services and business risk consultancy including external audit, internal audit, corporate governance, risk and control assessment, operational risk and compliance programs. Prior to joining Osool, he worked at Ernst & Young as a Senior Manager. He is currently a board member at SICO Bank and Amlak Social Insurance Organization Development Company.

Mr. Kamal holds a Bachelor's degree in Accounting from the University of Bahrain, and is a Member of the Association of Chartered Certified Accountants (ACCA), a Member of the Institution of Internal Auditors (IIA), and is a Certified Associate Professional Risk Manager (APRM).



**Yaser Abduljalil Alsharifi**  
**Director**  
**Non-Executive / Non-Independent**

Yaser Abduljalil Alsharifi is the Group Chief Strategy Officer at the National Bank of Bahrain. Mr. Alsharifi has over 25 years of experience in investment management and corporate finance across the GCC, Europe, and the US. He previously worked in various leadership roles, including at Al Rajhi Holdings and Ernst & Young. He also serves as the Chairman of the Bahrain Institute for Pearls & Gemstones (Danat). He is a Board Director of Bahrain Islamic Bank BSC, Bahrain Real Estate Investment Company (Edamah), Bahrain Bourse and Bahrain Clear, and a member of the Limited Partners Advisory Committee for the Al Waha Fund of Funds.

Mr. Alsharifi holds a Bachelor's degree in Business Administration from the University of Massachusetts, Amherst, USA, and is an active member of the Young Presidents Organization (YPO).



**Areej Abdulla Abdulghaffar**  
**Director**  
**Non-Executive / Non-Independent**

Areej Abdulla Abdulghaffar is a Senior Investment Manager – Private Investments at Osool Asset Management. Mrs. Abdulghaffar has 9 years of experience in investment management and auditing and was involved in many projects including the establishment of Aegila Capital Management, a real estate subsidiary of Osool (a joint venture between Osool and Bank of Bahrain and Kuwait). Prior to joining Osool, Mrs. Abdulghaffar worked as an Engagement Auditor at Ernst & Young.

Mrs. Abdulghaffar holds a BSc degree in Accounting and Finance from the University of Leeds and holds an MSc in Finance and Investment from the same university.



**Dr. Fahad Abdulrahman AlSaad**  
**Director**  
**Non-Executive / Non-Independent**

Dr. Fahad Abdulrahman AlSaad is a Senior Manager and Head of Business Development at Bahrain Real Estate Investment Company (Edamah). Dr. AlSaad has 17 years of experience in investment banking, real estate investment and development and property management. Prior to joining Edamah, he was a Principal in the Investment Placement at GFH Financial Group. He previously served as a Board Director of Southern Area Development Company and Southern Tourism Company.

Dr. AlSaad holds a Doctorate degree in Business Administration from Liverpool Johns Moores University, UK, a Master of Business Administration from the University of DePaul, USA, and a Bachelor's degree in Accounting from King Fahd University of Petroleum and Minerals, KSA.



**Bader Kassim Buallay**  
**Director**  
**Non-Executive / Non-Independent**

Bader Kassim Buallay is a Senior Investment Strategist – Asset Allocation at Osool Asset Management. Mr. Buallay has 13 years of experience in investment analysis and management and has previously worked at Sage Capital Management Group. He currently serves as a Board Director of Khreiji Showroom Company and is also a part-time lecturer at BIBF.

Mr. Buallay holds a Bachelor's degree (Hons) in Computing and Accounting & Finance from University of Kent, UK. He is a CFA Charterholder and a CAIA Charterholder.



**Wael Ezzeldeen Arafa**  
**Director**  
**Non-Executive / Non-Independent**

Wael Ezzeldeen Arafa is the Managing Partner at UHY Pillars Advisory in Kuwait. Mr. Arafa has 20 years of experience in financial accounting, business evaluation, preparation of financial and administrative systems, financial analysis, corporate structuring and internal control policies and procedures. Mr. Arafa has worked in several positions in the management and economic consulting sectors, where he has provided numerous studies and consultations for various companies and institutions inside and outside of Kuwait. In addition to being the Managing Partner at UHY Pillars, Mr. Arafa also serves as a Board Director of several Companies within and outside of Kuwait.

Mr. Arafa holds a Master's degree in Finance (MSc) from George Washington University, USA, a Bachelor's degree in Commerce and Business Administration and is an International Certified Valuation Specialist (ICVS). Currently Mr. Arafa is a PhD candidate in Islamic Banking and finance (IIBF) from International Islamic University Malaysia.



**Mohamed Rasheed Almaraj**  
**Director**  
**Independent**

Mohamed Rasheed Almaraj joined Bank ABC in 2015 as Vice President of Group Strategy and is currently the Chief Executive Officer at ila Bank Bahrain, Bank ABC's Digital Retail Bank. Mr. Almaraj has 10 years of experience in corporate finance, investments, restructuring and digital transformation. Previously, he worked at Perella Weinberg Partners, New York, as a Senior Associate for 5 years, with a focus on mergers and acquisitions transactions and corporate restructurings in the technology, media, telecom and financial services sectors. He also serves as a Board Director of Arab Financial Services (AFS) and Finzo.

Mr. Almaraj holds a Bachelor's degree in Finance and Accounting from the Wharton School of Business, University of Pennsylvania, USA.



**Ali Eajaz Murtaza**  
**Director**  
**Independent**

Ali Eajaz Murtaza is the Business Development Executive Director heading the Co-Investment Opportunities team at the Bahrain EDB. Mr. Murtaza has 17 years of experience in investments, business development, real estate, management and retail banking. Prior to joining Bahrain EDB, he worked at Oman Investment Fund as an Investment Manager for Real Estate, Tourism & Leisure. He also has extensive experience working in the GCC including KSA, Oman and Bahrain in the fields of real estate and tourism development.

Mr. Murtaza holds a Master of Business Administration (MBA) from the University of Strathclyde, UK and a Bachelor's degree in Finance and DMIS from George Mason University, USA.



**Adnan Habib Hashim**  
**Director**  
**Independent**

Adnan Hashim is the Founder and Managing Partner of Istishara, a Bahrain based consulting firm serving the MENA region. Mr. Hashim has over 25 years of experience in the banking and finance industry. He was the Chief Financial Officer of Aluminium Bahrain (ALBA), and prior to that, he was the Chief Financial Officer of NCB Capital, the region's leading investment firm and Saudi Arabia's largest asset manager. He sat on numerous Boards, Executive Committees, Audit Committees and Compensation and Governance Committees of various financial institutions and has served as the Chairman of ACCA Members' Advisory Committee, Bahrain.

Mr. Hashim holds a Master of Business Administration (MBA) with Distinction from the University of Strathclyde, Scotland, and is a Fellow of the Chartered Association of Certified Accountants.

# Executive Management

## PROFILES



**Tariq Ali Aljowder**  
Chief Executive Officer

Tariq Ali Aljowder is the Chief Executive Officer of Bahrain Car Parks Company. Mr. Aljowder has over 30 years of experience in real estate property development and management, hospitality and leisure, government, military logistics management and development and other industries. After having worked with the Bahrain Defense Force leading a number of executive responsibilities for over 22 years, Mr. Aljowder entered the private sector and held a number of executive positions. Throughout his career in the real estate management and development industry, Mr. Aljowder conducted business with companies across the GCC, USA and Europe. Prior to joining the company, he was the Chief Executive Officer of Al Areen Holding Company BSC and the Chairman of its subsidiary, Al Areen Leisure and Tourism Company. He also served as a Board Director of Bahrain Property Development Association and Takamul Capital BSC.

Mr. Aljowder holds a Master degree in Business Administration from the American University, Washington DC, USA, and a Bachelor's degree in Aerospace Technology Engineering from Northrop University, Los Angeles, USA.



**Aqeel Hasan Abdulrahim**  
Operations Director

Aqeel Hasan Abdulrahim is the Operations Director of Bahrain Car Parks Company. Mr. Abdulrahim has 20 years of experience in facilities management, project management, utilities and infrastructure services, and petrochemicals. Prior to joining the company, he worked as an Operations Manager at MAF Dalkia / ENOVA facilities and energy management, Projects & Utilities at BAPCO, Plant Operation at GPIC.

Mr. Abdulrahim holds a Bachelor's degree in Mechanical Engineering, and is Project Management Professional (PMP) certified and Facilities Management Professional (FMP) certified.



**Hassan Ali AlShoala**  
Finance Director

Hassan Ali AlShoala is the Finance Director of Bahrain Car Parks Company. Mr. AlShoala's 17 year working career spans management consulting working with clients in the private and public sector on large scale projects across several economic sectors including banking, mobility, urban planning, entertainment and healthcare. He has closely worked with GCC clients, including leading branches and subsidiaries of multinational companies on strategic and performance improvement projects.

Prior to joining the company, he worked at PwC as a Consulting Director, where he helped establish the regional practice and expand the consulting team across the Middle East.

Mr. AlShoala holds a Master's degree in Business Administration (MBA) from the University of Cambridge and a Bachelor of Science (BSc) degree with first class honours in Accounting from the University of Bahrain. He is also a fellow member of Association of Chartered Certified Accountants, UK.





### **Ehsan Ali Al-Kooheji** IT Director

Ehsan Ali Al-Kooheji is the IT Director of Bahrain Car Parks Company. Mr. Al-Kooheji has 20 years of experience in technology, creative, real estate development and telecom industries. Prior to joining the company, he worked as a General Manager in several companies including Kooheji Systems, Unisono, and Cirrus Developments, and a Project Manager at Batelco. He also serves as a Board Member of The Bahrain Foundation for Dialogue.

Mr. Al-Kooheji holds a Master of Business Administration in Management from the New York Institute of Technology, and a B.Sc. in Computer Science from the American University of Sharjah. He has various certifications including CCNA, PRINCE2, MCP, CSE, and CIM.



### **Looai Hassan Ali** Facilities Manager

Looai Hassan Ali is the Facilities Manager of Bahrain Car Parks Company. Mr. Looai has 15 years of experience in facilities management and maintenance. Prior to joining the company, he worked as an Assistant Operations Manager at MAF Dalkia/Enova, Senior Maintenance Supervisor at Gulf Hotel, and Maintenance Manager at Ritz Carlton Hotel.

Mr. Looai holds a Bachelor's degree in Mechatronics Engineering from AMA International University and a Diploma in Electrical Engineering from the University of Bahrain.



### **Sajeda Abdulla AlShehabi** HR Manager & Compliance Officer

Sajeda Abdulla AlShehabi is the Human Resources Manager and Compliance Officer of Bahrain Car Parks Company. Ms. AlShehabi has 16 years of experience in Human Resources, Compliance, Operations and Corporate fields in the Banking Sector. Prior to joining the company, Sajeda worked as an Associate with Ithmaar Bank.

Ms. AlShehabi holds a Bachelor's degree in Business Information System from the University of Bahrain and holds an Advance Diploma in Islamic Banking from Bahrain Institute of Banking and Finance. She also holds various professional certificates including Certificate for Documentary Credit Specialist (CDCS) and is currently pursuing CIPD Level 5.



### **Fatima Habib Altajir** Board Secretary

Fatima Habib Altajir is the Board Secretary of Bahrain Car Parks Company. Ms. Altajir has diverse experience in finance, internal audit and corporate services. She has background in performing liquidation and due diligence assignments for multinational clients based in Bahrain and overseas.

Prior to joining the company, she worked at RSM Bahrain as an Internal Auditor and before that in the Finance and Consulting service lines where she assisted clients with strategic and operational projects. Ms. Altajir holds a Bachelor's degree in Accounting from the University of Bahrain.

# Chairman's Report

## Dear Shareholders,

This has been a challenging year for us, as it has for mobility related businesses across the world. Wherever you are based, we extend our greetings and sincerely hope that you are healthy and safe. It is my pleasure to inform you that your Company's performance has shown resilience in the face of this year's disruption.

The impact of the COVID-19 global pandemic, is unprecedented in our 40 years of operations, and liquidity management has warranted greater attention. Bahrain Car Parks Company policies meant that we retained sufficient cash holdings and liquid investments, which were instrumental in our success at navigating the crisis.

When the COVID-19 virus was detected in Bahrain in late February, we focused immediately on supporting our community and our tenants. This included contributing to the Kingdom's COVID-19 relief campaign "Feena Khair", working with our partners to provide 24/7 free parking to the Bahrain Response Team at the hotline, 444, as well as extending support to our tenants adversely affected by the pandemic in the form of voluntary rent reliefs, waivers and deferrals amounting to BD71,568.

During 2020, we reassessed our strategy and approved a significantly tighter approach that looks to accelerate growth. In late 2020, we added a new location to our operating portfolio, and we continue to research opportunities to expand further. The Company has achieved a net profit of BD658,292 for the year ended 31 December 2020 compared to a net profit of BD888,035 for the year ended 31 December 2019. This represents a reduction in net profit of BD389,633 as a direct result of the global pandemic. The effect of COVID-19 continues to have influence and impact on our activity, details of which are set out in Note 5.

In light of the achieved results along with retained earnings from the previous years, the total amount available for appropriation for the year ended 31 December 2020 aggregated to BD3,859,088 from which the board of directors proposes the following implementations:

1. Transfer of BD65,829 to statutory reserves, being 10% of the net profit for the year.
2. A dividend of BD546,513 which represents 5% of the share capital at 5 fils per share.
3. Directors' remuneration at BD25,272.
4. Transfer of BD10,000 to charity reserve.
5. Balance of BD3,211,474 remains in retained earnings.

Directors' remuneration of BD25,272 for the year 2020 will be paid to the Board of Directors during 2021 subject to the approval of the Ministry of Industry, Commerce and Tourism, in addition to the approval of the shareholders in the Annual General Meeting.

For the year ended 31 December 2020, Board's sitting fees (including representation allowances, attendance allowances and expenses) and remuneration amounted to BD64,272:

Type of transaction	Amount
Directors' sitting fees	39,000
Directors' remuneration	25,272

During the year ended 31 December 2020, the CEO, and his 2 most highly paid employees made BD271,997 in salaries and benefits:

Type of transaction	Amount
Salaries and bonuses to key management personnel	267,507
Long-term benefits to key management personnel	4,490

On behalf of the Board of Directors and I, we extend our thanks to shareholders for their ongoing trust and confidence in Bahrain Car Parks Company. I also would like to express gratitude and appreciation to His Majesty, King Hamad Bin Isa Al Khalifa, and to his Government under the leadership of His Royal Highness Prince Salman Bin Hamad Al Khalifa - the Crown Prince and Prime Minister for their unwavering support.

My thanks must also include the remarkable team of Bahrain Car Parks for their hard work and commitment during a very testing year, that has presented them with unique challenges that they have nonetheless admirably overcome.

Our outlook for 2021 is positive and vigilant. The emphasis will be on maintaining our strong financial position and meeting, head on, the obligations that will galvanize our strategic growth.



**Amin Ahmed Alarrayed**  
Chairman

# Chairman's Message



2020 brought exceptional global challenges due to the COVID-19 pandemic, and this required enormous flexibility and effort from our team. Despite the extreme difficulties, we managed to achieve major success in this period, and I put our positive result down to our board and executive management's strict precautionary measures, systems for asset and liquidity management, and significant cash and liquid investment holdings. This all combined to help the company minimize the negative financial and social effects of the pandemic, and ultimately maintain our profitability.

Of equal pride was the company's participation in kingdom's COVID-19 relief campaign "Feena khair" to support the Kingdom's efforts in fighting the pandemic. Collaborating with our partners, we provided free parking around the clock for Team Bahrain on 444, plus we were able to offer rental support and understanding to those tenants affected by the pandemic.

Throughout this reporting period, we dedicated enormous effort to developing the board's entrepreneurial leadership, helping the company reach its strategic goals by setting new plans in motion, and following up on a range of quality initiatives.

Additionally, we established three dedicated committees to focus on subjects that require high levels of specialization and experience, namely the Executive Committee, Audit Committee and Appointments Rewards and Governance Committee – all of which have already assisted the board with important decision making. Over the past year, we also adopted an ambitious new strategy to drive economic growth, and have added a major new location to our operating portfolio.

Through focus and dedication, the Rewards and Governance Committee has made continual improvements to our good corporate governance in the areas of transparency and accountability. This has contributed to enhancing our management framework, and creating long-term added value.

Today, we look at 2021 with positivity and awareness, building on what we have achieved and identifying new opportunities for development and growth. We will soon be announcing new initiatives to keep pace with technological advancements around the world, in support of our objectives to maintain our strong financial position whilst driving the development of Bahrain in line with Bahrain Vision 2030.

There are many people who made 2020 the success it is today, and for that I would like to take this opportunity to extend my sincere gratitude to His Majesty King Hamad Bin Isa Al Khalifa, the King of the Kingdom of Bahrain, His Royal Highness Prince Salman Hamad Al Khalifa, the Crown Prince and Prime Minister for the continuous support for the national economy, especially during the past critical period, giving our economy the strength to overcome the disruption caused by the pandemic.

In addition, I would also like to take this opportunity to thank the shareholders, board members, and all staff for their continued commitment and endless support.

**Amin Ahmed Alarrayed**

Chairman

# CEO's Message



Despite the unprecedented global challenges, we managed to achieve positive results which would not have been possible without the company's flexibility and ability to adapt. We are extremely pleased with this outcome, and the sincere commitment and dedication of our employees. It's their endless efforts to overcome the challenges that has ensured our success, and has allowed us to distribute dividends to our shareholders.

Major milestones during 2020 include adding the multistorey car parks at Salmaniya Medical Complex to our management portfolio.

The executive management received endless support from the board, as it has laid out an ambitious strategic plan, and communicated a clear and precise vision for the future to the company's team members.

We have started to implement our new five year strategic plan, which aims to expand the company and its offerings by increasing the number of facilities under management, as well as adding the latest technology and services. By the end of the first quarter of this year, we are aiming to activate a contactless payment system at one of our strategic locations, and with the collaboration of our financial partners, we are planning to roll this out across the rest of our owned and managed locations.

Today, despite the looming uncertainty imposed by the pandemic, we look to the future with passion and excitement. With the company's solid financial position, ever-growing portfolio and expansion of services, we are very optimistic about what will unfold in the future.

I would like to take this opportunity to extend my sincere gratitude to His Majesty King Hamad Bin Isa Al Khalifa, the King of the Kingdom of Bahrain, and to His Royal Highness Prince Salman Hamad Al Khalifa, the Crown Prince and Prime Minister, the shareholders, members of the board, employees and everyone who made this year the accomplishment it is.

**Tariq Ali Aljowder**  
Chief Executive Officer

# Corporate Governance Report

## FOR THE YEAR 2020

Corporate Governance is about promoting corporate fairness, transparency and accountability. It is a continuous process which aims at transforming corporations into more democratic entities with a view to enhance responsible corporate management geared towards long term value creation. Bahrain Car Parks Company is committed to continuously reviewing and enhancing its corporate governance policies.

## SHAREHOLDERS

### Ownership structure as of 31 December 2020

Shareholder name	No. of shares	Shareholding	Category
1 Bahrain Real Estate Investment (Edamah)	40,000,000	36.26%	Local   Corporate
2 Social Insurance Organization	37,033,490	33.57%	Local   Corporate
3 Kuwaiti Real Estate & Commercial Centre Co.	15,000,000	13.60%	Kuwait   Corporate
4 Public	18,283,740	16.57%	Local and Arab   Individual and Corporate

### Shareholding distribution 2020

Category (shares)	No. of shares	No. of shareholders	Shareholding
Less than 50,000	3,211,225	1,263	2.91%
50,000 to 500,0000	5,398,746	43	4.89%
500,000 to 5,000,000	24,723,769	7	22.42%
Above 5,000,000	76,983,490	3	69.78%
<b>Total</b>	<b>110,317,230</b>	<b>1,316</b>	<b>100%</b>

## BOARD OF DIRECTORS

### Board Charters

During 2020, the board reviewed and approved the amendments to the company's Corporate Governance Charter in light of the Corporate Governance Code of the Ministry of Industry, Commerce and Tourism and the company's Articles of Association to ensure compliance and completeness of the governance framework. The Corporate Governance Charter clearly defines the terms of reference of the board and individual committees.

### Board Composition

The existing board of directors was appointed in July 2019 and consists of 10 members, none of which is executive and 3 of which are independent. Section 2.5 of the company's Corporate Governance Charter states that the size of the board must be 10 directors at a minimum at all times. The board members of Bahrain Car Parks Company come from diverse disciplines; hence forming an excellent mix which is essential to effective governance. Collectively, the board members demonstrated independent and objective judgement throughout the year. The status of each director was reviewed in terms of independence and number of directorships for the year 2020 with no exceptions noted.

### Board Responsibilities

The primary role of the board is to provide entrepreneurial leadership to achieve the company's goals through the implementation of strategic initiatives and ultimately maximizing the value of shareholders. The Corporate Governance Charter defines, in addition to fiduciary duties, the responsibilities of the board which mainly fall under: 1) vision and strategy, 2) management oversight, 3) financial and investment matters, 4) governance, risk and compliance management, 5) communication with stakeholders, and 6) delegation.

### Independence of Directors

An independent director, as defined in the Corporate Governance Code, is a non-executive director who is fully independent in his position and decisions, and none of the independence invalidity cases mentioned in paragraph (3) of Annex 1 of the Corporate Governance Code is applicable. The Directors have disclosed their interests for the year ended 31 December 2020; the independence has also been reviewed for independent members who met all the independence requirements.

### Non-executive Board Members

#### 31 December 2020

Amin Ahmed Alarrayed	Chairman
Abdulla Ahmed Kamal	Vice Chairman
Yaser Abduljalil Alsharifi	Board Member
Fahad Abdulrahman AlSaad	Board Member
Areej Abdulla Abdulghaffar	Board Member
Bader Kassim Buallay	Board Member
Wael Ezzeldeen Arafa	Board Member

All existing directors were elected for a three-year term on 18 July 2019

## Independent Board Members

### 31 December 2020

Mohamed Rasheed Almaraj	Board Member
Ali Eajaz Murtaza	Board Member
Adnan Habib Hashim	Board Member

All existing directors were elected for a three-year term on 18 July 2019

Where the Corporate Governance Code requires that the chairpersons of the board, the audit committee and the nomination, remuneration, and corporate governance committees should be independent, the board of Bahrain Car Parks Company elected to have non-independent members to assume these roles based on the expertise and skills required for effective leadership. More information on this is available under the compliance section of this report.

### Board Evaluation

Board evaluation is a crucial element of effective governance aimed at identifying strengths and weaknesses of the top-level leadership, enhancing the efficiency of board operations, implementing plans for future development and reassuring stakeholders, specifically shareholders, that the board is committed to continuous improvement.

In December 2020, the Corporate Governance Officer administered the annual board evaluation which was completed on a self-assessment basis. It was focused on evaluating the performance of the 1) board as a whole, 2) individual board committees, and 3) individual board members.

The results of the evaluation were very good and shall be presented to the shareholders during the upcoming Annual General Meeting as part of the corporate governance agenda item.

### Board Compensation

In addition to the sitting fees paid to the board members for attending the board and committee meetings, directors' remuneration is paid in accordance with Article 188 of Bahrain Commercial Companies Law. Details of the amounts paid during the year ended 31 December 2020 are outlined in the table below:

	2020	2019
Sitting fees	BD41,000	BD35,000
Directors' remuneration	BD25,272	BD25,272

### Board Meetings and Attendance

According to section 1.7 of the company's Corporate Governance Charter, 1) individual board members can only be absolved from their actions in a given financial year if they attend 75% of the board meetings, which was the case during the year 2020, 2) the board may convene using any means of teleconferencing, 3) a quorum of at least 50% is required for the meeting to be valid, 4) resolutions shall be passed by a simple majority of present members, 5) circular resolutions, except for the approval of the financial statements, may be adopted and shall only be valid with a unanimous vote.

## Board Attendance Schedule 2020

		Feb 26 (P)	Jun 10 (V)	Aug 10 (V)	Nov 9 (V)	Jul 23 (UV)
Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓	✓
Abdulla Ahmed Kamal	Vice Chairman	✓	✓	✓	✓	✓
Yaser Abduljalil Alsharifi	Board Member	✓	✓	✓	✓	✓
Adnan Habib Hashim	Board Member	✓	✓	✓	✓	✓
Ali Eajaz Murtaza	Board Member	✓	✓	✓	✓	✓
Areej Abdulla Abdulghaffar	Board Member	✓	✓	✓	✓	✓
Bader Kassim Buallay	Board Member	✓	✓	✓	✓	✓
Fahad Abdulrahman AlSaad	Board Member	✓	✓	✓	✓	✓
Mohamed Rasheed Almaraj	Board Member	✓	✓	✓	✓	✓
Wael Ezzeldeen Arafa	Board Member	✓	✓	✓	✓	✓

Attendance mode and category: In person (P) | Virtual (V) | Unpaid virtual meeting (UV)

## BOARD COMMITTEES

Consistent with the industry's best practice, the board has established three committees with clear terms of reference set out in separate charters in the company's approved Corporate Governance Charter. The main role of the committees is to assist the board in looking at specific matters that require specialized areas of expertise and accordingly provide recommendations to the board for approval. The general rules, according to the Corporate Governance Charter, 1) committees must consist of a minimum of three directors, 2) committees shall have four meetings at a minimum during the financial year, 3) participation in committee meetings via virtual means of communication is allowed.

### Executive Committee

The role of the Executive Committee is to implement the Board's fiduciary, strategic, and progressive plans, policies, and decisions consistent with the organization's vision, mission and values. During 2020, the Executive Committee had four official meetings in addition to a number of progress meetings held to ensure implementation of key strategic initiatives.

### Executive Committee Attendance Schedule 2020

		Feb 3 (P)	Apr 28 (V)	Jul 15 (V)	Oct 13 (V)	Aug 19   Oct 7 Dec 23 (UV)
Abdulla Ahmed Kamal	Chairman	✓	✓	✓	✓	✓
Ali Eajaz Murtaza	Committee Member	✓	✓	✓	✓	✓
Bader Kassim Buallay	Committee Member	✓	✓	✓	✓	✓
Mohamed Rasheed Almaraj	Committee Member	✓	✓	✓	✓	✓

Attendance mode and category: In person (P) | Virtual (V) | Unpaid virtual meeting (UV)

**Audit Committee**

The role of the Audit Committee is focused on the financial reporting process, the system of internal controls, the external and internal audit process, and the monitoring of compliance with the company’s policies, code of conduct and the applicable laws and regulations.

**Audit Committee Attendance Schedule 2020**

		Feb 19 (P)	Jun 3 (V)	Jul 28 (V)	Oct 27 (V)	Oct 19 (UV)
Yaser Abduljalil Alsharifi	Chairman	✓	✓	✓	✓	✓
Adnan Habib Hashim	Committee Member	✓	✓	✓	✓	✓
Areej Abdulla Abdulghaffar	Committee Member	✓	✓	✓	✓	✓

Attendance mode and category: In person (P) | Virtual (V) | Unpaid virtual meeting (UV)

**Nomination, Remuneration and Corporate Governance Committee**

The role of the Nomination, Remuneration and Corporate Governance Committee is to develop and recommend the framework for the nomination of board membership and selection of executive directors, periodically review the board size and composition and the organizational structure, review the board induction and evaluation processes, develop and review the remuneration policies of the board and senior management, and improve and monitor the implementation of the corporate governance framework.

**NRCG Committee Attendance 2020**

		Feb 12 (P)	May 4 (V)	Jul 21 (V)	Oct 20 (V)
Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓
Fahad Abdulrahman Alsaad	Committee Member	✓	✓	✓	✓
Wael Ezzeldeen Arafa	Committee Member	✓	✓	✓	✓

Attendance mode and category: In person (P) | Virtual (V)

**EXECUTIVE MANAGEMENT**

The Chief Executive Officer of Bahrain Car Parks Company with the senior management team lead the day-to-day operations and collaborate with the rest of the team to achieve the objectives set out by the board. On a yearly basis, the organizational and governance structure is reviewed by the board.

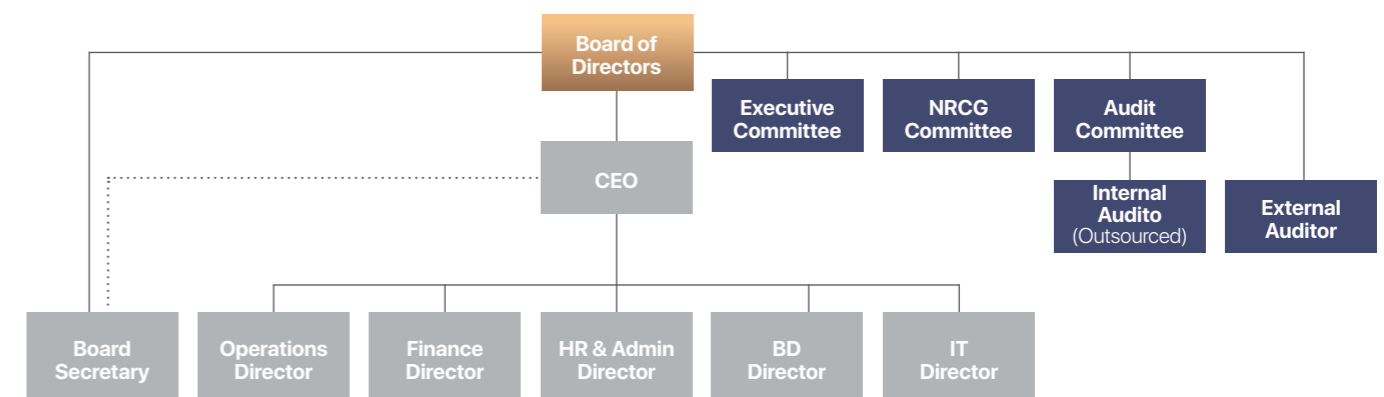
Name	Position
1 Tariq Ali Aljowder	Chief Executive Officer
2 Aqeel Hasan Abdulrahim	Operations Director
3 Mahmood Husain Yasin <sup>(1)</sup>	Finance Director
4 Hassan Ali Alshoala <sup>(2)</sup>	Finance Director

<sup>(1)</sup> Resigned in October 2020

<sup>(2)</sup> Joined in December 2020

**Governance Structure**

31 December 2020



## INTERNAL CONTROLS, POLICIES AND PROCEDURES

### Conflict of Interest and Related Party Transactions

With regards to conflict of interest, directors should notify the board in writing as soon as they become aware of any potential conflict of interest. Also, they are given the opportunity in each board meeting to disclose new or amended conflicts of interest.

Consistent with the Corporate Governance Code and the company's Corporate Governance Charter, the board should unanimously and formally approve any related party transaction. Details of approved transactions are included in note 29 of the financial statements for the year ended 31 December 2020, which shall be reported to the shareholders in the upcoming Annual General Meeting.

### Related Party Transactions

31 December 2020

Transaction	Nature of relationship	Name of related party	Amount (BD)
Other car parks income	Shareholder	Bahrain Real Estate Investment (Edamah)	51,778
Lease rent expenses	Shareholder	Bahrain Real Estate Investment (Edamah)	128,501
Directors' remuneration	Key management personnel	Key management personnel	25,272
Directors' sitting fees	Key management personnel	Key management personnel	39,000
Salaries and bonuses to key management personnel	Key management personnel	Key management personnel	267,507
Long-term benefits to key management personnel	Key management personnel	Key management personnel	4,490

### Code of Conduct

The Code of Conduct was approved by the board in June 2020. This code sets out the minimum standards of behavior that are expected across the company from all employees and senior management. It covers areas related to ethical decision making, confidentiality and insider trading, conduct with competitors and suppliers, public communications, financial crime, data protection and relationship with different stakeholders.

### Whistleblowing Policy

The Whistleblowing Policy was approved by the board in June 2020. The purpose of this policy is to encourage a culture where misconduct is not tolerated and the Code of Conduct and the company's policies are respected and adhered to.

In the event where employees are faced with or become aware of any actions or behaviors that would qualify as misconduct, they are encouraged to report these incidents to the Chairman of the Audit Committee or in exceptional circumstances, the Chairman of the board.

### Corporate Governance Officer

The Corporate Governance Officer is responsible of carrying out the tasks related to ensuring and verifying the company's compliance with the corporate governance laws, regulations and resolutions issued by the regulatory bodies. Bahrain Car Parks Company appointed Ms. Fatima Altajir as the company's Corporate Governance Officer in October 2020. Ms. Altajir holds a B.SC. in Accounting.

## ANNUAL GENERAL MEETING

It is the responsibility of the Board of Directors to report to the shareholders on the following matters for their approval during the Annual General Meeting:

- Board of Directors' report of the company's business and activities
- Audited financial statements
- Board's recommendation in relation to the allocation of net profit
- Board's recommended remuneration
- Company's Corporate Governance Report
- Related party transactions

## APPOINTMENT AND REMUNERATION OF THE EXTERNAL AUDITOR

For public joint stock companies, the Corporate Governance Code requires that the external auditor is appointed for a term of one financial year, to be renewed for similar periods not exceeding five consecutive financial years; the external auditor may not be appointed thereafter except after the lapse of two consecutive financial years. Additionally, the partner responsible for auditing the company shall be rotated once every three years at a maximum. Details about the company's external auditor are outlined in the table below.

### Details of the Company's External Auditor for 2020

Audit firm	BDO
Term of service as the company's external auditor	18 years
Name of the partner in charge	Mr. Nath Venkitachalam
Partner's years of service at the audit firm	3 years
Total audit fees for the financial statements for the year 2020	Can be provided upon request after the approval of the Board of Directors
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2020	BD3,800



## COMPLIANCE

### Through the Comply or Explain Approach

The company has been continuously improving its governance charters, policies and practices to achieve full compliance with the Corporate Governance Code. The implementation of the code is based on the comply or explain approach, where the company in the case on non-compliance should provide a valid justification.

#### Compliance with the Principles of the Corporate Governance Code

	Non-compliant	Partially compliant	Fully compliant	Explanation
Principle 1: The company shall be headed by an effective, collegial and expert board		√		See note 1 in the next page
Principle 2: The directors and executive management shall have full loyalty to the company			√	
Principle 3: The board shall have rigorous controls for financial audit and reporting, internal control, and compliance with the law		√		See note 2 in the next page
Principle 4: The company shall have effective procedures for appointment, training, and evaluation of the directors		√		See note 3 in the next page
Principle 5: The company shall remunerate directors and senior officers fairly and responsibly		√		See note 4 in the next page
Principle 6: The board shall establish a clear and efficient management structure for the company and define the job titles, powers, roles and responsibilities			√	
Principle 7: The company shall communicate with shareholders, encourage their participation, and respect their rights			√	
Principle 8: The company shall disclose its corporate governance		√		See note 5 in the next page
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a			N/A	
Principle 10: The board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors			√	
Principle 11: The company shall seek through social responsibility to exercise its role as a good citizen	√			See note 6 in the next page

### Explanation of Non-Compliance Items

			Reasons for non-compliance
Note 1	Principle 1	The Chairman of the board shall be an independent director	Considering the new strategic direction set forth by the board, the Chairman, who is non-independent, was elected based on the expertise and skills required for effective leadership and governance.
Note 1	Principle 1	New directors shall receive a formal induction to introduce the company and the senior management team	There were no additional appointments of board directors in 2020. Where the company has not yet finalized its board induction program, board members are presented with all the information they need to make well-rounded decisions and have access to the senior management through the Chairman of the Audit Committee.
Note 2	Principle 3	Majority of the Audit Committee members and the Chairman of the committee shall be independent	The Audit Committee consists of two non-executive members and one independent member with the Chairman being non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 3	Principle 4	Majority of the Nomination Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of non-executive members; all are non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 3	Principle 4	New directors shall receive a formal induction to introduce the company and the senior management team	There were no additional appointments of board directors in 2020. Where the company has not yet finalized its board induction program, board members are presented with all the information they need to make well-rounded decisions and have access to the senior management through the Chairman of the Audit Committee.
Note 4	Principle 5	Majority of the Remuneration Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of non-executive members; all are non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 5	Principle 8	All Corporate Governance Committee members shall be independent	The NRCG Committee consists of non-executive members; all are non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 6	Principle 11	The company shall seek through social responsibility to exercise its role as a good citizen	Although the company has not yet designed a strategy for social responsibility, it is considered one of the pioneers in supporting people with special needs in the Kingdom. Additionally, during 2020, the company contributed to the relief campaign "Feena Khair" in support of the government efforts in the face of COVID-19, and provided 24/7 free parking to the Bahrain Response Team at the hotline 444 starting March 2020.



# Financial Statements

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# Independent Auditors' Report

TO THE SHAREHOLDERS

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Bahrain Car Parks Company B.S.C. ("the Company"), which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Code of Ethics for Professional Accountants ("IESBA Code") issued by International Ethics Standards Board for Accountants, 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 financial statements for the year ended 31 December 2020. These matters were addressed in the context of our audit of the 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:

#### *Revenue recognition*

The operating income as reported in Note 21 of the financial statements includes rental income from car parks, service charges in respect of investment properties, main building car park and other related income. The Company focuses on revenue as a key performance measure and by default, this area has a fraud risk element and is therefore always considered as a significant risk.

Our audit procedures included, considering the appropriateness of the Company's revenue recognition policies and assessing compliance with the policies in light of the applicable accounting standards. We have tested the effectiveness of internal controls implemented by the Company over the revenue cycle and have also performed analytical procedures over the revenue streams. We also tested the relevant supporting documents on a sample basis to confirm their reasonableness and accuracy.

#### *Financial assets at fair value through other comprehensive income*

The Company has quoted and unquoted investments as disclosed in Note 10 of the financial statements, which are classified as financial assets at fair value through other comprehensive income and form a significant balance in the financial statements. The fair value changes in these instruments could have a material impact on the Company's total comprehensive income and may result in assets being misstated.

Our audit procedures included testing of investments acquired and sold during the year on a sample basis; testing ownership and classification; and testing of the reasonableness of the fair values of the quoted investments with the Bahrain Bourse and other stock markets. The unquoted investments fair values were based on other techniques adopted by the management. We critically evaluate the valuation techniques used by the management for determining fair values.

#### *Right-of-use of assets and lease liabilities*

As described in Note 8 and 18 to the financial statements, the carrying values of right-of-use of assets and lease liabilities as at 31 December 2020 amounted to BD5,947,592 and BD153,777 respectively. The useful life of the right-of-use of assets are based on management's estimate of the period that the asset would generate revenue. Similarly, carrying value of lease liabilities are determined on a number of factors including management certainty to exercise the lease options to extend/terminate the lease, variable elements such as future lease payments and incremental borrowing rates. Changes to these assumptions could have a significant impact on either the carrying values or the amount charged to statement of profit or loss or both.

Our audit procedures included, review of reasonableness and consistency of the assumptions used by the management as well as the management process for determining the carrying values. We have further verified the relevant supporting documents on a sample basis to confirm the accuracy of management calculations.

### Other information

Management is responsible for the other information. The other information comprises the information included in the Chairman's report and Corporate Governance report but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. 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 the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged With Governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

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

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.

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

### Report on other legal and regulatory requirements

(A) As required by the Bahrain Commercial Companies Law, we report that:

- (1) we have obtained all the information we considered necessary for the purpose of our audit;
- (2) the Company has carried out stock taking in accordance with the recognised procedures, has maintained proper books of account and the financial statements are in agreement therewith; and
- (3) the financial information included in the Chairman's report is consistent with the books of account of the Company.

(B) As required by the Ministry of Industry, Commerce and Tourism in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that:

- (1) the Company has appointed a corporate governance officer; and
- (2) the Company has a Board approved written guidance and procedures for corporate governance.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or of its Memorandum and Articles of Association, which would materially affect its activities, or its financial position as at 31 December 2020.

BDO

Manama, Kingdom of Bahrain  
24 February 2021



## Statement of Financial Position

as at 31 December 2020

Expressed in Bahrain Dinars	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7	18,898	23,895
Right-of-use assets	8	5,947,592	6,079,513
Property, plant and equipment	9	2,998,162	2,860,493
Financial assets at fair value through other comprehensive income	10	2,855,074	3,088,598
Investment properties	12	470,044	492,044
Non-current portion of term deposits	13	-	1,784,782
		12,289,770	14,329,325
<b>Current assets</b>			
Inventories		14,668	12,334
Investments at amortised cost	11	380,871	380,871
Current portion of term deposits	13	3,214,885	3,853,891
Trade and other receivables	14	618,226	656,260
Cash and cash equivalents	15	3,650,823	938,436
		7,879,473	5,841,792
<b>TOTAL ASSETS</b>		<b>20,169,243</b>	<b>20,171,117</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	16	11,031,723	11,031,723
Treasury shares	16	(101,456)	(101,456)
Share premium	16	2,000,000	2,000,000
Statutory reserve	17	3,176,376	3,110,547
Charity reserve	17	12,400	22,400
Investment fair value reserve	17	(250,829)	(256,380)
Retained earnings	17	3,783,259	3,806,593
<b>TOTAL EQUITY</b>		<b>19,651,473</b>	<b>19,613,427</b>
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	18	153,122	153,777
Employees' terminal benefits	19	33,559	32,419
		186,681	186,196
<b>Current liabilities</b>			
Current portion of lease liabilities	18	655	615
Other payables	20	330,434	370,879
		331,089	371,494
<b>TOTAL LIABILITIES</b>		<b>517,770</b>	<b>557,690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,169,243</b>	<b>20,171,117</b>

These financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:

Amin Ahmed Alarrayed  
Chairman

Abdulla Ahmed Kamal  
Vice Chairman

Tariq Ali Aljowder  
Chief Executive Officer

## Statement of Profit or Loss

Year Ended 31 December 2020

Expressed in Bahrain Dinars	Notes	Year ended 31 December 2020	Year ended 31 December 2019
Operating income	21	1,641,173	1,662,612
Net income from investments	22	318,422	385,457
Operating, general and administrative expenses	24	(1,430,337)	(1,132,522)
<b>OPERATING PROFIT</b>		<b>529,258</b>	<b>915,547</b>
Other income	23	154,306	2,820
Directors' remuneration	25	(25,272)	(30,332)
<b>NET PROFIT FOR THE YEAR</b>		<b>658,292</b>	<b>888,035</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	26	<b>6 fils</b>	<b>10 fils</b>

These financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:

Amin Ahmed Alarrayed  
Chairman

Abdulla Ahmed Kamal  
Vice Chairman

Tariq Ali Aljowder  
Chief Executive Officer

## Statement of Other Comprehensive Income

Year Ended 31 December 2020

Expressed in Bahrain Dinars	Note	Year ended 31 December 2020	Year ended 31 December 2019
<b>Net profit for the year</b>		<b>658,292</b>	888,035
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Valuation losses on financial assets at fair value through other comprehensive income	10	(53,733)	(259,894)
<b>Other comprehensive loss for the year</b>		<b>(53,733)</b>	(259,894)
<b>Total comprehensive income for the year</b>		<b>604,559</b>	628,141

These financial statements were approved, authorised for issue by the Board of Directors and signed on its behalf by:

**Amin Ahmed Alarrayed**  
Chairman

**Abdulla Ahmed Kamal**  
Vice Chairman

**Tariq Ali Aljowder**  
Chief Executive Officer

## Statement of Changes in Shareholders' Equity

Year Ended 31 December 2020

Expressed in Bahrain Dinars	Share capital	Treasury shares	Share premium	Statutory reserve	Charity reserve	Investment fair value reserve	Retained earnings	Total
At 31 December 2018	7,031,723	(101,456)	-	3,021,743	12,400	3,514	3,363,876	13,331,800
Share capital issued during the year	4,000,000	-	2,000,000	-	-	-	-	6,000,000
Total comprehensive income for the year	-	-	-	-	-	(259,894)	888,035	628,141
Transferred to statutory reserve (Note 17)	-	-	-	88,804	-	-	(88,804)	-
Dividends paid for 2018 (Note 27)	-	-	-	-	-	-	(346,514)	(346,514)
Charity reserve created during the year (Note 28)	-	-	-	-	10,000	-	(10,000)	-
At 31 December 2019	11,031,723	(101,456)	2,000,000	3,110,547	22,400	(256,380)	3,806,593	19,613,427
Total comprehensive income for the year	-	-	-	-	-	(53,733)	658,292	604,559
Transferred on disposal of financial assets at value through other comprehensive income	-	-	-	-	-	59,284	(59,284)	-
Transferred to statutory reserve (Note 17)	-	-	-	65,829	-	-	(65,829)	-
Dividends paid for 2019 (Note 27)	-	-	-	-	-	-	(546,513)	(546,513)
Charity reserve created during the year (Note 28)	-	-	-	-	10,000	-	(10,000)	-
Charity payments made during the year	-	-	-	-	(20,000)	-	-	(20,000)
<b>At 31 December 2020</b>	<b>11,031,723</b>	<b>(101,456)</b>	<b>2,000,000</b>	<b>3,176,376</b>	<b>12,400</b>	<b>(250,829)</b>	<b>3,783,259</b>	<b>19,651,473</b>

## Statement of Cash Flows

Year Ended 31 December 2020

Expressed in Bahrain Dinars	Notes	Year ended 31 December 2020	Year ended 31 December 2019
<b>Operating activities</b>			
Net profit for the year		658,292	888,035
<b>Adjustments for:</b>			
Amortisation of intangible assets	7	4,997	1,088
Amortisation of right-of-use assets	8	131,921	75,455
Depreciation of property, plant and equipment	9	78,374	68,906
Unrealised fair value loss on investment properties	12	22,000	-
Provision for impaired rents receivable from tenants	14	-	36,536
Reversal of provision for impaired rents receivable from tenants	14	(4,204)	-
Interest expenses on lease liabilities	18	9,385	9,424
Dividends income	22	(101,070)	(123,585)
Interest income on investments at amortised cost	22	(23,233)	(25,889)
Interest income on term deposits	22	(206,417)	(221,752)
Interest income on current account balance with a bank	22	(9,702)	(14,231)
<b>Changes in operating assets and liabilities:</b>			
Inventories		(2,334)	(3,757)
Trade and other receivables		42,238	(431,312)
Other payables		(40,445)	61,808
Employees' terminal benefits, net		1,140	6,950
Net cash provided by operating activities		560,942	327,676
<b>Investing activities</b>			
Purchase of intangible assets	7	-	(24,983)
Purchase of property, plant and equipment	9	(216,043)	(35,582)
Proceeds from disposal of financial assets at fair value through other comprehensive income		179,791	-
Dividends income received	22	101,070	123,585
Interest income received on investments at amortised cost	22	23,233	25,889
Interest income received on term deposits	22	206,417	221,752
Interest income received on current account balance with a bank	22	9,702	14,231
Net movements in term deposits		2,423,788	(964,177)
Net cash provided by / (used in) investing activities		2,727,958	(639,285)
<b>Financing activities</b>			
Principal paid on lease liabilities		(615)	(576)
Interest paid on lease liabilities	18	(9,385)	(9,424)
Dividends paid during the year	27	(546,513)	(346,514)
Charity payments		(20,000)	-
Net cash used in financing activities		(576,513)	(356,514)
Net increase / (decrease) in cash and cash equivalents		2,712,387	(668,123)
Cash and cash equivalents, beginning of the year		938,436	1,606,559
Cash and cash equivalents, end of the year	15	3,650,823	938,436

## Notes to the Financial Statements

Year Ended 31 December 2020

### 1. Organisation and activities

Bahrain Car Parks Company B.S.C. ("the Company") is a public Bahraini shareholding company registered with the Ministry of Industry, Commerce and Tourism in the Kingdom of Bahrain and operates under commercial registration number 11455 obtained on 31 October 1981.

The principal activities of the Company include operating of car parks, real estate activities with own or leased property and other marketing/promotional activities.

The registered office of the Company is in the Kingdom of Bahrain.

These financial statements, set out on pages 37 to 76, were approved, authorised for issue and signed by the Board of Directors on 24 February 2021.

### 2. Basis of preparation

#### Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as promulgated by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and the requirements of the Bahrain Commercial Companies Law, and associated resolutions, rules and procedures of the Bahrain Bourse.

#### Basis of presentation and functional currency

The financial statements have been prepared using the going concern assumption under the historical cost convention as modified by the fair valuation of investment properties and financial assets through other comprehensive income (OCI). The financial statements have been presented in Bahrain Dinar which is the functional currency of the Company.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas requiring exercise of judgment in applying Company's accounting policies are disclosed in Note 4 to the financial statements.

#### Improvements/amendments to IFRS/IAS

Improvements/amendments to IFRS/IAS contained numerous amendments to IFRS/IAS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Company's future accounting period with earlier adoption.

### Standards, amendments and interpretations issued and effective in 2020 but not relevant

The following new amendments to existing standards and interpretations to published standards are mandatory for accounting period beginning on or after 1 January 2020, but are not relevant to the Company's operations:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements	1 January 2020
IAS 8	Accounting policies, changes in accounting estimates and errors	1 January 2020
IAS 39	Financial instruments: recognition and measurements	1 January 2020
IFRS 3	Business combinations	1 January 2020
IFRS 7	Financial instruments: Disclosures	1 January 2020
IFRS 9	Financial instruments	1 January 2020
IFRS 16	COVID-19-Related Rent Concessions	1 June 2020

### Standards, amendments and interpretations issued but not yet effective in 2020

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2020. They have not been adopted in preparing the financial statements for the year ended 31 December 2020 and will or may have an effect on the Company's future financial statements. In all cases, the Company intends to apply these standards from application date as indicated in the table below:

Standard or interpretation	Title	Effective for annual periods beginning on or after
IAS 39	Financial instruments: recognition and measurements	1 January 2021
IFRS 4	Insurance Contracts	1 January 2021
IFRS 7	Financial instruments: Disclosures	1 January 2021
IFRS 9	Financial instruments	1 January 2021
IFRS 16	Leases	1 January 2021
IAS 16	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IFRS 3	Reference to the Conceptual Framework	1 January 2022
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

### Early adoption of amendments or standards in 2020

The Company did not early-adopt any new or amended standards in 2020. There would have been no change in the operational results of the Company for the year ended 31 December 2020 had the Company early adopted any of the above standards applicable to the Company.

## 3. Significant accounting policies

A summary of the significant accounting policies adopted in the preparation of these financial statements is set out below. The policies have been consistently applied to all the years presented, unless stated otherwise.

### Intangible asset

Intangible assets consist of software. The intangible assets are capitalised and amortised using the straight-line method over the term of 5 years. The carrying amounts of the intangible assets are reviewed annually and written-down to their recoverable amounts, when it is considered that there is impairment.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for its intended use.

Depreciation is calculated so as to write-off the cost of property, plant and equipment less their estimated residual values on a straight-line basis over their expected useful lives. Freehold land is not depreciated as it is deemed to have an infinite useful life. The major classes of depreciable assets with their estimated useful lives are as follows:

- Building on leasehold land 30 years or the lease period, whichever is lower
- Car park and other equipment 5 years
- Office furniture and equipment 4 years

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss when they are incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the carrying amounts are written-down to their recoverable amounts.

### Investments properties

Investment properties representing lands that held to earn long-term rental yields and for capital appreciation. Investment properties are treated as long-term investments and are initially recorded at cost, including all transaction costs. Subsequent expenditure relating to an investment property is added to the carrying value when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Subsequent to initial recognition, investment properties are re-measured at fair values, representing open market values determined annually by external property valuers, or by taking into consideration other factors and sources of information such as assumptions about future demand, anticipated market recovery and the appropriate discount rate, and any unrealised fair value gains or losses arising are included in the statement of profit or loss in the year in which they arise. Fair value is the amount 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.

Investment properties are de-recognised when they have either been disposed-off, or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the de-recognition of an investment property are recognised in the statement of profit or loss in the year of de-recognition.



## Financial assets

The Company classifies its financial assets in to one of the categories discussed below, depending on the purpose for which assets was acquired. The Company's accounting policy for each category is as follows:

### a) Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has a number of investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the investment fair value reserve. Upon disposal any balance within investment fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the investment fair value reserve.

### b) Financial assets at amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables excluding prepayments, investments at amortised cost, term deposits and cash and cash equivalents in the statement of financial position.

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

## Trade and other receivables (excluding prepayments)

Impairment provisions for current and non-current trade and other receivables, if any, are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade and other receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within general and administrative expenses in the statement of profit or loss. On confirmation that the trade and other receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

## Investments at amortised cost

Investments at amortised cost represents investments in debt instruments. The Company intends to hold these investments to maturity in order to collect contractual cash flows and these cash flows consist solely of payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. If there are any impairment losses, those are presented in the statement of profit or loss.

## Term deposits

Term deposits represent the monies placed with financial institutions. They are initially measured at amortised cost and profits are recognised on accrual basis. Term deposits are further classified into short-term, those which are having original maturity periods of more than three months but less than 12 months, and long-term, those which are having original maturity periods of more than one year from the statement of financial position date.

## Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents.

## Financial liabilities

The financial liabilities of the Company consist of other payables (excluding employee benefits). These financial liabilities are initially recognised at fair value and are subsequently remeasured at amortised cost using the effective interest method.

### Other payables (excluding employee benefits)

Other payables (excluding employee benefits) are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

## Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation in future and the amount of the obligation can be reliably estimated.

## Employee benefits

### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company 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.

### Post-employment benefits

Employee benefits and entitlements to annual leave, holiday, air passage and other short-term benefits are recognised as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain. This is a defined contribution pension plan and the Company's contributions are charged to the statement of profit or loss in the year to which they relate. In respect of this plan, the Company has a legal obligation to pay the contributions as they fall due and no obligation exists to pay the future benefits.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law. The Company accrues for its liability in this respect on an annual basis.

### Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

### Dividends and board remuneration

Dividends and board remuneration are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is recognised when declared by the directors. In the case of final dividends and board remuneration, this is recognised when approved by the shareholders at the Annual General Meeting.

### Treasury shares

Shares of the Company repurchased at the statement of financial position date are designated as treasury shares until they are reissued or cancelled. The nominal value of treasury shares are disclosed as a deduction from reserves, with the difference between the nominal value of the shares and their purchase cost being adjusted against the retained earnings or the share premium account in the statement of changes in shareholders' equity. Gains or losses arising on the sale of treasury shares are recognised in the statement of change in shareholders' equity.

### Contribution to charities

Charities are approved by the shareholders at the Annual General Meeting and contributions by the Company are recognised and transferred to the charity reserve in the year in which they are approved.

### Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

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

- Leases of low value assets; and
- Leases with a duration 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 Company's incremental borrowing 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 Company if it is reasonable certain to assess that option; and
- 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 recognised where the Company 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 Company revises its estimate of the term of any lease, 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 amortised over the remaining (revised) lease term.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Based on the exemptions available in IFRS 16, low value and short-term leases are not capitalised in the statement of financial position. All payments made towards such leases are charged to the statement of profit or loss on a straight line basis over the period of the lease.

## Revenue recognition

### *Performance obligation and timing of revenue recognition*

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

### *Determining the transaction price*

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

### *Allocating amounts to performance obligations*

The Company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

For all the contracts, there is a fixed price set for each service to be rendered. Therefore, there is a limited judgment involved in allocating the contract price to each service rendered.

## Foreign currency transactions

Foreign currency transactions are accounted for at the rates of exchange prevailing at the dates of the transactions. Gains and losses arising from the settlement of such transactions and from the translation, at the year-end rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

## Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Executive Committee members and the Chief Executive Officer.

The Company's primary segment reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

The Company's primary business segments are:

- Car park services;
- Property rentals; and
- Investment and related services.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

## 4. Critical accounting judgments and key source of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The determination of estimates requires judgments which are based on historical experience, current and expected economic conditions, and other available information.

The most significant areas requiring the use of management estimates and assumptions in these financial statements relate to:

- economic useful lives of intangible assets;
- economic useful lives of property, plant and equipment;
- classification of investments;
- fair valuation of investments;
- fair valuation of investment properties;
- fair value measurement;
- impairment of assets;
- revenue recognition;
- determination of lease term and borrowing rates;
- economic life of right-of-use assets;
- legal proceeding;
- going concern; and
- contingencies.

### **Economic useful lives of intangible assets**

Intangible assets are amortised or depreciated over their estimated useful lives. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

### **Economic useful lives of property, plant and equipment**

The Company's property, plant and equipment are depreciated on a straight-line basis over their economic useful lives. Economic useful lives of property, plant and equipment are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

### **Classification of investments**

In the process of applying the Company's accounting policies, management decides on acquisition of an investment whether it should be classified as investments designated at fair value through other comprehensive or in amortised cost. The classification of each investment reflects the management's intention in relation to each investment and is subject to different accounting treatments based on such classification.

### **Fair valuation of investments**

The Company determines fair values of investments that are not quoted in active markets by using valuation techniques such as adjusted net asset valuation and recent transaction prices. Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year are different from assumptions that could require a material adjustment to the carrying amount of the investments. In case where adjusted net asset valuation models have been used to estimate fair values, the adjustments to the net asset values have been estimated by the management based on information from and discussions with representatives of the management of the investee companies, and based on the latest available audited and un-audited financial statements.

#### **Fair valuation of investment properties**

The Company obtains valuations performed by external valuers in order to determine the fair value of its investment properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties. The level of activity in the investment property market has been at a low level for the past year, primarily because of the impact of COVID-19. The lack of comparable market transactions has resulted in a greater level of professional judgment being relied upon in arriving at valuations. Changes in the underlying assumptions could have a significant impact on the fair values presented.

#### **Fair value measurement**

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item and transfers of items between levels are recognised in the period they occur.

The financial assets and liabilities of the Company are initially recorded at fair value and subsequently re-measured at amortised cost while those which require fair value re-measurement are disclosed in Note 30.

#### **Impairment of assets**

##### ***Financial assets***

The Company assesses on a forward looking basis the expected credit losses associated with its trade receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of trade receivables.

As at 31 December 2020, in the opinion of the management, an impairment allowance of BD78,965 is required towards impaired rents receivables from tenants and amounts due from a related party (2019: BD83,169). Further, in the opinion of the management, term deposits and bank balances are not impaired as at 31 December 2020 (2019: BDNil).

#### ***Other non-financial assets***

The carrying amount of the Company's assets or its cash generating unit, other than financial assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. A cash generating unit is the smallest identifiable asset that generates cash flows that largely are independent from other assets. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

#### **Revenue recognition**

The Company exercises judgment in determining whether a revenue transaction is recognised at a point in time or over time taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

#### **Determination of lease term and the borrowing rates for leases**

In case where the Company is a lessee, the Company's management exercises judgment in determining if it is reasonably certain to exercise the lease options to extend or terminate the lease at the commencement as well as during the lease term. The carrying value of lease liabilities are revised based on certain variable elements of the future lease payments like rates or index. Determination of incremental borrowing rates used to determine the carrying value of lease liabilities and the discount rates used to determine the carrying value of right-of-use of lease rights involve, to certain extent, management estimates. Any changes to management estimate may have an impact on the term as well as the carrying values of the lease assets and liabilities.

#### **Economic life of right-of-use assets**

Right-of-use assets are amortised over their economic useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of profit or loss in specific periods.

The Company's right-of-use assets are amortised on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

Economic useful lives of right-of-use assets are reviewed by management periodically. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefit to the Company.

#### **Legal proceedings**

The Company recognises a provision where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be estimated reliably. In instances where the criteria are not met, a contingent liability may be disclosed in the notes to the financial statements. Obligations arising in respect of contingent liabilities that have been disclosed, or those which are not currently recognised or disclosed in the financial statements could have a material effect on the Company's financial position. Application of these accounting principles to legal cases requires the Company's management to make determinations about various factual and legal matters beyond its control.

The Company reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claims or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claims or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

#### Going concern

The management of the Company reviews the financial position on a periodical basis and assesses the requirement of any additional funding to meet the working capital requirements and estimated funds required to meet the liabilities as and when they become due. In addition, the shareholders of the Company ensure that they provide adequate financial support to fund the requirements of the Company to ensure the going concern status of the Company.

#### Contingencies

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

## 5. Significant events and transactions

In accordance with the Central Bank of Bahrain circular dated 14 July 2020, having reference number OG/259/2020, which aims to maintain transparency amidst the current implication of Coronavirus (COVID-19), the Company discloses herewith additional financial information pertaining to the financial impact of COVID-19 on the financial statements as follows:

The World Health Organisation declared coronavirus (COVID-19) a global health emergency on 30 January 2020. Subsequently, the WHO classified COVID-19 outbreak a global pandemic based on the rapid increase in exposure and infections across the world. The pandemic necessitated restrictions and closures that affected our operations and tenants. The Company has experienced significant disruption to its operations in the following respects:

- Decreased demand for certain services as a consequence of travel restrictions and social distancing requirements and recommendations; and
- Significant uncertainty concerning when government closures will be lifted, social distancing requirements will be eased and the long-term effects of the pandemic on the demand for Company's primary services.

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID-19 in the below areas:

- Decrease in operating income;
- Government grants;
- Valuation and income from financial assets;
- Investment properties; and
- Commitments and contingent liabilities.

#### (a) Decrease in operating income;

Company has experienced a reduction in its operating income amounting to BD389,633 for the year ended 31 December 2020 as compared to the estimates. The Company is engaged in operating car parks, real estate activities with own or leased property and other marketing/promotional activities, as follows:

- The Company's daily car park business showed 55% decrease in value;
- The Company's monthly car park business showed 6% decrease in value;
- Tenants were affected by the pandemic and the Company has voluntarily provided rent concessions, waivers and deferrals to tenants during the year, which resulted in a decrease in operating income by BD71,568; and
- Some tenants terminated their leases during the pandemic leading to loss of income by BD86,596.

#### (b) Government grants

The Company has applied for government support programs introduced in response to the global pandemic. The Company has received a government grant of BD129,175 relating to support towards the payroll of the Company's Bahraini employees, LMRA fees, visa fees, municipality fees and electricity and water charges. The Company has elected to present this government grant under other income (Note 23). The Company committed to spending the assistance on payroll expenses.

#### (c) Valuation and income from financial assets

The Company has investments as disclosed in Note 10 of the financial statements, which are classified as financial assets at fair value through other comprehensive income and form a significant balance in the financial statements. The fair value changes due to the impact of COVID-19, are as follows:

- The Company's valuation of financial assets at fair value through other comprehensive income has resulted in unrealised fair value losses of BD53,733 (Note 10), whereas realised fair value losses of BD59,284 have been recognised on investments which have been disposed during the year; and
- The Company's estimates of dividend receivables relating to its financial assets showed 19% decrease in value.

#### (d) Investment properties

Due to the impact of COVID-19, the level of activity in the investment property market has been at a historically low level. The lack of comparable market transactions has resulted in a greater level of professional judgment being relied upon in arriving at valuations. The Company estimates the impact on its investment properties to be a decrease of BD22,000.

#### (e) Commitments and contingent liabilities

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Company, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

The below table summarises the impact of COVID-19 on the financial statements for the year ended 31 December 2020:

Financial statement area	Nature of impact	Amount in BD
Operating income	Decrease	389,633
Valuation and income from financial assets	Decrease	113,017
Investment properties	Decrease	22,000
Government grants	Increase	129,175

## 6. Segmental information

### Business segments – primary reporting segment

The Company's primary segment reporting format is business segment. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. The Company's primary business segments are:

- Car park services – This segment is involved in providing car parks for the public in return for parking charges. This segment contributes 38.40% (2019: 37.45%) of the Company's revenue.
- Property rental income – This segment is involved in the management, maintenance and renting of properties. This segment contributes the largest proportion of the Company's business, generating 46.15% (2019: 43.73%) of the Company's revenue.
- Investment and related services – This segment is involved in trading in financial and other assets and investing excess funds in the primary and secondary market. This segment has contributed 15.45% (2019: 18.82%) of the Company's total revenue.

As at, and for the year ended, 31 December 2020

<i>Expressed in Bahrain Dinars</i>	<b>Car park services</b>	<b>Property rental services</b>	<b>Investment services</b>	<b>Unallocated</b>	<b>Total</b>
Car park income	749,632	-	-	-	749,632
Property rental income	-	736,903	-	-	736,903
Service charges income	-	154,638	-	-	154,638
Operating income	749,632	891,541	-	-	1,641,173
Net income from investments	-	-	318,422	-	318,422
Other income	61,980	84,054	8,272	-	154,306
<b>Total revenue</b>	<b>811,612</b>	<b>975,595</b>	<b>326,694</b>	<b>-</b>	<b>2,113,901</b>
Operating and general expenses (including maintenance costs)	464,656	837,129	50,178	-	1,351,963
Depreciation	31,694	46,680	-	-	78,374
Total operating and general expenses (including maintenance costs)	496,350	883,809	50,178	-	1,430,337
Unallocated expenses	-	-	-	25,272	25,272
<b>Total expenses</b>	<b>496,350</b>	<b>883,809</b>	<b>50,178</b>	<b>25,272</b>	<b>1,455,609</b>
Segment profit/(loss)	315,262	91,786	276,516	(25,272)	658,292
Reportable segment assets	3,725,885	5,721,768	10,721,590	-	20,169,243
Reportable segment liabilities	201,137	305,957	10,676	-	517,770
<b>Other segment information</b>					
Minimum operating lease commitment	210,000	-	-	-	210,000

As at, and for the year ended, 31 December 2019

<i>Expressed in Bahrain Dinars</i>	<b>Car park services</b>	<b>Property rental services</b>	<b>Investment services</b>	<b>Unallocated</b>	<b>Total</b>
Car park income	766,906	-	-	-	766,906
Property rental income	-	734,960	-	-	734,960
Service charges income	-	160,746	-	-	160,746
Operating income	766,906	895,706	-	-	1,662,612
Net income from investments	-	-	385,457	-	385,457
Other income	1,206	1,614	-	-	2,820
<b>Total revenue</b>	<b>768,112</b>	<b>897,320</b>	<b>385,457</b>	<b>-</b>	<b>2,050,889</b>
Operating and general expenses (including maintenance costs)	471,853	579,064	12,699	-	1,063,616
Depreciation	26,214	42,692	-	-	68,906
Total operating and general expenses (including maintenance costs)	498,067	621,756	12,699	-	1,132,522
Unallocated expenses	-	-	-	30,332	30,332
<b>Total expenses</b>	<b>498,067</b>	<b>621,756</b>	<b>12,699</b>	<b>30,332</b>	<b>1,162,854</b>
Segment profit/(loss)	270,045	275,564	372,758	(30,332)	888,035
Reportable segment assets	3,011,058	6,531,053	10,629,006	-	20,171,117
Reportable segment liabilities	85,340	472,350	-	-	557,690
<b>Other segment information</b>					
Minimum operating lease commitment	220,000	-	-	-	220,000

### Geographical segments – secondary reporting segment

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Company's operations are restricted to the Kingdom of Bahrain; therefore, no geographical segmental information has been presented

## 7. Intangible assets

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Opening balance	23,895	-
Additions during the year	-	24,983
Amortisation charge for the year (Notes 24)	(4,997)	(1,088)
Closing balance	18,898	23,895

Intangible assets consist of software and are amortised over its estimated useful life, which is considered to be five years from the date of acquisition. The carrying value of the intangible asset is reviewed annually and adjusted for impairment if considered necessary.

In the opinion of the Company's management, the carrying value of the intangible assets is not impaired.

## 8. Right-of-use assets

<i>Expressed in Bahrain Dinars</i>	Leasehold land
<b>Cost</b>	
On adoption of IFRS 16 as at 1 January 2019	154,968
Additions during the year	6,000,000
At 31 December 2019 and 2020	6,154,968
<b>Accumulated amortisation</b>	
Amortisation charge for the year (Note 24) and at 31 December 2019	75,455
Amortisation charge for the year (Note 24)	131,921
At 31 December 2020	207,376
<b>Carrying value</b>	
At 31 December 2020	5,947,592
At 31 December 2019	6,079,513

During the year ended 31 December 2019, the Company issued additional shares of 40,000,000 ordinary shares at a value of 150 fils per share for a total value of BD6,000,000 in favour of Bahrain Real Estate Investment (Edamah) B.S.C. (c) in consideration for the usufruct right in the "Terminal Building" in Adliya for a period of 99 years with an automatic renewal for a further similar period after the completion of initial period.

As at 31 December 2020, the Company has two lease contracts on lands and buildings, where the lease payments are fixed payments without any link to variable elements such as inflation and market rentals.

## 9. Property, plant and equipment

<i>Expressed in Bahrain Dinars</i>	Freehold land	Building on leasehold land	Car park and other equipment	Office furniture and equipment	Total
<b>Cost</b>					
At 31 December 2018	2,454,530	8,138,413	189,031	104,086	10,886,060
Additions	-	-	17,582	18,000	35,582
At 31 December 2019	2,454,530	8,138,413	206,613	122,086	10,921,642
Additions	-	-	212,918	3,125	216,043
At 31 December 2020	2,454,530	8,138,413	419,531	125,211	11,137,685
<b>Accumulated depreciation</b>					
At 31 December 2018	-	7,881,529	39,865	70,849	7,992,243
Charge for the year (Note 24)	-	18,278	33,791	16,837	68,906
At 31 December 2019	-	7,899,807	73,656	87,686	8,061,149
Charge for the year (Note 24)	-	18,354	43,526	16,494	78,374
At 31 December 2020	-	7,918,161	117,182	104,180	8,139,523
<b>Net book amount</b>					
At 31 December 2020	2,454,530	220,252	302,349	21,031	2,998,162
At 31 December 2019	2,454,530	238,606	132,957	34,400	2,860,493

The land on which the car park building is constructed has been leased from the Government of the Kingdom of Bahrain for a period of 50 years commencing from the year 1982.

## 10. Financial assets at fair value through other comprehensive income

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Opening balance	3,088,598	3,348,492
Disposals during the year	(179,791)	-
Valuation losses recognised in other comprehensive income	(53,733)	(259,894)
Closing balance	2,855,074	3,088,598

The above investments are further classified as follows:

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Shares listed on the Bahrain Bourse	2,046,658	2,286,084
Unquoted equity shares	808,416	802,514
	2,855,074	3,088,598

The investment categorised as financial assets at fair value through other comprehensive income are denominated in the following currencies:

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
<b>Currency</b>		
United States Dollar	664,301	668,795
Bahrain Dinar	2,190,773	2,419,803
	2,855,074	3,088,598

The fair value of quoted investments is based on published market prices. The fair value of the unquoted investments is based on the net assets taken from the latest available audited financial statements. Any changes in the net assets of the investee companies during 2020 would be reflected in Company's 2021 financial statements upon receipt of the most recent financial information.

## 11. Investments at amortised cost

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Opening and closing balance	380,871	380,871

Investment in amortised cost represent bonds (Ahli United Bank Perpetual Tier 1 Capital Securities) carrying coupon interest of 6.875% and are denominated in United States Dollars.

## 12. Investment properties

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Opening balance	492,044	492,044
Unrealised fair value loss for the year (Note 22)	(22,000)	-
Closing balance	470,044	492,044

During the year ended 31 December 2020, the Company obtained valuations performed by external valuers. The Company updated its assessment of the fair value of each investment property, taking into account the independent valuations. The Company determines a property's value within a range of reasonable fair value estimates. Due to the impact of COVID-19, the level of activity in the investment property market has been at a historically low level. The lack of comparable market transactions has resulted in a greater level of professional judgment being relied upon in arriving at valuations. As such, the Company used multiple information points. These information points and sources include assumptions about future demand, anticipated market recovery and the appropriate discount rate. Accordingly, the fair value loss was BD22,000 during the year ended 31 December 2020 (2019: BDNil). During the year ended 31 December 2020, no income has been recognised from the investment properties (2019: BDNil). Further, no expenses relating to the investment properties, including repairs and maintenance, were incurred for the year ended 31 December 2020 (2019: BDNil). The fair values of investment properties are categorised as a level 3 recurring fair value measurement.

## 13. Term deposits

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Term deposit with banks maturing after 3 months but within 1 year	3,214,885	3,853,891
Term deposit with banks maturing after 1 year	-	1,784,782
	3,214,885	5,638,673

Term deposits placed with the Company's bankers, earn interest at rates ranging between 2.10% and 3.60% per annum (2019: between 3.60% and 4.75% per annum) and are denominated in Bahrain Dinar. The deposits which mature within one year from the statement of financial position date are classified under current assets while the deposits which mature beyond one year from the statement of financial position date are classified as non-current assets.

## 14. Trade and other receivables

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Rents receivable from tenants	300,538	455,319
Amounts due from a related party (Note 29)	10,563	149,119
	311,101	604,438
Less: provision for impaired rents receivable from tenants	(78,965)	(83,169)
	232,136	521,269
Accrued revenues	199,519	-
Accrued interest	149,982	91,938
Advances paid to creditors	25,599	27,500
Staff advances	-	4,000
Prepayments and other receivables	10,990	11,553
	618,226	656,260



The Company's rent receivables are amounts due from customers and are primarily denominated in Bahrain Dinar. It is not the policy of the Company to obtain collateral against trade and other receivables and, therefore, are all unsecured. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables parties are grouped based on similar credit risk and aging. Accrued revenues do not share the risk characteristics of rents receivable and therefore, the Company concluded that they should be measured at amortised cost.

The expected loss rates are based on the Company's historical credit losses experienced over a year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP) and inflation rate as the key macroeconomic factors in the countries where the Company operates.

On that basis, the lifetime expected loss provision as at 31 December 2020 and 2019 was determined as follows for trade receivables:

31 December 2020	30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
Expected loss rate	1.25%	1.66%	2.28%	4.13%	100.00%	
Trade receivables	41,684	74,670	61,619	59,795	73,333	311,101
Loss allowance	518	1,236	1,407	2,471	73,333	78,965

31 December 2019	30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
Expected loss rate	2.83%	3.16%	5.94%	8.86%	100.00%	
Trade receivables	203,283	209,900	91,195	39,116	60,944	604,438
Loss allowance	5,765	7,577	5,417	3,466	60,944	83,169

The movement in provision for impaired rents receivables from tenants is as follows:

Expressed in Bahrain Dinars	31 December 2020	31 December 2019
Opening balance	83,169	46,633
Provision for the year (Note 24)	-	36,536
Reversal of excess provision (Note 23)	(4,204)	-
Closing balance	78,965	83,169

Amounts due from a related party are unsecured, bear no interest and repayable on demand.

Unimpaired rents receivables are expected, on the basis of past experience, to be fully recoverable.

## 15. Cash and cash equivalents

Expressed in Bahrain Dinars	31 December 2020	31 December 2019
Cash on hand	1,388	1,554
Short-term deposits maturing within three months	2,571,225	-
Current account balances with banks	1,078,210	936,882
	3,650,823	938,436

The current account balances with banks earn interest rate ranging from 0% to 1.5% per annum (2019: ranging between 0% to 2.5% per annum).

Short-term deposits held with the Company's bankers earn rate of return ranging from 3.9% to 4% per annum, are denominated in Bahrain Dinars and have original maturities of three months or less.

## 16. Share capital

Expressed in Bahrain Dinars	31 December 2020	31 December 2019
<b>Authorised:</b>		
125,000,000 ordinary shares of 100 fils each	12,500,000	12,500,000
<b>Issued and fully paid-up:</b>		
110,317,230 ordinary shares of 100 fils each	11,031,723	11,031,723
Less: 1,014,560 treasury shares of 100 fils each	(101,456)	(101,456)
	10,930,267	10,930,267

**Additional information on shareholding pattern**

- (i) The names and nationalities of the major shareholders and the number of shares held which constitute an interest of 5% or more of the outstanding shares are as follows:

At 31 December 2020			
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Kuwait Commercial Real Estate Centre	Kuwaiti	15,000,000	13.60%

At 31 December 2019			
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Kuwait Commercial Real Estate Centre	Kuwaiti	15,000,000	13.60%

- (ii) The Company has only one class of equity shares and the holders of the shares have equal voting rights.  
(iii) The distribution schedule of equity shares, setting out the number of shareholders and percentages in the following categories, is as follows:

At 31 December 2020			
	Number of shareholders	Number of shares	Percentage of total outstanding shares
Less than 1%	1,311	12,776,842	11.58%
1% and up to less than 5%	2	5,506,898	4.99%
5% and above	3	92,033,490	83.43%
	1,316	110,317,230	100%

At 31 December 2019			
	Number of shareholders	Number of shares	Percentage of total outstanding Shares
Less than 1%	1,317	12,776,842	11.58%
1% and up to less than 5%	2	5,506,898	4.99%
5% and above	3	92,033,490	83.43%
	1,322	110,317,230	100.00%

**17. Reserves**

**a) Statutory reserve**

Expressed in Bahrain Dinars	31 December 2020	31 December 2019
Opening balance	3,110,547	3,021,743
Transferred during the year	65,829	88,804
Closing balance	3,176,376	3,110,547

In accordance with the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non-distributable reserve account until such time as a minimum of 50% of the issued share capital is set aside. This reserve is not available for distribution except for dividend payment as permitted by Bahrain Commercial Companies Law.

**b) Charity reserve**

This reserve represents amounts set aside towards charity payments as approved by the shareholders of the Company. An amount of BD10,000 has been transferred to the charity reserved during the year ended 31 December 2020 (2019: BD10,000), whereas payments of BD20,000 were made towards charity during the year ended 31 December 2020 (2019: BDNil). This reserve is not available for distribution.

**c) Investment fair value reserve**

This reserve represents the unrealised fair value gains net of losses on investments categorised as financial assets at fair value through other comprehensive income. Unrealised fair value losses on the designated investments amounted to BD53,733 (2019: BD259,894). This reserve is not available for distribution.

**d) Retained earnings**

Expressed in Bahrain Dinars	31 December 2020	31 December 2019
Opening balance	3,806,593	3,363,876
Net profit for the year	658,292	888,035
Dividends (Note 27)	(546,513)	(346,514)
Transferred to statutory reserve	(65,829)	(88,804)
Transferred on disposal of financial assets at value through other comprehensive income	(59,284)	-
Charity reserve created during the year	(10,000)	(10,000)
Closing balance	3,783,259	3,806,593

## 18. Lease liabilities

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
At 1 January	154,392	154,968
Lease payments	(10,000)	(10,000)
Interest expenses (Note 24)	9,385	9,424
At 31 December	153,777	154,392
Less: current lease liabilities	(655)	(615)
Non-current lease liabilities	153,122	153,777

Maturity analysis - contractual undiscounted cash flows:

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Less than one year	10,000	10,000
More than one year and less than five years	80,000	90,000
More than five years	120,000	120,000
Total undiscounted leases	210,000	220,000

The annual rent for the land upon which the car park building is situated is revised every ten years; the amount payable being the higher of a fixed element increase or a percentage of the Company's gross operating profit. The current year's charge of BD128,501 (20% of the gross operating profit generated from the related building), is included under operating, general and administrative expenses (Note 24) (2019: BD74,449).

## 19. Employees' terminal benefits

### Local employees

The contributions made by the Company towards the pension scheme for Bahraini nationals administered by the Social Insurance Organisation in the Kingdom of Bahrain for the year ended 31 December 2020 amounted to BD33,635 (2019: BD27,365).

### Expatriate employees

The movement in the leaving indemnity liability applicable to expatriate employees is as follows:

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Opening balance	32,419	25,469
Accruals for the year	15,210	6,950
Payments during the year	(14,070)	-
Closing balance	33,559	32,419
The number of staff employed by the Company	30	28

## 20. Other payables

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Amounts due to a related party (Note 29)	131,274	132,604
Accruals and other payables	145,251	80,538
Unclaimed dividends	15,309	77,681
Advances received from tenants	5,575	54,831
Provision for leave salary, air passage	33,025	25,225
	330,434	370,879

Amount due to a related party are unsecured, bear no interest and are repayable on demand.

## 21. Operating income

<i>Expressed in Bahrain Dinars</i>	Year ended 31 December 2020	Year ended 31 December 2019
<i>Primary geographic markets</i>		
Kingdom of Bahrain	1,641,173	1,662,612
<i>Service type</i>		
Rental income	736,903	734,960
Car park income	697,854	720,652
Other car park income (Note 29)	51,778	46,254
Service charges income	154,638	160,746
	1,641,173	1,662,612
<i>Contract counterparties</i>		
Direct to customers	1,641,173	1,662,612
<i>Timing of revenue recognition</i>		
Over a period of time	1,641,173	1,662,612

## 22. Net income from investments

<i>Expressed in Bahrain Dinars</i>	Year ended 31 December 2020	Year ended 31 December 2019
Interest on term deposits	206,417	221,752
Dividends income	101,070	123,585
Interest income on investments at amortised cost	23,233	25,889
Interest on current account balance with a bank	9,702	14,231
Unrealised fair value loss on investment properties (Note 12)	(22,000)	-
	318,422	385,457

## 23. Other income

<i>Expressed in Bahrain Dinars</i>	Year ended 31 December 2020	Year ended 31 December 2019
Government grants (Note 5)	129,175	-
Income from parking equipment	8,987	-
Reversal of other payables	8,750	-
Reversal of provision for impaired rents receivable from tenants (Note 14)	4,204	-
Miscellaneous income	3,190	2,820
	154,306	2,820

## 24. Operating, general and administrative expenses

<i>Expressed in Bahrain Dinars</i>	Year ended 31 December 2020	Year ended 31 December 2019
Staff costs	580,110	440,340
Other operating, general and administrative expenses	249,778	168,539
Amortisation of right-of-use assets (Note 8)	131,921	75,455
Lease rent expenses (Note 18 and 29)	128,501	74,449
Electricity and water charges	125,257	141,410
Maintenance costs	83,014	81,375
Depreciation of property, plant and equipment (Note 9)	78,374	68,906
Directors' sitting fees (Note 29)	39,000	35,000
Provision for impaired rent receivable from tenants (Note 14)	-	36,536
Interest expenses on lease liabilities (Note 18)	9,385	9,424
Amortisation of intangible assets (Note 7)	4,997	1,088
	1,430,337	1,132,522

## 25. Directors' remuneration

### Accrued and expensed

An amount of BD25,272 has been accrued and expensed as directors' remuneration in 2020, relating to the year ended 31 December 2019 (2019: BD30,332 relating to the year ended 31 December 2018). The payment was approved by the shareholders in the Annual General Meeting held on 25 March 2020 (2019: 21 March 2019). Directors' remuneration is only expensed in the statement of profit or loss in the year in which it is approved.

### Proposed by the Board of Directors

The Board of Directors of the Company has proposed to pay a Directors' remuneration of BD25,272 for the year ended 31 December 2020 (2019: BD25,272 for the year 31 December 2019). Such proposed remuneration only becomes payable once it has been approved by the shareholders in the Annual General Meeting, and accordingly, has not been accounted for in these financial statements.

## 26. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares issued during the year.

<i>Expressed in Bahrain Dinars</i>	<b>Year ended 31 December 2020</b>	Year ended 31 December 2019
Net profit attributable to the shareholders	658,292	888,035
Weighted average number of ordinary shares	109,302,670	90,621,351
Basic and diluted earnings per share	6 fils	10 fils

The Company does not have any potentially dilutive ordinary shares, hence the diluted earnings per share and basic earnings per share are identical.

## 27. Dividends

### Declared and paid

A dividend of BD546,513 representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2019 (at 5 fils per share) (2019: BD346,514 for the year ended 31 December 2018 at 5 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 25 March 2020 (2019: 21 March 2019), declared and subsequently paid.

### Proposed by the Board of Directors

The Board of Directors of the Company has proposed a dividend of BD546,513 (2019: BD546,513) representing 5% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2020 at 5 fils per share (2019: at 5 fils per share). The proposed dividend only becomes payable once it has been approved by the shareholders in the Annual General Meeting and accordingly, the proposed dividend has not been accounted for in these financial statements.

## 28. Contribution to charity

### Proposed by the Board of Directors

The Board of Directors of the Company have proposed charity contributions of BD10,000 for the year ended 31 December 2020 (2019: BD10,000). This is subject to the approval of shareholders in the Annual General Meeting.

## 29. Transactions and balances with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the shareholders, directors, key management personnel and their close family members and such other companies over which the Company or its shareholders, directors, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. Transactions with the related parties are authorised by the management and are on an arm's length basis.

The following is a summary of the significant transactions entered into with the related parties during the year ended 31 December:

Transaction	Nature of relationship	Name of the related party	<b>Year ended 31 December 2020</b>	Year ended 31 December 2019
Other car park income (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	51,778	46,254
Lease rent expenses (Note 24)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	128,501	74,449
Directors' remuneration	Key management personnel *	Key management personnel *	25,272	30,332
Directors' sitting fees (Note 24)	Key management personnel *	Key management personnel *	39,000	35,000
Salaries and bonuses to key management personnel	Key management personnel *	Key management personnel *	267,507	222,250
Long-term benefits to key management personnel	Key management personnel *	Key management personnel *	4,490	1,723

(\*) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company.

A summary of the related party balances is as follows:

Name of the related party	Nature of relationship	Amounts due from a related party (Note 14)	
		<b>31 December 2020</b>	31 December 2019
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	10,563	149,119

Name of the related party	Nature of relationship	Amounts due to a related party (Note 20)	
		<b>31 December 2020</b>	31 December 2019
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	131,274	132,604

### 30. Financial assets and liabilities and risk management

**Financial assets and liabilities** carried on the statement of financial position include cash and cash equivalents, term deposits, financial assets at fair value through other comprehensive income, investments at amortised cost, trade and other receivables excluding prepayments and other payables excluding employee benefits. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### Capital management

The Company's objectives when maintaining capital are:

- to safeguard the Company'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 that commensurate with the level of risk.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies and processes during the years ended 31 December 2020 and 2019.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, other payables and lease liabilities less cash and cash equivalents. Capital includes share capital and reserves attributable to the shareholders of the Company.

<i>Expressed in Bahrain Dinars</i>	31 December 2020	31 December 2019
Other payables	330,434	370,879
Lease liabilities	153,777	154,392
Less: cash and cash equivalents	(3,650,823)	(938,436)
Net surplus	(3,166,612)	(413,165)
Share capital, net of treasury shares	10,930,267	10,930,267
Share premium	2,000,000	2,000,000
Statutory reserve	3,176,376	3,110,547
Charity reserve	12,400	22,400
Investment fair value reserve	(250,829)	(256,380)
Retained earnings	3,783,259	3,806,593
Total capital	19,651,473	19,613,427
Total capital and net surplus	16,484,861	19,200,262

As at 31 December 2020 and 2019, the Company has net surplus. Accordingly, the capital gearing ratio has not been calculated.

**Risk management** is carried out by the Finance Department of the Company under policies approved by the Board of Directors. The Company's Finance Department evaluates financial risks in close cooperation with the Company's operating units.

#### Principal financial instruments

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

- Financial assets at fair value through other comprehensive income
- Investments at amortised cost
- Trade and other receivables excluding prepayments
- Term deposits
- Cash and cash equivalents
- Other payables excluding employee benefits

A summary of the financial instruments held by category is provided below as at 31 December 2020:

<i>Expressed in Bahrain Dinars</i>	Financial assets at fair value through OCI	Financial assets at amortised cost
<b>Financial assets</b>		
Financial assets at fair value through OCI	2,855,074	-
Investments at amortised cost	-	380,871
Trade and other receivables excluding Prepayments	-	581,637
Term deposits	-	3,214,885
Cash and cash equivalents	-	3,650,823
Total financial assets	2,855,074	7,828,216

<i>Expressed in Bahrain Dinars</i>	Financial liabilities at amortised cost
<b>Financial liabilities</b>	
Other payables excluding employee benefits	297,409
Total financial liabilities	297,409

A summary of the financial instruments held by category is provided below as at 31 December 2019:

<i>Expressed in Bahrain Dinars</i>	Financial assets at fair value through OCI	Financial assets at amortised cost
<b>Financial assets</b>		
Financial assets at fair value through OCI	3,088,598	-
Investments at amortised cost	-	380,871
Trade and other receivables excluding prepayments	-	613,207
Term deposits	-	5,638,673
Cash and cash equivalents	-	938,436
Total financial assets	3,088,598	7,571,187

<i>Expressed in Bahrain Dinars</i>	Financial liabilities at amortised cost
<i>Financial liabilities</i>	
Other payables excluding employee benefits	345,654
<b>Total financial liabilities</b>	<b>345,654</b>

**Credit risk** is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, as well as credit exposures to customers, including outstanding receivables. The Company's bank balances and term deposits are placed with national and multi-national banks with good credit ratings. The Company's investments are placed with national banks which have good credit ratings and other companies listed in the stock exchanges. Concentration of credit risk with respect to rents receivable from tenants is limited due to the Company's large number of tenants. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Further, the Company's debt investments at amortised cost are considered to have low credit risk. Due to this factor, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

The Company does not enter into derivatives to manage credit risk, although in certain isolated cases may take steps to mitigate such risks if it is sufficiently concentrated. Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below.

<i>Expressed in Bahrain Dinars</i>	At 31 December 2020	
	Carrying value	Maximum exposure
<i>Financial assets</i>		
Trade and other receivables excluding prepayments	581,637	581,637
Term deposits	3,214,855	3,214,885
Cash and cash equivalents	3,650,823	3,649,435
<b>Total financial assets</b>	<b>7,447,315</b>	<b>7,445,957</b>

<i>Expressed in Bahrain Dinars</i>	At 31 December 2019	
	Carrying value	Maximum exposure
<i>Financial assets</i>		
Trade and other receivables excluding prepayments	613,207	613,207
Term deposits	5,638,673	5,638,673
Cash and cash equivalents	938,436	936,882
<b>Total financial assets</b>	<b>7,190,316</b>	<b>7,188,762</b>

**Interest rate risk** is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at amortised cost, term deposits and a current account balance with a bank earn fixed rates of interest. The Company's other assets and liabilities, in the opinion of the Company's management, are not considered to be sensitive to interest rate risk. The hypothetical effect of 100 basis points interest rate increase or decrease on profits would be approximately BD66,970 (2019: BD64,679).

**Liquidity risk** is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity risk is managed by monitoring on a regular basis to help ensure that sufficient funds are available, to meet all liabilities as they fall due.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of non-derivative financial liabilities based on the earliest date on which the Company can be required to make payments.

<i>Expressed in Bahrain Dinars</i>	Less than 1 year	Total
<b>At 31 December 2020</b>		
Non-interest bearing instruments	297,409	297,409
<b>At 31 December 2019</b>		
Non-interest bearing instruments	345,654	345,654

**Price risk** is the risk that the Company is exposed to listed securities price risk because of investments held by the Company and classified in the statement of financial position as financial assets through other comprehensive income. To manage its price risk arising from investments in listed securities, the Company diversifies its portfolio. Diversification of the portfolio is achieved in accordance with the limits set by the Company.

Investments fair value sensitivity analysis is as follows:

Description	Change	Impact on equity	
		31 December 2020	31 December 2019
Quoted financial assets through OCI	+/-5%	+/- 102,333	+/- 114,304

**Market risk** is the risk that the value of a financial instrument will fluctuate due to changes in interest rate, currency rate, and equity price risk. The Company closely monitors the market forces and suitably revises the strategy to minimise the market risk.

**Currency rate risk** is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's financial assets at fair value through other comprehensive income are primarily in United States Dollar and Bahrain Dinar. The Bahrain Dinar is effectively pegged to the United States Dollar. Accordingly, management assesses the Company's exposure to currency rate risk as insignificant.

**Operational risk** is the exposure to loss resulting from inadequate or failed internal processes, people and systems or external events. The Company seeks to minimise this risk by continuous framing policies and procedures to identify, control and manage these risks.

### Fair value measurement

**Fair value** is the amount 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.

Financial instruments not measured at fair value on recurring basis include trade and other receivables excluding prepayments, cash and cash equivalents, term deposits and other payables excluding employee benefits. In the opinion of the management, due to the short-term nature of these financial instruments, the fair value of these financial instruments is not significantly different from their carrying amounts as at 31 December 2020 and 2019.

The following table sets out the fair value hierarchy of financial instruments measured at fair value on recurring basis along with valuation techniques and significant unobservable inputs used in determining the fair value measurement of financial instruments as well as the inter-relationship between unobservable inputs and fair value:

Expressed in Bahrain Dinars	Fair value at 31 December	Level of hierarchy	Valuation technique used and key inputs.	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value
<b>Non-financial assets</b>					
Investment properties	470,044 (2019: 492,044)	L3	Independent valuation report, market indicators.	Current market rates	Positive correlation between market rates and fair values.
<b>Financial assets</b>					
Quoted investments	2,046,658 (2019: 2,286,084)	L1	Quoted prices from stock exchanges.	Not applicable	Not applicable
Unquoted investments	808,416 (2019: 802,514)	L3	Net assets of the investee companies based on 2018 audited financial information.	Expected revenue and profit growth rates taking into account management knowledge and experience of market conditions similar to industry trends.	The higher the revenue growth rate, the higher the fair value.

There are no transfers between levels during the year.

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

Expressed in Bahrain Dinars	Unquoted investments	
	31 December 2020	31 December 2019
Opening balance	802,514	797,051
Unrealised fair value gains	5,902	5,463
Closing balance	808,416	802,514

**Investment risk** is defined as the uncertainty about the future benefits to be realised from an investment. The Company has well-defined policies for managing investment risk. These policies cover investment authority limits and investment assessment practices. The Finance Department study the impact of transactions on the Company's statement of financial position and monitor the investment portfolio on a continuous basis. Every investment application is reviewed by a designated body depending on the size and the nature of the transaction. Fair valuation is generally conducted on a quarterly basis.

**Legal risk** includes the risk of unexpected losses from transactions and/or contracts not being enforceable under applicable laws or from unsound documentation. The Company deals with external law firm to support it in managing the legal risk.

**Reputation risk** is the risk that negative perception regarding the Company's business practices or internal controls, whether true or not, will cause a decline in the Company's investor base and lead to costly litigations which could have an adverse impact on the liquidity of the Company. The Board of Directors examines the issues that are considered to have reputation repercussions for the Company and issues directives to address these.

## 31. Comparative figures

Certain comparative figures of the previous year have been reclassified, wherever necessary, to conform with the current year's presentation. Such regrouping does not affect the net worth, net profit, assets and liabilities relating to the previous year.

## 32. Events after the reporting date

The World Health Organisation (WHO) had declared the outbreak of a novel coronavirus - COVID-19 as a pandemic during the previous year and as of date, the virus continues to spread globally. This outbreak has made many countries to take several restrictive measures such as limiting travelling, limiting operational hours and implementing lockdowns to control the spread. This has caused disruption across several commercial activities, impacted several industries and investments in the bonds and equities during the year ended 31 December 2020.

Even subsequent to the year end till this point in time, the COVID-19 related restrictions continue to have impact in the geographical location in which the Company operates. The extent of the disruption on the Company's operation is uncertain and is difficult to estimate. Management is actively assessing the situation and will take necessary mitigating action to minimise the impact on Company's operation, financial position and liquidity in the fiscal year 2021.

Other than the above, there were no significant events subsequent to 31 December 2020 and occurring before the date of the report that are expected to have a significant impact on these financial statements.





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