

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

Financial statements for the  
year ended 31 December 2022

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Financial statements for the year ended 31 December 2022**

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**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Administration and contact details as at 31 December 2022**

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<b>Commercial registration number</b>	11455 obtained on 31 October 1981	
<b>Board of Directors</b>	Amin Ahmed Salem Alarrayed Abdulla Ahmed Abdulla Abdulrahman Kamal Adnan Sayed Habib Maki Hashim Mohamed Rasheed Mohamed Khamis AlMaraj Ahmed Nazar Sadiq Albaharna Areej Abdulla Abdulghaffar Abdulla Bader Kassim Mohamed Buallay Fahad Abdulrahman Mohammed Abdulrahman AlSaad Khalifa Hassan Al-Jalahma Wael Ezzeldeen Mohamed Hassan Arafa	- Chairman - Vice chairman
<b>Executive Committee members</b>	Abdulla Ahmed Abdulla Abdulrahman Kamal Bader Kassim Mohamed Buallay Mohamed Rasheed Mohamed Khamis AlMaraj Khalifa Hassan Al-Jalahma	- Chairman
<b>Audit Committee members</b>	Adnan Sayed Habib Maki Hashim Fahad Abdulrahman Mohammed Abdulrahman AlSaad Wael Ezzeldeen Mohamed Hassan Arafa	- Chairman
<b>NRCG Committee members</b>	Amin Ahmed Salem Alarrayed Areej Abdulla Abdulghaffar Abdulla Ahmed Nazar Sadiq Albaharna	- Chairman
<b>Digital Advisory Committee members</b>	Mohamed Rasheed Mohamed Khamis AlMaraj Ahmed Nazar Sadiq Albaharna Frank Beckmann Tariq Ali Husain Aljowder Ehsan Ali Al-Kooheji	- Chairman
<b>Chief Executive Officer</b>	Tariq Ali Husain Aljowder	
<b>Finance Director</b>	Hassan Ali AlShoala	
<b>Registered office</b>	Office No. 2009, Building No.128, Road No. 383, Block No. 316 2 <sup>nd</sup> Floor, Car Parks & Commercial Centre Government Avenue PO Box 5298 Manama Kingdom of Bahrain	
<b>Bankers</b>	Ahli United Bank National Bank of Bahrain Bank of Bahrain and Kuwait Al Salam Bank	National Bank of Kuwait Ithmaar Bank Kuwait Finance House Arab Bank
<b>External auditors</b>	BDO 17 <sup>th</sup> Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain	
<b>Internal auditors</b>	Deloitte & Touche (M.E) PO Box 421 Manama Kingdom of Bahrain	
<b>Share registrars</b>	KFin Technologies (Bahrain) W.L.L. PO Box 514, Manama Kingdom of Bahrain  Bahrain Clear B.S.C. (c) PO Box 3203, Manama Kingdom of Bahrain	

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Chairman's report for the year ended 31 December 2022**

Dear Shareholders,

As I reflect on the past year, I am proud of our company's resilience in the face of adversity and our ability to adapt to shifting conditions. Against this premise, we began the fiscal year 2022 hopeful and energized to continue on those advances, with the goal of returning our performance to pre-pandemic standards.

Recognizing the intricacies and fluctuating sands involved, we are adopting a bold yet methodical and comprehensive approach to our pursuit of sustainable solutions. We believe this will allow us to better adapt to opportunities and challenges as our strategy evolves.

Amakin's financial performance clearly demonstrates remarkable success and expansion, with the firm forming strategic alliances. This has been consistent with Amakin's core values of "collaboration for a better future", and as a result, we will continue to strive to achieve our strategic initiatives while broadening and harnessing our resources to deliver outstanding results for our societies and fulfill our mission of providing a seamless parking ecosystem.

The Company has achieved a net profit of BD809,157 for the year ended 31 December 2022 compared to a net profit of BD775,778 for the year ended 31 December 2021. This represents an increase in net profit of BD33,379. 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 2022 aggregated to BD4,457,925 from which the board of directors proposes the following implementations:

1. Transfer of BD80,916 to statutory reserves, being 10% of the net profit for the year.
2. A dividend of BD655,816 which represents 6% of the share capital at 6 fils per share.
3. Directors' remuneration at BD52,500.
4. Transfer of BD40,000 to charity reserve.
5. Balance of BD3,628,693 remains in retained earnings.

Directors' remuneration of BD52,500 for the year 2022 will be paid to the Board of Directors during 2023 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

**Board of directors' remuneration details**

Name	Fixed remunerations <sup>(b)</sup>					Variable remunerations <sup>(c)</sup>					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent Directors:													
1- Adnan Habeeb Maki Hashim***		5,000			5,000	5,000				5,000		10,000	
2- Mohamed Rasheed Mohamed Almaraj		7,500			7,500	5,000				5,000		12,500	
3- Ahmed Nazar Sadiq Albaharna* Δ		6,000			6,000	5,000				5,000		11,000	
4- Ali Eajaz Ahmed Murtaza**		1,000			1,000	-				-		1,000	

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Chairman's report for the year ended 31 December 2022 (continued)**

**Board of directors' remuneration details (continued)**

Name	Fixed remunerations <sup>(b)</sup>					Variable remunerations <sup>(c)</sup>					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
Second: Non-Executive Directors:													
1- Amin Ahmed Salem Alarrayed		6,500			6,500	7,500				7,500		14,000	
2- Abdulla Ahmed Abdulla Kamal <sup>(a)</sup>		5,000			5,000	5,000				5,000		10,000	
3- Fahad Abdulrahman Mohammed AlSaad <sup>Δ</sup>		5,000			5,000	5,000				5,000		10,000	
4- Areej Abdulla Abdulghaffar Abdulla <sup>(a)</sup>		5,000			5,000	5,000				5,000		10,000	
5- Bader Kassim Mohamed Buallay <sup>(a)</sup>		5,500			5,500	5,000				5,000		10,500	
6- Wael Ezzeldeen Mohamed Arafa		4,500			4,500	5,000				5,000		9,500	
7- Khalifa Hassan Al-Jalahma*		4,500			4,500	5,000				5,000		9,500	
8- Yaser Abduljalil Ali Alsharifi**		1,000			1,000	-				-		1,000	
Total		56,500			56,500	52,500				52,500		109,000	
<sup>(a)</sup> Variable remuneration is paid to Social Insurance Organisation, represented by the above-mentioned Board members. Fixed remunerations is paid to the above-mentioned Board members. <sup>(b)</sup> Fixed remunerations for the year ended 31 December 2022 relating to allowances for attending Board and committee meetings were paid during the year. <sup>(c)</sup> The proposed variable remuneration for the year ended 31 December 2022 will be paid during 2023 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting. * Board member appointed/ elected by the shareholders on 30 March 2022. ** Term completed by Board member on 29 March 2022. *** Term completed by Board member on 29 March 2022, and reelected for a second term. Δ On 18 August 2022, committee members changed: Fahad Abdulrahman Alsaad (Non-Executive Director) was appointed to the Audit and Risk committee and left the Nomination, Remuneration and Corporate Government Committee (NRCG). Ahmed Nazar Sadiq Albaharna (Independent Director) was appointed to the Nomination, Remuneration and Corporate Government committee (NRCG) and left the Audit and Risk committee.													

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Chairman's report for the year ended 31 December 2022 (continued)**

**Executive management remuneration details:**

<b>Executive management</b>	<b>Total paid salaries and allowances</b>	<b>Total paid remuneration (Bonus)</b>	<b>Any other cash/in kind remuneration for 2022</b>	<b>Aggregate Amount</b>
Top 6 remunerations for executives, including CEO, Finance Director, Operations Director, Business Development Director, IT Director and HR Manager	323,112	45,703	5,553	374,368

For 2022, we continue to place a high priority on key investments with consistent efforts in laying a strong foundation tied with ongoing extraction of our business and accelerating profitable growth.

In the past year, we have achieved monumental milestones that echo the motivation of our leadership to be the preferred mobility integrator in the region. We have placed a high priority in expanding our growth in the Kingdom. Amakin has signed major partnerships executing our expansion goals surpassing over 6,000 car parks in the Kingdom. As consumers embrace the use of technology in their daily mobility, we have responded by rolling out and upgrading our technology resulting in a quarter of our current payments in our flagship location being made online in line with our purpose of transforming the way people move.

Amakin places an emphasis on creating a healthy balance when it comes to focus on long-term investments, while delivering our commitments. For 2023, rest assured that our innovative and strategic roadmap will put Amakin on a progressive path towards value creation through our cutting-edge parking solutions for the Kingdom and the MENA region.

On behalf of the Board of Directors we 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. Also, we extend our thanks to shareholders for their ongoing trust and confidence in Amakin.

Not to mention that we are extremely proud of our team that have shown their commitment to our vision as we address the shift to sustainable mobility in the region and continue to create a seamless parking ecosystem for everyone.

2023 will witness more collaborations, success stories and innovations to create the future we desire.



Amin Ahmed Alarrayed  
Chairman

## **Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C.**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Bahrain Car Parks Company (Amakin) B.S.C. ("the Company"), which comprise the statement of financial position as at 31 December 2022, 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 2022, 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 2022. 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, and 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.

## **Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C. (continued)**

### **Report on the audit of the financial statements (continued)**

#### **Key audit matters (continued)**

##### ***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 2022 amounted to BD5,683,744 and BD141,775 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.



## **Independent auditor's report to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C. (continued)**

### **Report on the audit of the financial statements (continued)**

#### **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.

**Independent auditor's report to the shareholders of  
Bahrain Car Parks Company (Amakin) B.S.C. (continued)**

**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 and Commerce 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 2022.




Manama, Kingdom of Bahrain  
26 February 2023




**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Statement of financial position as at 31 December 2022**  
**(Expressed in Bahrain Dinars)**

	Notes	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7	32,210	13,902
Right-of-use assets	8	5,683,744	5,815,668
Property, plant and equipment	9	3,045,333	3,034,199
Financial assets at fair value through other comprehensive income	10	547,106	1,867,165
Investment properties	11	<u>1,570,436</u>	<u>471,598</u>
		<u>10,878,829</u>	<u>11,202,532</u>
<b>Current assets</b>			
Inventories		83,773	19,831
Investments at amortised cost	12	380,871	380,871
Current portion of term deposits	13	3,400,000	3,658,151
Trade and other receivables	14	762,982	763,120
Cash and cash equivalents	15	<u>5,083,074</u>	<u>4,386,858</u>
		<u>9,710,700</u>	<u>9,208,831</u>
<b>Total assets</b>		<u>20,589,529</u>	<u>20,411,363</u>
<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	3,334,870	3,253,954
Charity reserve	17	42,400	22,400
Investment fair value reserve	17	(769,404)	(687,676)
Retained earnings	17	<u>4,377,009</u>	<u>4,263,624</u>
<b>Total equity</b>		<u>19,915,142</u>	<u>19,782,569</u>
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	18	130,428	141,775
Employees' terminal benefits	19	<u>35,945</u>	<u>22,877</u>
		<u>166,373</u>	<u>164,652</u>
<b>Current liabilities</b>			
Current portion of lease liabilities	18	11,347	11,347
Other payables	20	<u>496,667</u>	<u>452,795</u>
		<u>508,014</u>	<u>464,142</u>
<b>Total liabilities</b>		<u>674,387</u>	<u>628,794</u>
<b>Total equity and liabilities</b>		<u>20,589,529</u>	<u>20,411,363</u>


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

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Statement of profit or loss for the year ended 31 December 2022**  
**(Expressed in Bahrain Dinars)**

See Auditor's Report dated 26/2/23  
Signed by BDO, CR No. 10201-04  
Partner: Samson Kattuvattil  
Reg. No. 239  
Signature: 

	<u>Notes</u>	<u>Year ended 31 December 2022</u>	<u>Year ended 31 December 2021</u>
Operating income	21	2,183,754	2,016,366
Net income from investments	22	551,560	283,834
Operating, general and administrative expenses	24	<u>(1,861,211)</u>	<u>(1,592,451)</u>
<b>Operating profit</b>		874,103	707,749
Other income	23	24,304	93,301
Directors' remuneration	25	<u>(89,250)</u>	<u>(25,272)</u>
<b>Net profit for the year</b>		<u>809,157</u>	<u>775,778</u>
<b>Basic and diluted earnings per share</b>	26	<u>7 fils</u>	<u>7 fils</u>

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

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Statement of other comprehensive income for the year ended 31 December 2022**  
**(Expressed in Bahrain Dinars)**

	<u>Note</u>	<u>Year ended 31 December 2022</u>	<u>Year ended 31 December 2021</u>
<b>Net profit for the year</b>		<b>809,157</b>	<b>775,778</b>
<b>Other comprehensive loss:</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	<u>(768)</u>	<u>(98,169)</u>
<b>Other comprehensive loss for the year</b>		<b><u>(768)</u></b>	<b><u>(98,169)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>808,389</u></b>	<b><u>677,609</u></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

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Statement of changes in shareholders' equity for the year ended 31 December 2022**  
**(Expressed in Bahrain Dinars)**

	Share capital	Treasury shares	Share premium	Statutory reserve	Charity reserve	Investment fair value reserve	Retained earnings	Total
<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>
Total comprehensive income for the year	-	-	-	-	-	(98,169)	775,778	677,609
Transferred on disposal of financial assets at value through other comprehensive income	-	-	-	-	-	(338,678)	338,678	-
Transferred to statutory reserve (Note 17)	-	-	-	77,578	-	-	(77,578)	-
Dividend paid for 2020 (Note 27)	-	-	-	-	-	-	(546,513)	(546,513)
Charity reserve created during the year (Note 28)	-	-	-	-	10,000	-	(10,000)	-
<b>At 31 December 2021</b>	<b>11,031,723</b>	<b>(101,456)</b>	<b>2,000,000</b>	<b>3,253,954</b>	<b>22,400</b>	<b>(687,676)</b>	<b>4,263,624</b>	<b>19,782,569</b>
Total comprehensive income for the year	-	-	-	-	-	(768)	809,157	808,389
Transferred on disposal of financial assets at value through other comprehensive income	-	-	-	-	-	(80,960)	80,960	-
Transferred to statutory reserve (Note 17)	-	-	-	80,916	-	-	(80,916)	-
Dividend paid for 2021 (Note 27)	-	-	-	-	-	-	(655,816)	(655,816)
Charity reserve created during the year (Note 28)	-	-	-	-	40,000	-	(40,000)	-
Charity payments made during the year (Note 17)	-	-	-	-	(20,000)	-	-	(20,000)
<b>At 31 December 2022</b>	<b>11,031,723</b>	<b>(101,456)</b>	<b>2,000,000</b>	<b>3,334,870</b>	<b>42,400</b>	<b>(769,404)</b>	<b>4,377,009</b>	<b>19,915,142</b>

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Statement of cash flows for the year ended 31 December 2022**  
**(Expressed in Bahrain Dinars)**

	Notes	Year ended 31 December 2022	Year ended 31 December 2021
<b>Operating activities</b>			
Net profit for the year		809,157	775,778
Adjustments for:			
Amortisation of intangible assets	7	6,956	4,996
Amortisation of right-of-use assets	8	131,924	131,924
Depreciation of property, plant and equipment	9	126,137	102,154
Unrealised fair value gain on investment properties	11	(243,946)	(1,554)
Provision for impaired trade receivables	14	3,592	-
Reversal of provision for impaired trade receivables	14	-	(5,643)
Interest expenses on lease liabilities	18	8,653	9,345
Dividend income	22	(44,701)	(46,508)
Interest income on investments at amortised cost	22	(21,896)	(21,977)
Interest income on term deposits	22	(226,700)	(198,976)
Interest income on current account balance with a bank	22	(14,317)	(14,819)
Changes in operating assets and liabilities:			
Inventories		(63,942)	(5,163)
Trade and other receivables		(3,454)	(139,251)
Other payables		43,872	122,361
Employees' terminal benefits, net		13,068	(10,682)
Net cash provided by operating activities		<u>524,403</u>	<u>701,985</u>
<b>Investing activities</b>			
Purchase of intangible assets	7	(25,264)	-
Additions to investment properties	11	(854,892)	-
Purchase of property, plant and equipment	9	(137,271)	(138,191)
Proceeds from disposal of financial assets at fair value through other comprehensive income	10	1,319,291	889,740
Dividend income received	22	44,701	46,508
Interest income received on investments at amortised cost	22	21,896	21,977
Interest income received on term deposits	22	226,700	198,976
Interest income received on current account balance with a bank	22	14,317	14,819
Net movements in term deposits		<u>258,151</u>	<u>(443,266)</u>
Net cash provided by investing activities		<u>867,629</u>	<u>590,563</u>
<b>Financing activities</b>			
Principal paid on lease liabilities		(11,347)	(655)
Interest paid on lease liabilities	18	(8,653)	(9,345)
Dividend paid during the year	27	(655,816)	(546,513)
Charity payments	17	(20,000)	-
Net cash used in financing activities		<u>(695,816)</u>	<u>(556,513)</u>
Net increase in cash and cash equivalents		696,216	736,035
Cash and cash equivalents, beginning of the year		<u>4,386,858</u>	<u>3,650,823</u>
Cash and cash equivalents, end of the year	15	<u>5,083,074</u>	<u>4,386,858</u>

**Non-cash transactions:**

The effect of transaction relating to exchanging part of investments in unquoted equity shares of BD744,055 (Note 11) towards transfer of certain investment properties has been excluded from the statement of cash flows being a non-cash transaction.

## **1 Organisation and activities**

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

The Company is principally engaged in the following activities:

- sale/trade in other machinery and equipment and parts;
- other marketing/promotion activities;
- operating of car parks;
- electrical installation;
- real estate activities with own or leased property;
- publicity and advertising;
- general trade; and
- valet parking services.

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

These financial statements, set out on pages 10 to 51, were approved, authorised for issue and signed by the Board of Directors on 26 February 2023.

## **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), 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 Dinars 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.



## 2 Basis of preparation (continued)

### *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 2022 but not relevant*

The following new amendments to existing standard and interpretation to published standard are mandatory for accounting year beginning on or after 1 January 2022 or subsequent years, but are not relevant to the Company's operations:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 16	Property, Plant and Equipment	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
IAS 41	Agriculture	1 January 2022
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 January 2022
IFRS 3	Business Combinations	1 January 2022
IFRS 9	Financial Instruments	1 January 2022
IFRS 16	Leases	1 January 2022

### *Standards, amendments and interpretations issued but not yet effective in 2022*

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2022. They have not been adopted in preparing the financial statements for the year ended 31 December 2022 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:

<u>Standard or interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 1	Presentation of financial statements	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
IAS 12	Income Taxes	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current	1 January 2024
IAS 1	Non-current liabilities with covenants	1 January 2024
IFRS 16	Leases	1 January 2024

**2 Basis of preparation (continued)**

***Early adoption of amendments or standards in 2022***

The Company did not early-adopt any new or amended standards in 2022. There would have been no change in the operational results of the Company for the year ended 31 December 2022 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 - 10 years
Office furniture and equipment	3 - 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.

### 3 Significant accounting policies (continued)

#### *Investment properties*

Investment properties representing lands that are 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.

Dividend 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.

### 3 Significant accounting policies (continued)

#### *Financial assets (continued)*

##### *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.

### 3 Significant accounting policies (continued)

#### *Financial assets (continued)*

##### *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.

### 3 Significant accounting policies (continued)

#### *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.

#### *Dividend*

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

#### *Board remuneration*

Board members' remuneration is recognised in the statement of profit or loss on accrual basis.

#### *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.

### 3 Significant accounting policies (continued)

#### *Leases (continued)*

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.

### 3 Significant accounting policies (continued)

#### *Leases (continued)*

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 renegotiation 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 or 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. In respect of sales of car parks equipment, revenue represent the invoiced value of equipment sold by the Company, net of discounts, during the year. Sales of these equipment are recognised when the control over the equipment is transferred to the customers, which is generally upon the delivery of equipment and customers' acceptance thereof.

##### *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 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.



### 3 Significant accounting policies (continued)

#### *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;
- Investment and related services; and
- Sales of equipment.

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 for leases;
- 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.

#### 4 Critical accounting judgments and key source of estimation uncertainty (continued)

##### *Fair valuation of investments (continued)*

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 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.

**4 Critical accounting judgments and key source of estimation uncertainty (continued)**

***Impairment of assets (continued)***

***Financial assets (continued)***

As at 31 December 2022, in the opinion of the management, an impairment allowance of BD49,983 is required towards impaired trade receivables from tenants and amounts due from a related party (2021: BD51,351). Further, in the opinion of the management, term deposits and bank balances are not impaired as at 31 December 2022 (2021: 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.

#### **4 Critical accounting judgments and key source of estimation uncertainty (continued)**

##### ***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 (COVID19), the Company discloses herewith additional financial information pertaining to the financial impact of COVID19 on the financial statements as follows:

The World Health Organisation declared coronavirus (COVID19) a global health emergency on 30 January 2020. Subsequently, the WHO classified COVID19 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.

## 5 Significant events and transactions (continued)

Based on the nature of operations and the industry in which it operates, the Company's management assessed the significant impact of COVID19 in the below areas:

- a) Decrease in operating income;
- b) Commitments and contingent liabilities.

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

Company has experienced a reduction in its operating income amounting to BD142,881 for the year ended 31 December 2022 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 monthly car park business showed 8% 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 BD16,773. Furthermore, the company has voluntarily provided a relief of notice period to end a lease, which resulted in a decrease in operating income by BD4,205 and
- Some tenants terminated their leases during the pandemic leading to loss of income by BD18,151.

### *(b) 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 2022:

<u>Financial statement area</u>	<u>Nature of impact</u>	<u>Amount in BD</u>
Operating income	Decrease	142,881

No other significant impact has been noted by the management on other financial statement areas during the year ended 31 December 2022.

## 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 39.53% (2021: 40.60%) of the Company's total 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 37.37% (2021: 41.00%) of the Company's total 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 19.98% (2021: 12.10%) of the Company's total revenue.
- Sales of equipment - This segment is involved in trading in car parks management equipment's to clients. This segment has contributed 2.19% (2021: 6.30%) of the Company's total revenue.

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**6 Segmental information (continued)**

*As at, and for the year ended, 31 December 2022*

	Car park services	Property rental services	Investment services	Sales of equipment	Total
Car park income	1,091,446	-	-	-	1,091,446
Sales of car parks equipment	-	-	-	60,563	60,563
Property rental income	-	865,792	-	-	865,792
Service charges income	-	165,953	-	-	165,953
Operating income	1,091,446	1,031,745	-	60,563	2,183,754
Net income from investments	-	-	551,560	-	551,560
Other income	11,519	11,640	1,145	-	24,304
Total revenue	1,102,965	1,043,385	552,705	60,563	2,759,618
Operating and general expenses (including maintenance costs)	(725,985)	(878,255)	(85,569)	(45,263)	(1,735,072)
Depreciation	(62,645)	(63,494)	-	-	(126,139)
Total operating and general expenses (including maintenance costs)	(788,630)	(941,749)	(85,569)	(45,263)	(1,861,211)
Unallocated expenses	-	-	-	-	(89,250)
Total expenses	(788,630)	(941,749)	(85,569)	(45,263)	(1,950,461)
Segment profit	314,335	101,636	467,136	15,300	809,157
Reportable segment assets	3,998,295	5,436,200	11,114,674	40,360	20,589,529
Reportable segment liabilities	306,856	329,316	29,229	8,986	674,387
Other segment information					
Minimum operating lease commitment	180,000	-	-	-	180,000



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**6 Segmental information (continued)**

*As at, and for the year ended, 31 December 2021*

	Car park services	Property rental services	Investment services	Sales of equipment	Total
Car park income	943,726	-	-	-	943,726
Sales of car parks equipment	-	-	-	150,687	150,687
Property rental income	-	761,460	-	-	761,460
Service charges income	-	160,493	-	-	160,493
Operating income	943,726	921,953	-	150,687	2,016,366
Net income from investments	-	-	283,834	-	283,834
Other income	28,174	59,160	5,967	-	93,301
Total revenue	971,900	981,113	289,801	150,687	2,393,501
Operating and general expenses (including maintenance costs)	(480,373)	(833,743)	(62,542)	(113,639)	(1,490,297)
Depreciation	(49,202)	(52,952)	-	-	(102,154)
Total operating and general expenses (including maintenance costs)	(529,575)	(886,695)	(62,542)	(113,639)	(1,592,451)
Unallocated expenses	-	-	-	-	(25,272)
Total expenses	(529,575)	(886,695)	(62,542)	(113,639)	(1,617,723)
Segment profit	442,325	94,418	227,259	37,048	775,778
Reportable segment assets	3,799,469	5,523,016	10,905,322	183,556	20,411,363
Reportable segment liabilities	289,842	286,792	30,727	21,433	628,794
Other segment information					
Minimum operating lease commitment	200,000	-	-	-	200,000

## 6 Segmental information (continued)

### 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

	31 December 2022	31 December 2021
Opening balance	13,902	18,898
Additions during the year	25,264	-
Amortisation charge for the year (Note 24)	<u>(6,956)</u>	<u>(4,996)</u>
Closing balance	<u>32,210</u>	<u>13,902</u>

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

	Leasehold lands and buildings
<b>Cost</b>	
At 31 December 2020, 2021 and 2022	<u>6,154,968</u>
<b>Accumulated amortisation</b>	
At 31 December 2020	207,376
Amortisation charge for the year (Note 24)	<u>131,924</u>
At 31 December 2021	339,300
Amortisation charge for the year (Note 24)	<u>131,924</u>
At 31 December 2022	<u>471,224</u>
<b>Carrying value</b>	
At 31 December 2021	<u>5,815,668</u>
At 31 December 2022	<u>5,683,744</u>

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**8 Right-of-use assets (continued)**

As at 31 December 2022 and 2021 the Company has 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**

	Freehold lands	Building on leasehold land	Car park and other equipment	Office furniture and equipment	Total
<b>Cost</b>					
At 31 December 2020	2,454,530	8,138,413	419,531	125,211	11,137,685
Additions	-	-	107,716	30,475	138,191
Disposals	-	-	-	(33,598)	(33,598)
At 31 December 2021	2,454,530	8,138,413	527,247	122,088	11,242,278
Additions	-	-	114,010	23,261	137,271
At 31 December 2022	2,454,530	8,138,413	641,257	145,349	11,379,549
<b>Accumulated depreciation</b>					
At 31 December 2020	-	7,918,161	117,182	104,180	8,139,523
Charge for the year (Note 24)	-	18,354	68,945	14,855	102,154
On disposals	-	-	-	(33,598)	(33,598)
At 31 December 2021	-	7,936,515	186,127	85,437	8,208,079
Charge for the year (Note 24)	-	18,354	91,015	16,768	126,137
At 31 December 2022	-	7,954,869	277,142	102,205	8,334,216
<b>Net book amount</b>					
At 31 December 2021	2,454,530	201,898	341,120	36,651	3,034,199
At 31 December 2022	2,454,530	183,544	364,115	43,144	3,045,333

The land on which Amakin 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.

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

	31 December 2022	31 December 2021
Opening balance	1,867,165	2,855,074
Disposals during the year	(1,319,291)	(889,740)
Valuation losses recognised in other comprehensive income	(768)	(98,169)
Closing balance	<u>547,106</u>	<u>1,867,165</u>

The above investments are further classified as follows:

	31 December 2022	31 December 2021
Shares listed on the Bahrain Bourse	329,987	1,061,093
Unquoted equity shares	<u>217,119</u>	<u>806,072</u>
	<u>547,106</u>	<u>1,867,165</u>

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

Currency	31 December 2022	31 December 2021
United States Dollar	-	660,171
Bahrain Dinar	<u>547,106</u>	<u>1,206,994</u>
	<u>547,106</u>	<u>1,867,165</u>

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 2022 would be reflected in Company's 2023 financial statements upon receipt of the most recent financial information.

**11 Investment properties**

	31 December 2022	31 December 2021
Opening balance	471,598	470,044
Additions during the year *	854,892	-
Unrealised fair value gain for the year (Note 22)	<u>243,946</u>	<u>1,554</u>
Closing balance	<u>1,570,436</u>	<u>471,598</u>

\* During the year, the Company has exchanged part of the investment in unquoted equity shares towards transfer of certain investment properties.

**11 Investment properties (continued)**

During the year ended 31 December 2022, 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. 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 gain was BD243,946 for the year ended 31 December 2022 (2021: the fair value gain of BD1,554). During the year ended 31 December 2022, no income has been recognised from the investment properties (2021: BDNil). Further, no expenses relating to the investment properties, including repairs and maintenance, were incurred for the year ended 31 December 2022 (2021: BDNil). The fair values of investment properties are categorised as a level 2 recurring fair value measurement.

**12 Investments at amortised cost**

	31 December <u>2022</u>	31 December <u>2021</u>
Opening and closing balance	<u>380,871</u>	<u>380,871</u>

Investment in amortised cost represent bonds (Ahli United Bank Perpetual Tier 1 Capital Securities) carrying coupon interest of 6.875% (2021: 6.875%) and are denominated in United States Dollars.

**13 Term deposits**

	31 December <u>2022</u>	31 December <u>2021</u>
Term deposit with banks maturing after 3 months but within 1 year	<u>3,400,000</u>	<u>3,658,151</u>

Term deposits placed with the Company's bankers, earn interest at rates ranging between 2.8% and 4.7% per annum (2021: between 2.8% and 3.5% 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.

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**14 Trade and other receivables**

	31 December 2022	31 December 2021
Rents receivable from tenants	160,712	186,012
Amounts due from a related party (Note 29)	25,602	23,082
Trade receivables from other customers	<u>14,136</u>	<u>5,130</u>
	200,450	214,224
Less: provision for impaired trade receivable	<u>(49,983)</u>	<u>(51,351)</u>
	150,467	162,873
Accrued revenue	194,519	162,338
Accrued interest	137,601	144,380
Advances paid to creditors	172,465	84,426
Prepayments and other receivables	80,652	80,941
Security deposits	<u>27,278</u>	<u>128,162</u>
	<u>762,982</u>	<u>763,120</u>

The Company's trade 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 trade receivables 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 2022 and 2021 was determined as follows for trade receivables:

	30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
<b>31 December 2022</b>						
Expected loss rate	0.72%	1.07%	1.12%	3.04%	100%	
Trade receivables	73,666	47,751	20,546	10,082	48,405	200,450
Loss allowance	530	511	231	306	48,405	49,983
<b>31 December 2021</b>						
Expected loss rate	1.00%	1.51%	2.22%	3.62%	100.00%	
Trade receivables	68,693	28,103	57,309	11,154	48,965	214,224
Loss allowance	243	432	1,299	412	48,965	51,351

**14 Trade and other receivables (continued)**

The movement in provision for impaired trade receivables is as follows:

	31 December 2022	31 December 2021
Opening balance	51,351	78,965
Provision created during the year	3,592	-
Provision utilised during the year	(4,960)	(21,971)
Reversal of excess provision (Note 23)	-	(5,643)
Closing balance	<u>49,983</u>	<u>51,351</u>

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

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

**15 Cash and cash equivalents**

	31 December 2022	31 December 2021
Short-term deposits maturing within three months	4,348,573	2,681,136
Current account balances with banks*	732,549	1,704,003
Cash on hand	<u>1,952</u>	<u>1,719</u>
	<u>5,083,074</u>	<u>4,386,858</u>

The current account balances with banks earn interest rate ranging from 0% to 2.5% per annum (2021: ranging between 0% to 2.25% per annum).

Short-term deposits held with the Company's bankers earn rate of return ranging from 2.8% to 5.9% per annum (2021: ranging from 2.9% to 3.5% per annum), are denominated in Bahrain Dinars and have original maturities of three months or less.

\* Included in the current account balances with banks is a balance of BD117,635 earmarked towards due to a related party.

**16 Share capital**

	31 December 2022	31 December 2021
<b>Authorised:</b>		
125,000,000 ordinary shares of 100 fils each (2021: 125,000,000 ordinary shares of 100 fils each)	<u>12,500,000</u>	<u>12,500,000</u>
<b>Issued and fully paid-up:</b>		
110,317,230 ordinary shares of 100 fils each (2021: 110,317,230 ordinary shares of 100 fils each)	11,031,723	11,031,723
<b>Less:</b> 1,014,560 treasury shares of 100 fils each (2021: 1,014,560 treasury shares of 100 fils each)	<u>(101,456)</u>	<u>(101,456)</u>
	<u>10,930,267</u>	<u>10,930,267</u>

**16 Share capital (continued)**

***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:

<b>At 31 December 2022</b>			
	<b>Nationality</b>	<b>Number of shares</b>	<b>Percentage of shareholding interest</b>
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%

<b>At 31 December 2021</b>			
	<b>Nationality</b>	<b>Number of shares</b>	<b>Percentage of shareholding interest</b>
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:

<b>At 31 December 2022</b>			
	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>Percentage of total outstanding shares</b>
Less than 1%	1,330	11,776,842	10.67%
1% and up to less than 5%	2	6,506,898	5.90%
5% and above	3	92,033,490	83.43%
	<b>1,335</b>	<b>110,317,230</b>	<b>100%</b>

<b>At 31 December 2021</b>			
	<b>Number of shareholders</b>	<b>Number of shares</b>	<b>Percentage of total outstanding shares</b>
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%
	<b>1,316</b>	<b>110,317,230</b>	<b>100%</b>



## 17 Reserves

### a) Statutory reserve

	31 December 2022	31 December 2021
Opening balance	3,253,954	3,176,376
Transferred during the year	<u>80,916</u>	<u>77,578</u>
Closing balance	<u>3,334,870</u>	<u>3,253,954</u>

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 BD40,000 has been proposed for transfer to the charity reserve during the year ended 31 December 2022 (2021: BD40,000), payment of BD20,000 was made towards charity during the year ended 31 December 2022 (2021: BDNil). This reserve is not available for distribution. The proposed transfer has not been accounted for in these financial statements. Further, an amount of BD40,000 has been transferred to the charity reserve during the year ended 31 December 2022 (2021: BD10,000).

### 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 BD768 (2021: BD98,169). This reserve is not available for distribution.

### d) Retained earnings

	31 December 2022	31 December 2021
Opening balance	4,263,624	3,783,259
Net profit for the year	809,157	775,778
Dividend (Note 27)	(655,816)	(546,513)
Transferred to statutory reserve	(80,916)	(77,578)
Transferred on disposal of financial assets at value through other comprehensive income	80,960	338,678
Charity reserve created during the year	<u>(40,000)</u>	<u>(10,000)</u>
Closing balance	<u>4,377,009</u>	<u>4,263,624</u>

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**18 Lease liabilities**

	31 December 2022	31 December 2021
At 1 January	153,122	153,777
Lease payments	(20,000)	(10,000)
Interest expenses (Note 24)	<u>8,653</u>	<u>9,345</u>
At 31 December	141,775	153,122
Less: current portion of lease liabilities	<u>(11,347)</u>	<u>(11,347)</u>
Non-current portion of lease liabilities	<u>130,428</u>	<u>141,775</u>

Maturity analysis - contractual undiscounted cash flows:

	31 December 2022	31 December 2021
Less than one year	20,000	20,000
More than one year and less than five years	80,000	80,000
More than five years	<u>80,000</u>	<u>100,000</u>
Total undiscounted leases	<u>180,000</u>	<u>200,000</u>

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 BD54,119 (25% of the gross operating profit generated from the related building), is included under operating, general and administrative expenses (Note 24) (2021: 80,387).

**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 2022 amounted to BD59,723 (2021: BD48,606).

***Expatriate employees***

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

	31 December 2022	31 December 2021
Opening balance	22,877	33,559
Accruals for the year	13,146	9,459
Payments during the year	<u>(78)</u>	<u>(20,141)</u>
Closing balance	<u>35,945</u>	<u>22,877</u>
The number of staff employed by the Company	<u>60</u>	<u>40</u>

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**20 Other payables**

	31 December 2022	31 December 2021
Accruals and other payables	239,442	190,586
Amounts due to a related party (Note 29)	153,301	171,600
Advances received from tenants	53,645	34,628
Provision for leave salary and air passage	41,111	46,813
Unclaimed dividend	<u>9,168</u>	<u>9,168</u>
	<u>496,667</u>	<u>452,795</u>

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

**21 Operating income**

	Year ended 31 December 2022	Year ended 31 December 2021
<i>Primary geographic markets</i>		
Kingdom of Bahrain	<u>2,183,754</u>	<u>2,016,366</u>
<i>Service/product type</i>		
Rental income	865,792	761,460
Car park income	961,937	832,236
Other car park income (Note 29)	129,509	111,490
Sales of car parks equipment	60,563	150,687
Service charges income	<u>165,953</u>	<u>160,493</u>
	<u>2,183,754</u>	<u>2,016,366</u>
<i>Contract counterparties</i>		
Direct to customers	2,056,880	1,904,876
Direct to a related party	<u>126,874</u>	<u>111,490</u>
	<u>2,183,754</u>	<u>2,016,366</u>
<i>Timing of revenue recognition</i>		
Over time	<u>2,183,754</u>	<u>2,016,366</u>

**22 Net income from investments**

	Year ended 31 December 2022	Year ended 31 December 2021
Unrealised fair value gain on investment properties (Note 11)	243,946	1,554
Interest on term deposits	226,700	198,976
Dividend income	44,701	46,508
Interest income on investments at amortised cost	21,896	21,977
Interest on current account balance with a bank	<u>14,317</u>	<u>14,819</u>
	<u>551,560</u>	<u>283,834</u>

**Bahrain Car Parks Company (Amakin) B.S.C.**  
**Notes to the financial statements for the year ended 31 December 2022**  
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**23 Other income**

	Year ended 31 December 2022	Year ended 31 December 2021
Government grants	-	64,823
Reversal of provision for impaired trade receivable (Note 14)	-	5,643
Miscellaneous income	<u>24,304</u>	<u>22,835</u>
	<u>24,304</u>	<u>93,301</u>

**24 Operating, general and administrative expenses**

	Year ended 31 December 2022	Year ended 31 December 2021
Staff costs	804,049	632,592
Facilities management	135,085	145,185
Amortisation of right-of-use assets (Note 8)	131,924	131,924
Electricity and water charges	130,741	110,706
Depreciation of property, plant and equipment (Note 9)	126,139	102,154
Directors' sitting fees (Note 29)	56,500	46,750
Lease rent expenses (Note 18 and 29)	54,119	80,387
Cost of sales of car parks equipment	44,772	106,764
Maintenance costs	36,180	21,550
Interest expenses on lease liabilities (Note 18)	8,653	9,345
Amortisation of intangible assets (Note 7)	6,956	4,996
Other operating, general and administrative expenses*	<u>326,093</u>	<u>200,098</u>
	<u>1,861,211</u>	<u>1,592,451</u>

\* Included in other operating, general and administrative expenses, a financial penalty of BD1,100 imposed on the Company by the Central Bank of Bahrain during the year ended 31 December 2022 due to late filing of a non-financial report (31 December 2021: BDNil).

**25 Directors' remuneration**

**Accrued and expensed**

An amount of BD36,750 has been accrued and expensed as directors' remuneration in 2022 (Note 29), relating to the year ended 31 December 2021 (2021: BD25,272 relating to the year ended 31 December 2020). The payment was approved by the shareholders in the Annual General Meeting held on 24 March 2022 (2021: 24 March 2021).

**Proposed by the Board of Directors**

The Board of Directors of the Company has proposed and accrued to pay a Directors' remuneration of BD52,500 for the year ended 31 December 2022 (2021: BD36,750 proposed but not accrued for the year 31 December 2021). Such proposed remuneration is subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

## 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.

	Year ended 31 December 2022	Year ended 31 December 2021
Net profit attributable to the shareholders	<u>809,157</u>	<u>775,778</u>
Weighted average number of ordinary shares	<u>109,302,670</u>	<u>109,302,670</u>
Basic and diluted earnings per share	<u>7 fils</u>	<u>7 fils</u>

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

## 27 Dividend

### Declared and paid

A dividend of BD655,816 representing 6% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2021 (at 6 fils per share) (2021: BD546,513 for the year ended 31 December 2020 at 5 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 30 March 2022 (2021: 24 March 2021), declared and subsequently paid.

### Proposed by the Board of Directors

The Board of Directors of the Company has proposed a dividend of BD655,816 (2021: BD655,816) representing 6% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2022 at 6 fils per share (2021: at 6 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 BD40,000 for the year ended 31 December 2022 (2021: BD40,000). This is subject to the approval of shareholders in the Annual General Meeting. The proposed charity contributions only become payable once it has been approved by the 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.

**Bahrain Car Parks Company (Amakin) B.S.C.**  
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**29 Transactions and balances with related parties (continued)**

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

<u>Transaction</u>	<u>Nature of relationship</u>	<u>Name of the related party</u>	<u>Year ended 31 December 2022</u>	<u>Year ended 31 December 2021</u>
Other car park income (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	129,509	111,490
Lease rent expenses (Note 24)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	54,119	80,387
Directors' remuneration (Note 25)	Key management personnel *	Key management personnel *	89,250	25,272
Directors' sitting fees (Note 24)	Key management personnel *	Key management personnel *	56,500	46,750
Salaries and bonuses to key management personnel	Key management personnel *	Key management personnel *	368,815	334,695
Long-term benefits to key management personnel	Key management personnel *	Key management personnel *	5,553	4,653

**(\*) 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:

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due from a related party (Note 14)</u>	
		<u>31 December 2022</u>	<u>31 December 2021</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>25,602</u>	<u>23,082</u>
<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Amounts due to a related party (Note 20)</u>	
		<u>31 December 2022</u>	<u>31 December 2021</u>
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	<u>153,301</u>	<u>171,600</u>

### **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 2022 and 2021.

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.

	31 December 2022	31 December 2021
Other payables	496,667	452,795
Lease liabilities	141,775	153,122
Less: cash and cash equivalents	<u>(5,083,074)</u>	<u>(4,386,858)</u>
Net surplus	<u>(4,444,632)</u>	<u>(3,780,941)</u>
Share capital, net of treasury shares	10,930,267	10,930,267
Share premium	2,000,000	2,000,000
Statutory reserve	3,334,870	3,253,954
Charity reserve	42,400	22,400
Investment fair value reserve	(769,404)	(687,676)
Retained earnings	<u>4,377,009</u>	<u>4,263,624</u>
Total capital	<u>19,915,142</u>	<u>19,782,569</u>
Total capital and net surplus	<u>15,470,510</u>	<u>16,001,628</u>

As at 31 December 2022 and 2021, 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 co-operation with the Company's operating units.

### 30 Financial assets and liabilities and risk management (continued)

#### *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 2022:

	<i>Financial assets at fair value through OCI</i>	<i>Financial assets at amortised cost</i>
<b><u>Financial assets</u></b>		
Financial assets at fair value through OCI	547,106	-
Investments at amortised cost	-	380,871
Trade and other receivables (excluding prepayments)	-	509,865
Term deposits	-	3,400,000
Cash and cash equivalents	-	<u>5,083,074</u>
Total financial assets	<u>547,106</u>	<u>9,373,810</u>

	<i>Financial liabilities at amortised cost</i>
<b><u>Financial liabilities</u></b>	
Other payables (excluding employee benefits)	<u>455,556</u>

A summary of the financial instruments held by category is provided below as at 31 December 2021:

	<i>Financial assets at fair value through OCI</i>	<i>Financial assets at amortised cost</i>
<b><u>Financial assets</u></b>		
Financial assets at fair value through OCI	1,867,165	-
Investments at amortised cost	-	380,871
Trade and other receivables (excluding prepayments)	-	597,753
Term deposits	-	3,658,151
Cash and cash equivalents	-	<u>4,386,858</u>
Total financial assets	<u>1,867,165</u>	<u>9,023,633</u>

	<i>Financial liabilities at amortised cost</i>
<b><u>Financial liabilities</u></b>	
Other payables (excluding employee benefits)	<u>405,982</u>



### 30 Financial assets and liabilities and risk management (continued)

**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 trade receivables is limited due to the Company's large number of customers. 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.

	<u>At 31 December 2022</u>	
<i>Financial assets</i>	<i>Carrying value</i>	<i>Maximum exposure</i>
Trade and other receivables (excluding prepayments)	509,865	509,865
Term deposits	3,400,000	3,400,000
Cash and cash equivalents	<u>5,083,074</u>	<u>5,081,122</u>
Total financial assets	<u>8,992,939</u>	<u>8,990,987</u>
	<u>At 31 December 2021</u>	
<i>Financial assets</i>	<i>Carrying value</i>	<i>Maximum exposure</i>
Trade and other receivables (excluding prepayments)	597,753	597,753
Term deposits	3,658,151	3,658,151
Cash and cash equivalents	<u>4,386,858</u>	<u>4,385,139</u>
Total financial assets	<u>8,642,762</u>	<u>8,641,043</u>

**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 BD88,620 (2021: BD84,259).

### 30 Financial assets and liabilities and risk management (continued)

**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.

At 31 December 2022	Less than 1 year	Total
Non-interest bearing instruments	<u>455,556</u>	<u>455,556</u>
At 31 December 2021	Less than 1 year	Total
Non-interest bearing instruments	<u>405,982</u>	<u>405,982</u>

**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 2022	31 December 2021
Quoted financial assets through OCI	<u>+/-5%</u>	<u>+/-16,499</u>	<u>+/- 53,055</u>

**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.

### 30 Financial assets and liabilities and risk management (continued)

#### 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 2022 and 2021.

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:

	<u>Fair value at 31 December</u>	<u>Level of hierarchy</u>	<u>Valuation technique used and key inputs</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between unobservable inputs and fair value</u>
<b>Non-financial assets</b>					
Investment properties	1,570,436 (2021: 471,598)	L2	Independent valuation report, market indicators.	Current market rates.	Positive correlation between market rates and fair values.
<b>Financial assets</b>					
Quoted investments	329,987 (2021: 1,061,093)	L1	Quoted prices from stock exchanges.	Not applicable	Not applicable
Unquoted investments	217,119 (2021: 806,072)	L3	Net assets of the investee companies based on 2022 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:

	<u>Unquoted investments</u>	
	<u>31 December 2022</u>	<u>31 December 2021</u>
Opening balance	806,072	808,416
Unrealised fair value gains/(losses)	323,990	(2,344)
Disposal during the year	<u>(912,943)</u>	<u>-</u>
Closing balance	<u>217,119</u>	<u>806,072</u>

**30 Financial assets and liabilities and risk management (continued)**

**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**

There were no significant events subsequent to 31 December 2022 and occurring before the date of the report that are expected to have a significant impact on these financial statements.