

# AMAKiN.

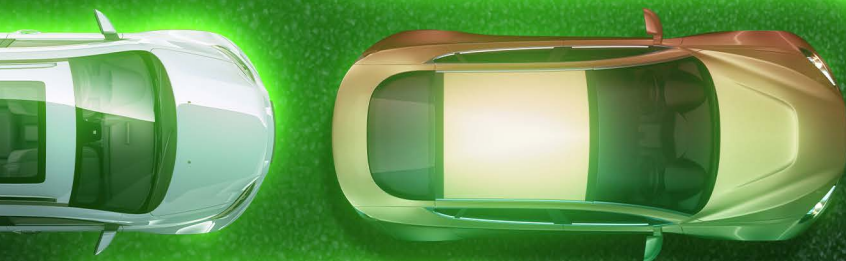


## ACCELERATING GROWTH



Annual Report 2022





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> **REGISTERED OFFICE**

128 Government Avenue,  
Amakin Building, 2nd Floor  
Office 2009  
P.O. Box 5298, Manama  
Kingdom of Bahrain

> **EXTERNAL AUDITORS**

BDO  
17th Floor, Diplomat  
Commercial Offices Tower  
P.O. Box 787,  
Manama,  
Kingdom of Bahrain

> **INTERNAL AUDITORS**

Deloitte  
United Tower,  
Bahrain Bay,  
Manama,  
Kingdom of Bahrain

> **BANKERS**

Ahli United Bank  
National Bank of Bahrain  
Bank of Bahrain and Kuwait  
Al Salam Bank  
National Bank of Kuwait  
Ithmaar Bank  
Kuwait Finance House  
Arab Bank

> **SHARE REGISTRARS**

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

> **COMMERCIAL  
REGISTRATION NUMBER**

11455 obtained on 31  
October 1981

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



**His Majesty  
King Hamad bin Isa Al Khalifa**

The King of the Kingdom  
of Bahrain



**His Royal Highness  
Prince Salman bin Hamad Al Khalifa**

Crown Prince and Prime  
Minister of the Kingdom  
of Bahrain

# ADMINISTRATION & CONTACT DETAILS

## As at 31 December 2022

### Commercial Registration Number

**11455 obtained on 31 October 1981**

### Board of Directors

**Amin Ahmed Alarrayed** - Chairman

[Reappointed for the second period on 30 March 2022]

**Abdulla Ahmed Kamal** - Vice Chairman

[Reappointed for the second period on 30 March 2022]

**Areej Abdulla Abdulghaffar**

[Reappointed for the second period on 30 March 2022]

**Bader Kassim Buallay**

[Reappointed for the second period on 30 March 2022]

**Fahad Abdulrahman AlSaad**

[Reappointed for the second period on 30 March 2022]

**Wael Ezzeldeen Arafa**

[Reappointed for the second period on 30 March 2022]

**Adnan Habib Hashim**

[Re-elected for the second period on 30 March 2022]

**Mohamed Rasheed AlMaraj**

[Re-elected for the second period on 30 March 2022]

**Ahmed Nazar Albaharna**

[Elected on 30 March 2022]

**Khalifa Hassan AlJalahma**

[Appointed on 30 March 2022]

### Executive Committee

**Abdulla Ahmed Kamal** - Chairman

**Bader Kassim Buallay** - Member

**Khalifa Hasan AlJalahma** - Member

**Mohamed Rasheed AlMaraj** - Member

### Audit & Risk Committee

**Adnan Habib Hashim** - Chairman

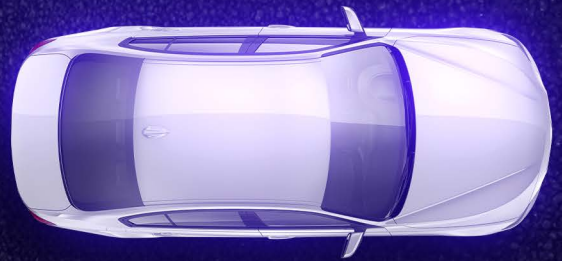
**Fahad Abdulrahman AlSaad** - Member

**Wael Ezzeldeen Arafa** - Member

**NRCG****Amin Ahmed Alarrayed** - Chairman**Areej Abdulla Abdulghaffar** - Member**Ahmed Nazar Albaharna** - Member**Digital Committee (Advisory)****Mohammed Rasheed AlMaraj** - Chairman**Ahmed Nazar Albaharna** - Member**Frank Beckmann** - Member**Tariq Ali Aljowder** - Member**Ehsan Ali Al-Kooheji** - Member**Chief Executive Officer****Tariq Ali Aljowder****Operations Director****Aqeel Hasan Abdulrahim****Finance Director****Hassan Ali AlShoala****IT Director****Ehsan Ali Al-Kooheji****Business Development Director****Abdulla Isa Qudrat****Facilities Manager****Looai Hasan Ali**

**MAKING**

**PARKI**



**AGAIN**



## INTRODUCTION

Our mission is to provide services that encompass solutions aimed at enhancing the way people are transported while staying true to our heritage in parking.

The letters 'NG' are rendered in a large, bold, white sans-serif font. They are enclosed within a glowing blue neon-style outline that forms a rounded rectangle. The background is dark blue with a starry pattern. The 'NG' is positioned on the left side of the page, between two horizontal glowing blue lines that extend across the width of the page.

# NG

The word 'SIMPLE' is rendered in a large, bold, white sans-serif font. It is enclosed within a glowing blue neon-style outline that forms a rounded rectangle. The background is dark blue with a starry pattern. The 'SIMPLE' is positioned at the bottom of the page, between two horizontal glowing blue lines that extend across the width of the page.

# SIMPLE

# WHO WE ARE

Bahrain Car Parks Company (Amakin) B.S.C. Is a bahraini public shareholding company established in 1981 and specialized in parking management, premium add-on services, and property leasing. The company is listed on bahrain bourse and traded under (cpark).

# 1981

Year of establishment

# 12.5M

Authorized capital (BD)

# 6,487

Total parking spaces

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## OUR MISSION

To create a seamless parking ecosystem.

## OUR VISION

To be the preferred mobility integrator in the region.

## WHAT WE DO

**Providing world class personalised mobility experiences to each customer.**

Amakin currently owns and manages a vast portfolio of assets across the Kingdom comprising of Amakin Building, The Terminal, Autospace, Salmaniya Car Park Complex, Diplomatic Area Car Park, Bab Al Bahrain 1 & 2 Car Park, Manama Center Car Park, Arad Bay Car Park, Ibn Alnafees Car Park, Salmaniya Medical Complex, Bahrain Specialist Hospital and Al Malaki Specialist Hospital with a total number of 6,487 parking lots.

Amakin evolved from a traditional brick and mortar car park management company to a mobility integrator which offers products and systems driven by innovative solutions and aims to lead a seamless customer experience and become the preferred mobility partner in the region.



With two strategically located properties in our portfolio and several decades of experience in property management, we are focused on quality service and committed to providing competitive rates.



**PROPERTY  
LEASING**



Specialized in the niche segment of car park management since 1981. We currently manage thirteen locations across Bahrain with over 6,487 parking spaces.



**CAR PARK  
MANAGEMENT**



Collaborating with a leader in innovative parking solutions, we are the exclusive agent for Scheidt & Bachmann in Bahrain, which offers the most advanced and innovative, state-of-the-art parking solutions and fare collection.



**PARKING  
MANAGEMENT  
&  
SYSTEMS &  
SOLUTIONS**

## FINANCIAL HIGHLIGHTS

### NET PROFIT

BD Thousand

# BD809,157

2021

BD775,778

2022

BD809,157



### TOTAL EQUITY

BD Million

# BD19,915,142M

2021

BD19,782,569m

2022

BD19,915,142m

## OPERATING PROFIT

BD Thousand

# BD874,103

2021

BD707,749

2022

BD874,103



## TOTAL ASSETS

BD Million

# BD20,589,529M

2021

BD20,411,363m

2022

BD20,589,529m

# OUR BOARD OF DIRECTORS

**AMIN AHMED ALARRAYED**

**Chairman**

**Non-Executive / Non-Independent**



## **AMIN AHMED ALARRAYED IS THE CHIEF EXECUTIVE OFFICER OF BAHRAIN REAL ESTATE INVESTMENT COMPANY (EDAMAH).**

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

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

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

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

## OUR BOARD OF DIRECTORS (continued)



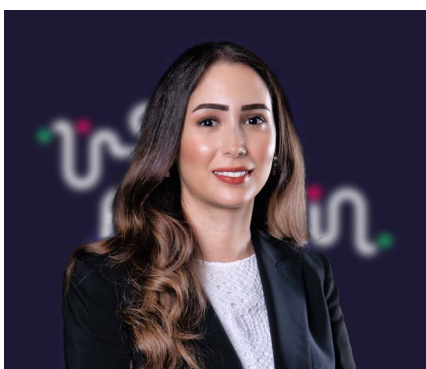
**ABDULLA AHMED KAMAL**

Vice Chairman

Non-Executive / Non-Independent

Abdulla Ahmed Kamal is the Chief Operating Officer at Osool Asset Management. Mr. Kamal has 20 years of experience in designing, implementing, and overseeing business operations in Asset Management Companies. Abdulla also has vast experience in audit, assurance services and business risk consultancy including external audit, internal audit, corporate governance, risk and control assessment, operational risk and compliance programs. Prior to joining Osool, he was a part of the Senior Management at Ernst & Young. He is currently a board member at SICO Bank and Amlak Real Estate Company and Bahrain Car Parks Company (Amakin).

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



**AREEJ ABDULLA ABDULGHAFFAR**

Director

Non-Executive / Non-Independent

Areej Abdulla Abdulghaffar is a Senior Manager – Investment at Osool Asset Management ("Osool"). Osool is the investment arm of the Social Insurance Organization and the Military Pension Fund in Bahrain. Mrs. Abdulghaffar has over 12 years of experience in investment management and auditing. She has years of experience in private investing and is responsible for sourcing, evaluating and monitoring fund managers and investment opportunities globally. Mrs. Abdulghaffar covers multiple asset classes which are private equity, private debt, real estate and infrastructure.

Mrs. Abdulghaffar has been with Osool since 2014. Prior to joining Osool, Mrs. Abdulghaffar worked as an Engagement Auditor at Ernst & Young.

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



**BADER KASSIM BUALLAY**

Director

Non-Executive / Non-Independent

Bader Kassim Buallay is a Director in the Investment Department at Osool Asset Management. Mr. Buallay has 15 years of experience in investment analysis and management and has previously worked at Sage Capital Management Group. He currently serves as a Board Director of Khereiji Showroom Company and is also a part-time lecturer at BIBF.

Mr. Buallay holds a bachelor's degree (Hons) in Computing and Accounting & Finance from University of Kent, UK and a masters in business administration from Imperial College London, where he was placed on the Dean's List and also received the award for best overall performance within the program. He is a CFA Charterholder and a CAIA Charterholder.



## OUR BOARD OF DIRECTORS (continued)



**KHALIFA HASSAN ALJALAHMA**  
Director

Non-Executive / Non-Independent

Khalifa Hassan Al Jalahma is a Principal – Private Equity MENA at Investcorp. Mr. Al Jalahma has over 15 years of private equity and investment banking experience across the GCC, with a focus on deal sourcing and execution, post-acquisition value enhancement and undertaking profitable exits. Prior to joining Investcorp, he worked at Citigroup’s investment banking team in Dubai, UAE.

He is a Board Director in Al Borg Medical Laboratories (KSA), a leading private independent medical laboratory operator in the Middle East and a Board Observer in Bindawood Holdings (KSA), one of the largest grocery retailers operating in Saudi Arabia.

Mr. Al Jalahma holds a Master of Business Administration (MBA) and a Bachelor’s Degree in Corporate Finance and Accounting from Bentley University, Massachusetts, USA.



**ADNAN HABIB HASHIM**  
Director

Non-Executive / Independent

Adnan Hashim is the current Chief Financial Officer of Gulf Air, the national carrier of the Kingdom of Bahrain. Previously, he was the Chief Financial Officer of Aluminium Bahrain (ALBA), and prior to that, he was the Chief Financial Officer of SNB Capital, the region’s leading investment firm and Saudi Arabia’s largest asset manager. Additionally, he was the Founder and Managing Partner of Istishara, a Bahrain based consulting firm serving the MENA region. He sat on numerous Boards, Executive Committees, Audit Committees and Compensation and Governance Committees of various financial institutions and has served as the Chairman of ACCA Members’ Advisory Committee, Bahrain.

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



**MOHAMED RASHEED ALMARAJ**  
Director

Non-Executive / Independent

Mohamed Rasheed Almaraj is currently the Chief Executive Officer at Ila Bank Bahrain, Bank ABC’s Digital Retail Bank. Mr. Almaraj has 13 years of experience in corporate finance, investments, restructuring and digital transformation. Previously, he worked at Perella Weinberg Partners, New York, as a Senior Associate for 5 years, with a focus on mergers and acquisitions transactions and corporate restructurings in the technology, media, telecom and financial services sectors. He also serves as a Board Director of Saudi British Bank (“SABB”), King Fahad Causeway Authority and Bank ABC Jordan.

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

## OUR BOARD OF DIRECTORS (continued)



**DR. FAHAD ABDULRAHMAN ALSAAD**  
Director

Non-Executive / Non-Independent

Dr Fahad Abdulrahman AlSaad is the Head of Business Development at Bahrain Real Estate Investment Company (Edamah). Dr AlSaad brings to his role 20 years of experience in real estate investment and development, investment banking and projects management. Prior to joining Edamah, he was a Principal in the Investment Placement at GFH Financial Group and formerly worked in Bahrain Defence Force. He also served as an Assistant Professor in the College of Business at University of Bahrain. Dr AlSaad is a board director in Amana Property Management Company (Amana) and Edamah Hawar Development Company. He previously served as a board director of Southern Area Development Company and Southern Tourism Company. Dr AlSaad is a member of the Government of Bahrain Land Investment Committee.

Dr AlSaad holds a Doctorate degree in Business Administration from Liverpool Johns Moores University, UK, a Master of Business Administration from the University of DePaul, USA, and a Bachelor's Degree in Industrial Accounting from King Fahd University of Petroleum and Minerals, KSA. He also attended INSEAD Directors Programme in INSEAD Business School and completed the General Securities Representative Exam of the Financial Industry Regulatory Authority. Dr AlSaad is a certified commercial arbitrator in the GCC Commercial Arbitration Centre and holds a certificate in Real Estate Investment and Finance from George Washington University, USA.



**AHMED NAZAR ALBAHARNA**  
Director

Independent

Ahmed Nazar Albaharna is Deputy General Manager at International Agencies Co Ltd (Intercol) leading the B2B Technology team and business development for the group. Mr. Albaharna has over 20 years of experience in Information and Communication Technologies (ICT) industry, business development and entrepreneurship.

He started his career at Saudi Aramco working in the IT, Communications and Data departments. He was appointed to the board of directors of the ICT Vocational council from 2012-2015. He served for two terms on the Bahrain Chamber of Commerce and Industry ICT committee from 2009-2013 and 2014-2018. He was also appointed to Tamkeen's ICT advisory committee from 2016-2021. Ahmed is a founder and Board Director of Albaharna Group Holding W.L.L., Oryx Technologies W.L.L. and TCG International W.L.L.

He has an extensive business development experience in regional GCC markets for establishing new joint ventures in the areas of ICT and Technical Services for the Oil and Gas Industry, Hospitality, Construction, Telecommunications and private sector companies.

Mr. Albaharna holds a Bachelor of Communications Engineering (Hons) from the University of Kent, UK. He completed various executive education courses from Harvard Kennedy School and London Business School.

## OUR BOARD OF DIRECTORS (continued)



**WAELEZZELDEEN ARAFA**  
Director

Non-Executive / Non-Independent

Wael Ezzeldeen Arafa is the Managing Partner at UHY Pillars & Partners in Kuwait.

Mr. Arafa has 21 years of experience in financial accounting, business evaluation, preparation of financial and administrative systems, financial analysis, corporate structuring and internal control policies and procedures.

Mr. Arafa has worked in several positions in the management and economic consulting sectors, where he has provided numerous studies and consultations for various companies and institutions inside and outside of Kuwait. In addition to being the Managing Partner at UHY Pillars, Mr. Arafa also serves as a Board Director of several Companies within and outside of Kuwait.

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

# OUR EXECUTIVE MANAGEMENT

**TARIQ ALI ALJOWDER**  
Chief Executive Officer



## **TARIQ ALI ALJOWDER IS THE CHIEF EXECUTIVE OFFICER OF BAHRAIN CAR PARKS COMPANY (AMAKIN) B.S.C.**

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

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

## OUR EXECUTIVE MANAGEMENT (continued)



**AQEEL HASAN ABDULRAHIM**  
Operations Director

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

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



**HASSAN ALI ALSHOALA**  
Finance Director

Hassan Ali AlShoala is the Finance Director at Amakin. Mr. AlShoala's 19 year working career spans management consulting working with clients in the private and public sector on large scale projects across several economic sectors including banking, mobility, urban planning, entertainment and healthcare. He has closely worked with GCC clients, including leading branches and subsidiaries of multinational companies on strategic and performance improvement projects.

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

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



**EHSAN ALI AL-KOOHEJI**  
IT Director

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

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

## OUR EXECUTIVE MANAGEMENT (continued)



**ABDULLA ISA QUDRAT**  
Business Development Director

Abdulla Isa Qudrat is the Business Development Director at Amakin. Mr. Qudrat has 13 years of experience in management roles within banking, Real Estate and Telecom industries. Prior to joining the company, Abdulla has worked with Bahrain Development Bank, Seef Properties, Ministry of Transportation and Zain Bahrain.

Mr. Qudrat holds a Bachelor of Science in Finance & Accounting from Kingdom University, Also he hold professional certificates CMI level 5 (Certificate in Management Coaching and Mentoring) and Certification in Property Management.



**LOOAI HASSAN ALI AHMED**  
Facilities Manager

Looai Hassan Ali Ahmed is the Facilities Manager at Amakin. Mr. Looai has 17 years of experience in facilities management and maintenance. Prior to joining the company, he worked as an Assistant Operations Manager at MAF Dalkia/Enova, Sr. Maintenance supervisor at Gulf hotel & Maintenance Manager at The Ritz Carlton Hotel.

Mr. Looai holds a bachelor's degree in mechatronics engineering from AMA International University and Diploma in Electrical engineering from University of Bahrain.

# TRANSFORM AWARDS MEA - 2022

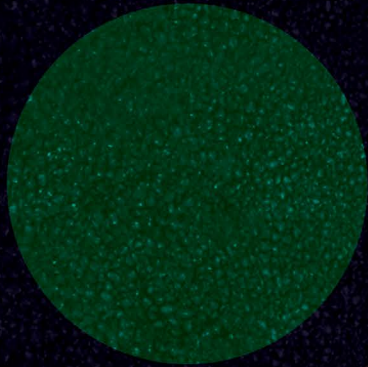
## Best rebrand of a digital property

### THE GOLD AWARD

Bahrain Car Park Company and Epic Lion, brand and digital design agency, were awarded the “Best Rebrand of a Digital Property” by Transform Awards MEA’s 9th edition.

- > It was awarded in recognition of the organizations digital and online assets.
- > **40 year pioneering tradition** – The award celebrates the rebrand of Amakin, Bahrain Car Park’s new brand, that was revealed in 2021.
- > **Redefining parking experiences** – The transformation was in-line with the innovative strategy to pave the way for next-generation mobility.





# 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 BD 4,457,925 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			
<b>First: Independent Directors:</b>													
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	-

# CHAIRMAN'S REPORT (continued)

for the year ended 31 December 2022

## 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			
<b>Second: Non-Executive Directors:</b>													
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 Δ	-	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	-
<b>Total</b>		<b>56,500</b>			<b>56,500</b>	<b>52,500</b>				<b>52,500</b>		<b>109,000</b>	

<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 Al Baharna (Independent Director) was appointed to the Nomination, Remuneration and Corporate Government committee (NRCG) and left the Audit and Risk committee.

# CHAIRMAN'S REPORT (continued)

for the year ended 31 December 2022

## Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in kind remuneration for 2022	Aggregate Amount
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.

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**AMIN AHMED ALARRAYED**  
 Chairman



# OUR CHAIRMAN'S MESSAGE



AMIN AHMED ALARRAYED  
Chairman

## ONE OF OUR BIGGEST ACHIEVEMENTS IN 2022 INCLUDE THE SUCCESSFUL ROLLOUT AND UPGRADE OF OUR TECHNOLOGY, ENABLING A MAJOR SHIFT WHEN IT COMES TO PARKING EXPERIENCES IN THE KINGDOM. ●●

It gives me great pleasure to confirm that in 2022, Amakin has continued to deliver on its promise in rewarding our stakeholders with outstanding operational performance and financial outcomes. This year's increase in profits is tied to key investments made in 2020 and 2021, which prioritized value creation opportunities, establishing new long-term partnerships, and transforming the parking experience by adopting innovative, smart, and user centric technology.

Driven by our mission in becoming a regional mobility hub, we have more than doubled the number of car parks we manage, surpassing 6,000 car parks in the Kingdom. This significant achievement was led by our proactive outreach efforts to partner and offer our services to leading entities and vendors. We have signed major partnerships with multiple entities spanning diverse industries and sectors including Bahrain Airport Company, Salmaniya Medical Complex, Medgulf Takaful, Autohaus Car Care, Bahrain Islamic Bank, and many more. Such efforts benefit both our clients' prosperity and our revenue diversification by providing new market prospects.

One of our biggest achievements in 2022 include the successful rollout and upgrade of our technology, enabling a major shift when it comes to parking experiences in the Kingdom. At Amakin, we are transforming mobility in the Kingdom for consumers, providing them with contactless and convenient payment choices. Currently a quarter of payments at our flagship are being made online, further emphasizing that there is a need and demand for these payment channels and solutions. As Amakin, we have a commitment to embed cutting edge solutions and innovative technology in all our processes to deliver an enhanced mobility journey for everyone.

In the past year, we have focused our efforts on the execution of our expansion strategy. Amakin has started to witness the rewards of such collaborations and investments in our profit figures as well as the number of car parks managed increasing significantly, as a result of client mandates. This further strengthens the company's position as a leading mobility integrator in the region.

Amakin is consistently motivated to be distinct in its competitiveness and achieve leadership on the local and regional levels, particularly in seizing opportunities and projects for which plans have been laid out for completion, all while being inspired by Bahrain's Economic Vision 2030, where we adhere to the concept of sustainability while maintaining a seamless and innovative framework.

We are well positioned to capitalize on opportunities as they emerge, owing to our strategic direction and our commitment to exceed clients' expectations and improve

their parking experiences. More specifically, it is our long-term mission to upgrade public parking spaces across the Kingdom's public entities, to improve customer experience across the mobility landscape. We also have a primary goal of increasing sustainable returns and providing fair value to our shareholders. We effectively underlined this in 2022 by leveraging technology to optimize parking spaces through significant strategic partnerships combined with a full-scale digital roadmap, as well as a 23% increase in operating income.

Our key milestones throughout the years have paved the way for a prosperous 2023, where we will take our 2022 ambitions to the next level, focusing on the introduction of Amakin's mobile application, in partnership with PASS, and increasing contactless payment penetration to better serve our customers. Such initiatives are consistent with our responsibility to not only operate more parking spaces, but also to focus on transitioning people away from traditional payment channels and toward digitized channels.

Amakin continues to adapt to new people's habits and strives to become a mobility benchmark adviser, with the goal of promoting company growth and establishing new streams of innovation in the industry and diverse income, which will contribute to its future stability. Such innovative initiatives have earned us a prestigious award from The Transform Awards MEA awards program, which highlights the company's bold and revolutionary strategy to lay the foundation for next-generation mobility, and signifies Amakin's ongoing efforts to achieve exceptional experiences for car parks and create a shift in the way people travel.

Although digitization, the search for new prospects, and the provision of mobility solutions can all be challenging, we also plan to continue integrating a dedicated team with the confidence to face the uncertainties that emerge in our environment, which is our most valuable resource.

Our collective perspective as a firm consists of great honor in what we do, integrity in how we do it, people above profit, and client safety and comfort above all else. We are passionately committed to developing innovative solutions and working together to create a better future.

I would like to take this opportunity to convey my heartfelt gratitude and appreciation towards our Shareholders, Board of Directors, our team, and clients for their ongoing support and contributions throughout the year, which have helped Amakin deliver on its promise.

**AMIN AHMED ALARRAYED**  
Chairman

**WE  
CREATE  
A SEAMLESS  
PARKING  
ECOSYSTEM**





# OUR CEO'S MESSAGE



**TARIQ ALI ALJOWDER**  
Chief Executive Officer

## ONE OF OUR KEY OBJECTIVES THIS YEAR WAS TO STRENGTHEN OUR INTERNAL OPERATIONS AND ACCELERATE THE IMPLEMENTATION OF MORE STREAMLINED PROCESSES. ●●

I am pleased to present Amakin's 2022 annual report. It has been increasingly evident to me that the parking industry remains an appealing sector for investment that is witnessing substantial transformation and vast opportunities for growth. At Amakin, we are committed to seizing these opportunities and continuing to enhance the parking experience for all, in line with our 5-year strategy. In 2022, we have delivered our promise and achieved good results across growing our net profit by 4% from last year.

The past year has been a continuation of Amakin's commitment to elevating Bahrain's parking ecosystem. At Amakin, we strive to be a major catalyst in shaping the future of parking solutions. Hence, we have focused on digitally transforming the sector through the implementation of cutting-edge solutions to provide seamless and efficient services. Simultaneously, we have continued to grow our portfolio and expand, in line with our commitment to our stakeholders.

This year we added 2786 spaces across Bahrain in addition to introducing our valet services in 5 additional locations. This increase in presence reflects our eagerness to serve our community through creating employment opportunities, and serving our clients through focusing on larger, multi-story projects such as Muharraq's Saada East development as well as several key public sector projects. We also launched multiple new sites in the medical and hospitality sectors including: Salmaniya Medical Complex, Arad Bay, Ibn Al Nafees Hospital, Bahrain Specialist Hospital, Al Malaki Specialist Hospital, amongst many others. Additionally, we started a new long-term agreements with Bahrain International Airport where we won the tender for Level 4 Technical Support of its new state-of-the-art parking management systems.

One of our key objectives this year was to strengthen our internal operations and accelerate the implementation of more streamlined processes. As such, we have completed the initial phase for the development of our 24/7 control center and established the Amakin metropolitan high-speed network, allowing us to collect real-time data. Moreover, we have amplified our digital efforts through the launch of our new mobile application in partnership with PASS to provide a smoother user experience. In line with this, we have implemented our contactless payment

solution across multiple locations, resulting in a marked increase in payments through the portal. We look forward to introducing additional services to our app in its second phase this year.

Amakin has also distinguished itself this past year for winning the Gold Award for the "Best Rebrand of a Digital Property" for 2022 by the 9th Edition of The Transform Awards MEA, which aims to highlight excellence in rebranding and brand strategy across the region. This bold rebrand was part of the company's efforts to establish itself as a forward-thinking urban mobility disruptor.

At Amakin, we truly believe in synergies that lead to innovative outcomes. As a result of our agreements with leading financial institutions in Bahrain, credit and debit card holders will receive exclusive parking rates and benefits. Additionally, we continued to push the envelope by incorporating value-added services at different touch-points such as car wash services that are now available across all of our new sites.

The future of mobility is at our doorstep. Amakin is well positioned to approach new opportunities as they emerge and will continue to capitalize on its long-term agreements and recent expansions throughout the Kingdom. The prospects for the upcoming year are promising and I am confident that Amakin will uphold its position at the forefront of the industry.

### TARIQ ALI ALJOWDER

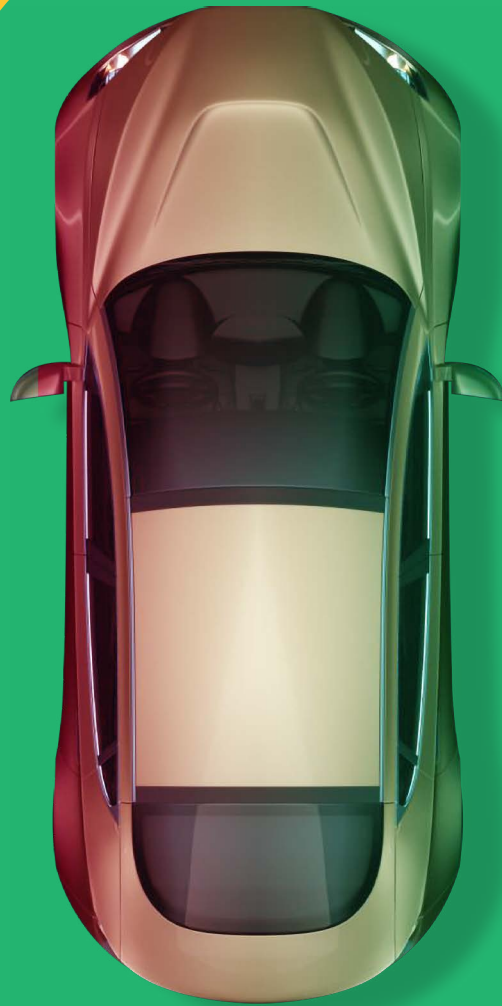
Chief Executive Officer

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# CORPORATE GOVERNANCE REPORT

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For the year 2022



# CORPORATE GOVERNANCE REPORT

## For the year 2022

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

### SHAREHOLDERS

#### Ownership Structure as at 31 December 2022

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

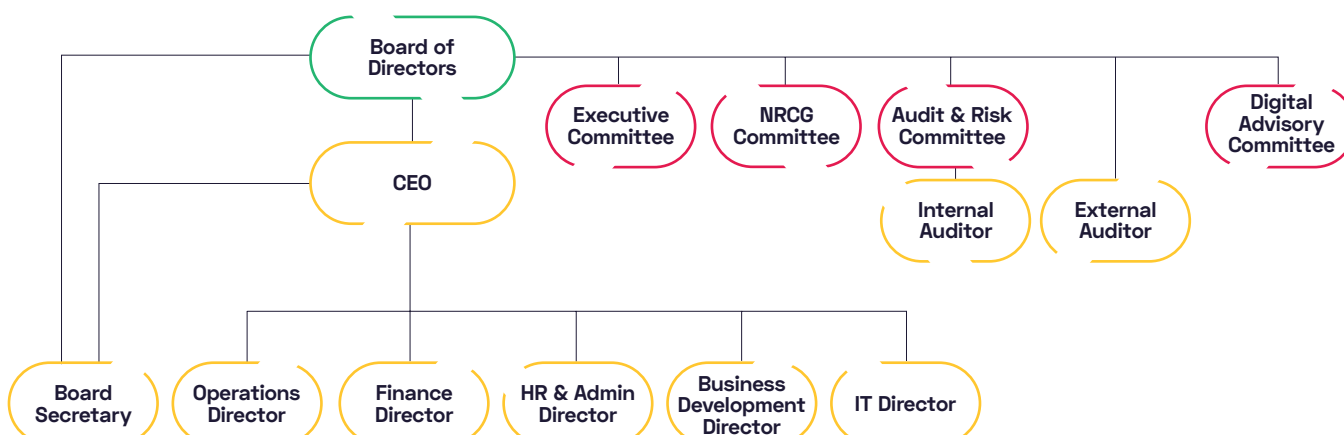
#### Shareholding Distribution 2022

Category (shares)	No. of shares	No. of Shareholding	Shareholding
Less than 50,000	3,428,738	1,286	3.11%
50,000 to 500,0000	6,159,545	41	5.58%
500,000 to 5,000,000	8,695,457	5	7.88%
Above 5,000,000	92,033,490	3	83.43%
Total	110,317,230	1,335	100%

### GOVERNANCE STRUCTURE

#### 31 December 2022

The organizational and governance structure is reviewed by the board on an annual basis.



## CORPORATE GOVERNANCE REPORT (continued)

### BOARD OF DIRECTORS

#### Board Charters

During 2022, the board reviewed and proposed amendments to the company's Corporate Governance Charters in line with the Corporate Governance Code of the Ministry of Industry and Commerce (MOIC) and Volume 6 of the Central Bank of Bahrain's Rulebook on Capital Markets to ensure compliance and completeness of the governance framework. The Corporate Governance Charters clearly define the terms of reference of the board and committees.

#### Board Composition

The board of directors was elected/appointed in March 2022 for a three-year term and consists of 10 members, none of which is executive and 3 of which are independent. Section 4.1.1 of the company's Corporate Governance Charters states that the size of the board must be 10 directors at a minimum at all times. The board members of Amakin come from diverse disciplines, hence forming an excellent mix which is essential to effective governance. Collectively, the board members demonstrated independent and objective judgement throughout the year. The status of each director was reviewed in terms of independence and number of directorships for the year 2022 with no exceptions noted.

As of 31st December 2022, the Board's representation by gender was 10% female and 90% male representation (2021: the Board's representation by gender was 10% female and 90% male representation).

#### Board Responsibilities

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

#### Independence of Directors

An independent director, as defined in the Corporate Governance Code, is a non-executive director who is fully independent in their position and decisions, and none of the independence invalidity cases mentioned in paragraph (3) of Annex 1 of the Corporate Governance Code is applicable. The directors have disclosed their interests for the year ended 31 December 2022. Independence of the directors has also been reviewed for independent members and they met all independence requirements.

#### Board Term

All members of the existing board of directors were appointed and elected for a three-year term starting 30 March 2022 and ending 29 March 2025.

#### Non-executive Board Members

31 December 2022

	Name	Role	Qualifications	Shareholding
1	Amin Ahmed Alarrayed***	Chairman	MBA and Bachelor's Degree in Economics	-
2	Abdulla Ahmed Kamal***	Vice Chairman	ACCA, IIA, APRM and Bachelor's Degree in Accounting	-
3	Areej Abdulla Abdulghaffar***	Board Member	Master's Degree in Finance and Investment and Bachelor's Degree in Accounting and Finance	-
4	Bader Kassim Buallay***	Board Member	Bachelor's Degree in Computing and Accounting and Finance, CFA, CAIA	-
5	Fahad Abdulrahman Alsaad***	Board Member	Doctorate degree in Business Administration, MBA and Bachelor's Degree in Industrial Accounting	-
6	Wael Ezzeldeen Arafa***	Board Member	Master's Degree in Finance and Bachelor's Degree in Commerce and Business Administration	-
7	Khalifa Hassan Al Jalahma**	Board Member	Master Degree of Business Administration (MBA) and a Bachelor's Degree in Corporate Finance and Accounting	-
8	Yaser Abduljalil Alsharifi*	Board Member	Bachelor's Degree in Business Administration	-

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed on 30 March 2022

\*\*\* Board member reappointed for the second term on 30 March 2022

## CORPORATE GOVERNANCE REPORT (continued)

### Independent Board Members

31 December 2022

	Name	Role	Qualifications	Shareholding
1	Adnan Habib Hashim***	Board Member	MBA, FCCA	-
2	Mohamed Rasheed Almaraj***	Board Member	Bachelor's Degree in Finance and Accounting	-
3	Ahmed Nazar Sadiq Albaharna**	Board Member	Bachelor Degree in Communications Engineering	-
4	Ali Eajaz Murtaza*	Board Member	MBA, Bachelor's Degree in Finance and DMIS	-

\*Term completed by Board member on 29 March 2022

\*\* Board member elected on 30 March 2022

\*\*\* Board member reelected for the second term on 30 March 2022

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

### Board Performance Evaluation

The board completed the annual self-evaluation for the year 2022. It was focused on evaluating the performance of the 1) board as a whole, 2) individual board committees, and 3) individual board members.

The results of the evaluation, which were satisfactory, were reviewed by the nomination, remuneration and corporate governance committee. A summary will be presented to the shareholders at the upcoming Annual General Meeting.

### Board Meetings and Attendance

According to section 4.1.6 of the company's Corporate Governance Charters, 1) individual board members can only be absolved from their actions in a given financial year if they attend 75% of the board meetings, which was the case during the year 2022, 2) the board may convene using any means of teleconferencing, 3) a quorum of at least 50% is required for the meeting to be valid, 4) resolutions shall be passed by a simple majority of present members, 5) circular resolutions, except for the approval of the financial statements, may be adopted and shall only be valid with a unanimous vote.

### Board Attendance 2022

	Name	Role	Feb 27	April 3	May 11	Aug 4	Nov 10	Jan 10/23
1	Amin Ahmed Alarrayed***	Chairman	√	√	√	√	√	√
2	Abdulla Ahmed Kamal***	Vice Chairman	√	√	√	√	√	√
3	Adnan Habib Hashim***	Board Member	√	√	√	√	√	√
4	Mohamed Rasheed Almaraj***	Board Member	x	√	√	√	√	√
5	Areej Abdulla Abdulghaffar***	Board Member	√	√	√	√	√	√
6	Bader Kassim Buallay***	Board Member	√	√	√	√	√	√
7	Fahad Abdulrahman Alsaad***	Board Member	√	√	√	√	√	√
8	Wael Ezzeldeen Arafa***	Board Member	√	√	√	√	√	x
9	Ahmed Nazar Sadiq Albaharna**	Board Member	-	√	√	√	√	√
10	Khalifa Hassan Al-Jalahma**	Board Member	-	√	√	√	√	√
11	Yaser Abduljalil Alsharifi*	Board Member	√	-	-	-	-	-
12	Ali Eajaz Murtaza*	Board Member	√	-	-	-	-	-

All meetings were held physically & virtually

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/reelected for the second term on 30 March 2022

## CORPORATE GOVERNANCE REPORT (continued)

### Board Compensation

In addition to the sitting fees paid to the board members for attending the board and committee meetings, directors' remuneration is paid in accordance with Article 188 of Bahrain Commercial Companies Law and is subject to the shareholders' approval at the Annual General Meeting. The paid amounts for the year 2021 was BHD 36,750. Details of the proposed amounts for the year 2022 are outlined in the table below:

Name	Fixed remuneration <sup>(b)</sup>					Variable remuneration <sup>(c)</sup>					End-of-service award	Total (without expense allowance)	Expense allowance
	Chairperson and board members remuneration	Total sitting fees for board and committee meetings	Salaries	Other	Total	Chairperson and board members remuneration	Bonus	Incentive plans	Other	Total			
<b>Independent directors</b>													
1 Adnan Habib Hashim***	-	5,000	-	-	5,000	5,000	-	-	-	5,000	-	10,000	-
2 Mohamed Rasheed Almaraj***	-	7,500	-	-	7,500	5,000	-	-	-	5,000	-	12,500	-
3 Ahmed Nazar Sadiq Albaharna**	-	6,000	-	-	6,000	5,000	-	-	-	5,000	-	11,000	-
4 Ali Eajaz Murtaza*	-	1,000	-	-	1,000	-	-	-	-	-	-	1,000	-
<b>Non-executive / Non-independent directors</b>													
1 Amin Ahmed Alarrayed***	-	6,500	-	-	6,500	7,500	-	-	-	7,500	-	14,000	-
2 Abdulla Ahmed Kamal <sup>(a)</sup> ***	-	5,000	-	-	5,000	5,000	-	-	-	5,000	-	10,000	-
3 Areej Abdulla Abdulghaffar <sup>(a)</sup> ***	-	5,000	-	-	5,000	5,000	-	-	-	5,000	-	10,000	-
4 Bader Kassim Buallay <sup>(a)</sup> ***	-	5,500	-	-	5,500	5,000	-	-	-	5,000	-	10,500	-
5 Fahad Abdulrahman Alsaad***	-	5,000	-	-	5,000	5,000	-	-	-	5,000	-	10,000	-
6 Wael Ezzeldeen 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 Alsharifi*	-	1,000	-	-	1,000	-	-	-	-	-	-	1,000	-

(a) Board members representing the Social Insurance Organization (SIO) receive the fixed remuneration only, the variable remuneration is paid to Social Insurance Organization (SIO). Variable remuneration for the year 2022 will be paid in the year 2023, subject to the approvals of the Ministry of Industry and Commerce and shareholders' during the Annual General Meeting.

(b) Fixed remunerations for the year ended 31 December 2022 relating to allowances for attending Board and committee meetings were paid during the year.

(c) 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.

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/re-elected for the second term on 30 March 2022



## CORPORATE GOVERNANCE REPORT (continued)

### BOARD COMMITTEES

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

#### Executive Committee

The role of the Executive Committee is to implement the board's strategic and progressive plans, policies, and decisions consistent with the organization's vision, mission and values. During 2022, the Executive Committee had five official meetings in addition to a number of progress meetings held to ensure implementation of key strategic initiatives.

#### Executive Committee Attendance 2022

Name	Role	Feb 10	Apr 12	Jul 15	Sep 14	Oct 20
1 Abdulla Ahmed Kamal***	Chairman	√	√	x	√	√
2 Bader Kassim Buallay***	Committee Member	√	√	√	√	√
3 Mohamed Rasheed Almaraj***	Committee Member	√	√	√	√	√
4 Khalifa Hassan Al Jalahma**	Committee Member	-	√	√	√	√
5 Ali Eajaz Murtaza*	Committee Member	√	-	-	-	-

All meetings were held physically & virtually

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/re-elected for the second term on 30 March 2022

#### Audit & Risk Committee

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

#### Audit & Risk Committee Attendance 2022

Name	Role	Feb 17	May 3	Jul 28	Nov 3
1 Adnan Habib Hashim***	Chairman	√	√	√	√
2 Wael Ezzeldeen Arafa***	Committee Member	-	√	√	√
3 Ahmed Nazar Sadiq Albaharna**	Committee Member	-	√	√	-
4 Fahad Abdulrahman Alsaad***	Committee Member	-	-	-	√
5 Areej Abdulla Abdulghaffar***	Committee Member	√	-	-	-
6 Yaser Abduljalil Alsharifi*	Chairman	√	-	-	-

All meetings were held physically & virtually

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/re-elected for the second term on 30 March 2022

## CORPORATE GOVERNANCE REPORT (continued)

### Nomination, Remuneration and Corporate Governance Committee

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

### NRCG Committee Attendance 2022

Name	Role	Feb 15	Apr 14	Jul 4	Oct 24
1 Amin Ahmed Alarrayed***	Chairman	√	√	√	√
2 Areej Abdulla Abdulghaffar***	Committee Member	-	√	√	√
3 Fahad Abdulrahman Alsaad***	Committee Member	√	√	√	-
4 Wael Ezzeldeen Arafa***	Committee Member	√	-	-	-
5 Ahmed Nazar Sadiq Albaharna**	Committee Member	-	-	-	√

All meetings were held physically & virtually

\*Term completed by Board member on 29 March 2022

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/re-elected for the second term on 30 March 2022

### Digital Advisory Committee

The Digital Committee was formed as an advisory committee to the board and its role is to advise the board on the digital strategy that supports the business objectives of the company and to identify and execute digital opportunities to help grow the business.

### Digital Committee Attendance 2022

Name	Role	Jan 27	Apr 25	Jul 25	Sep 21	Oct 30
1 Mohamed Rasheed Almaraj***	Chairman	√	√	√	√	√
2 Ahmed Nazar Albaharna**	Committee Member	-	√	√	√	√
3 Frank Beckmenn	Advisory Committee Member	√	√	√	√	√
4 Tariq Ali Aljowder (1)	Committee Member	√	√	√	√	√
5 Ehsan Ali Al-Kooheji (1)	Committee Member	√	√	√	√	√

All meetings were held physically & virtually

(1) Executive members have no voting powers and are not paid for their membership

\*\* Board member appointed/elected on 30 March 2022

\*\*\* Board member reappointed/re-elected for the second term on 30 March 2022

## CORPORATE GOVERNANCE REPORT (continued)

### EXECUTIVE MANAGEMENT

The Chief Executive Officer of Amakin with the senior management team lead the day-to-day operations and collaborate with the rest of the team to achieve the objectives set out by the board.

	Name	Position	Joining date
1	Tariq Ali Aljowder	Chief Executive Officer	20 December 2016
2	Aqeel Hasan Abdulrahim	Operations Director	10 September 2018
3	Hassan Ali AlShoala	Finance Director	10 December 2020
4	Ehsan Ali Al-Kooheji	IT Director	28 February 2021
5	Abdulla Isa Qudrat	Business Development Director	25 April 2021
6	Sajeda Abdulla AlShehabi*	Human Resources Manager	08 December 2019

\*Resigned 4 August 2022

### Management Compensation

Remuneration of the top 6 executives, including CEO, Finance Director, Operations Director, Business Development Director, IT Director and HR Manager:

Total salaries and allowances	Total paid remuneration bonus	Any other cash/in-kind compensation	Aggregate Amount
323,112	45,703	5,553	374,368

### INTERNAL CONTROLS, POLICIES AND PROCEDURES

#### Conflict of Interest and Related Party Transactions

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

Details of approved transactions are included in note 29 of the financial statements for the year ended 31 December 2022, which will be reported to the shareholders at the Annual General Meeting.

#### Related Party Transactions

31 December 2022

Transaction	Nature of relationship	Name of related party	Amount (BHD)
1 Other car park income	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	129,509
2 Lease rent	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	54,119
3 Directors' remuneration	Board members	Board members	89,250
4 Directors' sitting fees	Board members	Board members	56,500
5 Salaries and bonuses to key management personnel	Executive management	Executive management	368,815
6 Long-term benefits to key management personnel	Executive management	Executive management	5,553

## CORPORATE GOVERNANCE REPORT (continued)

### Amounts due from a related party:

	Name of the related party	Nature of relationship	Amount (BHD)
1	Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	25,602

### Amounts due from a related party:

	Name of the related party	Nature of relationship	Amount (BHD)
1	Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	153,301

### Code of Conduct

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

### Whistleblowing Policy

The purpose of this policy is to encourage a culture of compliance and the Code of Conduct and the company's policies are respected and adhered to.

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

### Corporate Governance Officer

The Corporate Governance Officer is responsible for carrying out the tasks related to ensuring and verifying the company's compliance with the corporate governance laws, regulations and resolutions issued by the regulatory bodies. The Board Secretary was the company's Corporate Governance Officer till June 2022. Mr. Tariq Aljowder was appointed as the company's Corporate Governance Officer in July 2022 on temporary basis till the onboarding of the new Board Secretary.

### ANNUAL GENERAL MEETING

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

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

### APPOINTMENT AND REMUNERATION OF THE EXTERNAL AUDITOR

The appointment of the external auditor is recommended by the Audit & Risk Committee to the board which then requests the shareholders' approval at the Annual General Meeting.

According to article 23 of the regulation issued in August 2021 concerning the external auditors, public companies may appoint an external auditor for one financial year, renewable for the same period and not exceeding 5 consecutive financial years; the partner responsible for auditing the company's financials should be rotated after 3 financial years.

Based on this regulation, which is consistent with MOIC's Corporate Governance Code, the board of directors recommended the re-appointment of BDO Public Accountants as the company's external auditor for the year 2023, based to the shareholders' approval at the AGM. Details of the audit fees can be provided upon request.

## CORPORATE GOVERNANCE REPORT (continued)

### COMPLIANCE

#### Through the Comply or Explain Approach

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

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

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

## CORPORATE GOVERNANCE REPORT (continued)

### Explanation of Non-Compliance Items

Note 1	Principle 1	The Chairman of the board shall be an independent director.	Considering the new strategic direction set forth by the board, the Chairman, who is non-independent, was elected based on the expertise and skills required for effective leadership and governance.
Note 2	Principle 3	Majority of the Audit Committee members and the Chairman of the committee shall be independent.	The Audit & Risk Committee Chairman is independent. The Committee consists of two non-executive members. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members who have the expertise and skills required to fulfill the committee's duties.
Note 3	Principle 4	Majority of the Nomination Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. The Chairman being non-independent. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 4	Principle 5	Majority of the Remuneration Committee members and the Chairman of the committee shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 5	Principle 8	All Corporate Governance Committee members shall be independent	The NRCG Committee consists of two non-executive members; with one independent director. Considering the nature of the board's composition, appointed vs. independent, the board decided to elect the committee members and Chairman who have the expertise and skills required to fulfill the committee's duties.
Note 6	Principle 11	The company shall seek through social responsibility to exercise its role as a good citizen	The company has approved the Corporate Social Responsibility Policy and is in the process of designing and approving the 2023 strategy for social responsibility. Amakin is considered one of the pioneers in supporting people of determination in the Kingdom. Additionally, during 2022, the company paid BHD 20,000 towards equipping Salmaniya Park with equipment for people of determination.

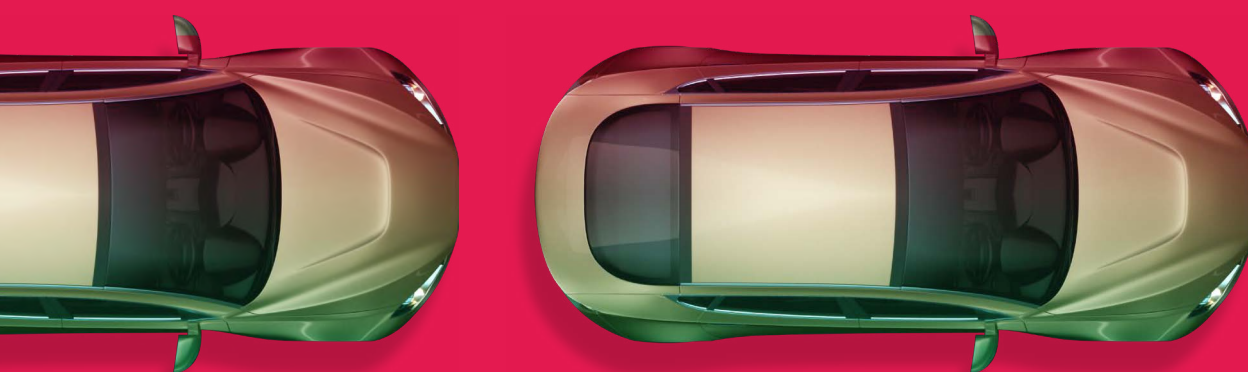


AMIN AHMED ALARRAYED

Chairman  
9 March 2022

# FINANCIAL STATEMENTS

For the year ended 31 December 2022



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# 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.

#### *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.



## INDEPENDENT AUDITOR'S REPORT (continued)

to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C.

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

to the shareholders of Bahrain Car Parks Company (Amakin) B.S.C.

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

We communicate with the management and TCWG regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide TCWG with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on other legal and regulatory requirements

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

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

(B) As required by the Ministry of Industry 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.

BDO

Manama, Kingdom of Bahrain

26 February 2023



## 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	1,570,436	471,598
		<b>10,878,829</b>	<b>11,202,532</b>
<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	5,083,074	4,386,858
		<b>9,710,700</b>	<b>9,208,831</b>
<b>Total assets</b>		<b>20,589,529</b>	<b>20,411,363</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	16	11,031,723	11,031,723
Treasury shares	16	(101,456)	(101,456)
Share premium	16	2,000,000	2,000,000
Statutory reserve	17	3,334,870	3,253,954
Charity reserve	17	42,400	22,400
Investment fair value reserve	17	(769,404)	(687,676)
Retained earnings	17	4,377,009	4,263,624
<b>Total equity</b>		<b>19,915,142</b>	<b>19,782,569</b>
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	18	130,428	141,775
Employees' terminal benefits	19	35,945	22,877
		<b>166,373</b>	<b>164,652</b>
<b>Current liabilities</b>			
Current portion of lease liabilities	18	11,347	11,347
Other payables	20	496,667	452,795
		<b>508,014</b>	<b>464,142</b>
<b>Total liabilities</b>		<b>674,387</b>	<b>628,794</b>
<b>Total equity and liabilities</b>		<b>20,589,529</b>	<b>20,411,363</b>

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

Amin Ahmed Alarrayed  
Chairman

Abdulla Ahmed Kamal  
Vice-Chairman

Tariq Ali Aljowder  
Chief Executive Officer

## STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

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

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



Amin Ahmed Alarrayed  
Chairman



Abdulla Ahmed Kamal  
Vice-Chairman



Tariq Ali Aljowder  
Chief Executive Officer

## STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

	Note	Year ended 31 December 2022	Year ended 31 December 2021
<b>Net profit for the year</b>		809,157	775,778
<b>Other comprehensive loss:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Valuation losses on financial assets at fair value through other comprehensive income	10	(768)	(98,169)
<b>Other comprehensive loss for the year</b>		(768)	(98,169)
<b>Total comprehensive income for the year</b>		808,389	677,609

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



**Amin Ahmed Alarrayed**  
Chairman



**Abdulla Ahmed Kamal**  
Vice-Chairman



**Tariq Ali Aljowder**  
Chief Executive Officer

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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
At 31 December 2020	11,031,723	(101,456)	2,000,000	3,176,376	12,400	(250,829)	3,783,259	19,651,473
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)	-
At 31 December 2021	11,031,723	(101,456)	2,000,000	3,253,954	22,400	(687,676)	4,263,624	19,782,569
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>

## 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		524,403	701,985
<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		258,151	(443,266)
Net cash provided by investing activities		867,629	590,563
<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		(695,816)	(556,513)
Net increase in cash and cash equivalents		696,216	736,035
Cash and cash equivalents, beginning of the year		4,386,858	3,650,823
Cash and cash equivalents, end of the year	15	5,083,074	4,386,858

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

## 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.

### *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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 2 Basis of preparation (continued)

#### *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:

Standard or interpretation	Title	Effective for annual periods beginning on or after
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:

Standard or interpretation	Title	Effective for annual periods beginning on or after
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

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 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.

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 3 Significant accounting policies (continued)

#### Financial assets (continued)

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

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.

##### 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 writtenoff against the associated provision.

##### Investments at amortised cost

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

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

##### Term deposits

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

##### Cash and cash equivalents

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 3 Significant accounting policies (continued)

#### *Financial liabilities*

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

#### *Other payables (excluding employee benefits)*

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

#### *Provisions*

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

#### *Employee benefits*

##### **Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **Post-employment benefits**

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

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

#### *Share capital*

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

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 3 Significant accounting policies (continued)

#### Leases

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

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

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 3 Significant accounting policies (continued)

#### *Leases (continued)*

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

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- in all other cases where the 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.

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 3 Significant accounting policies (continued)

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

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

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

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

#### *Classification of investments*

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

#### *Fair valuation of investments*

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

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

#### *Fair valuation of investment properties*

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

#### *Fair value measurement*

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

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

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

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

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

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

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

#### *Impairment of assets*

##### *Financial assets*

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

As at 31 December 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).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

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

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

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

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

##### **Revenue recognition**

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

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

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

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

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

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

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

##### **Legal proceedings**

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

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

##### **Going concern**

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

##### **Contingencies**

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 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.

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:

Financial statement area	Nature of impact	Amount in BD
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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 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.

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
<b>Other segment information</b>					
Minimum operating lease commitment	180,000	-	-	-	180,000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
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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
<b>Other segment information</b>					
Minimum operating lease commitment	200,000	-	-	-	200,000

### Geographical segments – secondary reporting segment

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

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

### 7 Intangible assets

	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)	(6,956)	(4,996)
Closing balance	32,210	13,902

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 8 Right-of-use assets

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 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	547,106	1,867,165

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	217,119	806,072
	547,106	1,867,165

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	547,106	1,206,994
	547,106	1,867,165

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)	243,946	1,554
Closing balance	1,570,436	471,598

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 12 Investments at amortised cost

	31 December 2022	31 December 2021
Opening and closing balance	380,871	380,871

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

### 13 Term deposits

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

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.

### 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	14,136	5,130
	200,450	214,224
Less: provision for impaired trade receivable	(49,983)	(51,351)
	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	27,278	128,162
	762,982	763,120

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 14 Trade and other receivables (continued)

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
31 December 2022						
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

	30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
31 December 2021						
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

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	49,983	51,351

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	1,952	1,719
	5,083,074	4,386,858

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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 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)	12,500,000	12,500,000
<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
Less: 1,014,560 treasury shares of 100 fils each (2021: 1,014,560 treasury shares of 100 fils each)	(101,456)	(101,456)
	10,930,267	10,930,267

### Additional information on shareholding pattern

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

	At 31 December 2022		
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Kuwait Commercial Real Estate Centre	Kuwaiti	15,000,000	13.60%

	At 31 December 2021		
	Nationality	Number of shares	Percentage of shareholding interest
Bahrain Real Estate Investment (Edamah) B.S.C. (c)	Bahraini	40,000,000	36.26%
Social Insurance Organisation	Bahraini	37,033,490	33.57%
Kuwait Commercial Real Estate Centre	Kuwaiti	15,000,000	13.60%

(ii) The Company has only one class of equity shares and the holders of the shares have equal voting rights.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
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### 16 Share capital (continued)

(iii) The distribution schedule of equity shares, setting out the number of shareholders and percentages in the following categories, is as follows:

	At 31 December 2022		
	Number of shareholders	Number of shares	Percentage of total outstanding shares
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%
	1,335	110,317,230	100%

	At 31 December 2021		
	Number of shareholders	Number of shares	Percentage of total outstanding shares
Less than 1%	1,311	12,776,842	11.58%
1% and up to less than 5%	2	5,506,898	4.99%
5% and above	3	92,033,490	83.43%
	1,316	110,317,230	100%

### 17 Reserves

#### a) Statutory reserve

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

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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 17 Reserves (continued)

#### 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	(40,000)	(10,000)
Closing balance	4,377,009	4,263,624

### 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)	8,653	9,345
At 31 December	141,775	153,122
Less: current portion of lease liabilities	(11,347)	(11,347)
Non-current portion of lease liabilities	130,428	141,775

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	80,000	100,000
Total undiscounted leases	180,000	200,000

The annual rent for the land upon which the car park building is situated is revised every ten years; the amount payable being the higher of a fixed element increase or a percentage of the Company's gross operating profit. The current year's charge of 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).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

### 19 Employees' terminal benefits (continued)

#### 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	(78)	(20,141)
Closing balance	35,945	22,877
The number of staff employed by the Company	60	40

### 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	9,168	9,168
	496,667	452,795

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
<b>Primary geographic markets</b>		
Kingdom of Bahrain	2,183,754	2,016,366
<b>Service/product type</b>		
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	165,953	160,493
	2,183,754	2,016,366
<b>Contract counterparties</b>		
Direct to customers	2,056,880	1,904,876
Direct to a related party	126,874	111,490
	2,183,754	2,016,366
<b>Timing of revenue recognition</b>		
Over time	2,183,754	2,016,366

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 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	14,317	14,819
	<b>551,560</b>	<b>283,834</b>

### 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	24,304	22,835
	<b>24,304</b>	<b>93,301</b>

### 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*	326,093	200,098
	<b>1,861,211</b>	<b>1,592,451</b>

\* 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).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
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### 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	809,157	775,778
Weighted average number of ordinary shares	109,302,670	109,302,670
Basic and diluted earnings per share	7 fils	7 fils

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

### 27 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022

(Expressed in Bahrain Dinars)

### 29 Transactions and balances with related parties

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

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

Transaction	Nature of relationship	Name of the related party	Year ended 31 December 2022	Year ended 31 December 2021
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:

Name of the related party	Nature of relationship	Amounts due from a related party (Note 14)	
		31 December 2022	31 December 2021
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	25,602	23,082

Name of the related party	Nature of relationship	Amounts due to a related party (Note 20)	
		31 December 2022	31 December 2021
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	153,301	171,600

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### 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	(5,083,074)	(4,386,858)
Net surplus	(4,444,632)	(3,780,941)
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	4,377,009	4,263,624
Total capital	19,915,142	19,782,569
Total capital and net surplus	15,470,510	16,001,628

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 cooperation with the Company's operating units.

#### Principal financial instruments

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

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

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

A summary of the financial instruments held by category is provided below as at 31 December 2022:

<i>Financial assets</i>	Financial assets at fair value through OCI	Financial assets at amortised cost
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	-	5,083,074
Total financial assets	547,106	9,373,810

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

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

<i>Financial assets</i>	Financial assets at fair value through OCI	Financial assets at amortised cost
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	-	4,386,858
Total financial assets	1,867,165	9,023,633

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

**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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
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### 30 Financial assets and liabilities and risk management (continued)

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.

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

**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).

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

**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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

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

Investments fair value sensitivity analysis is as follows:

Description	Change	Impact on equity	
		31 December 2022	31 December 2021
Quoted financial assets through OCI	+/-5%	+/-16,499	+/- 53,055

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

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

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

#### Fair value measurement

**Fair value** is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

	Fair value at 31 December	Level of hierarchy	Valuation technique used and key inputs	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value
<b>Non-financial assets</b>					
Investment properties	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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2022  
(Expressed in Bahrain Dinars)

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

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

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

**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.