

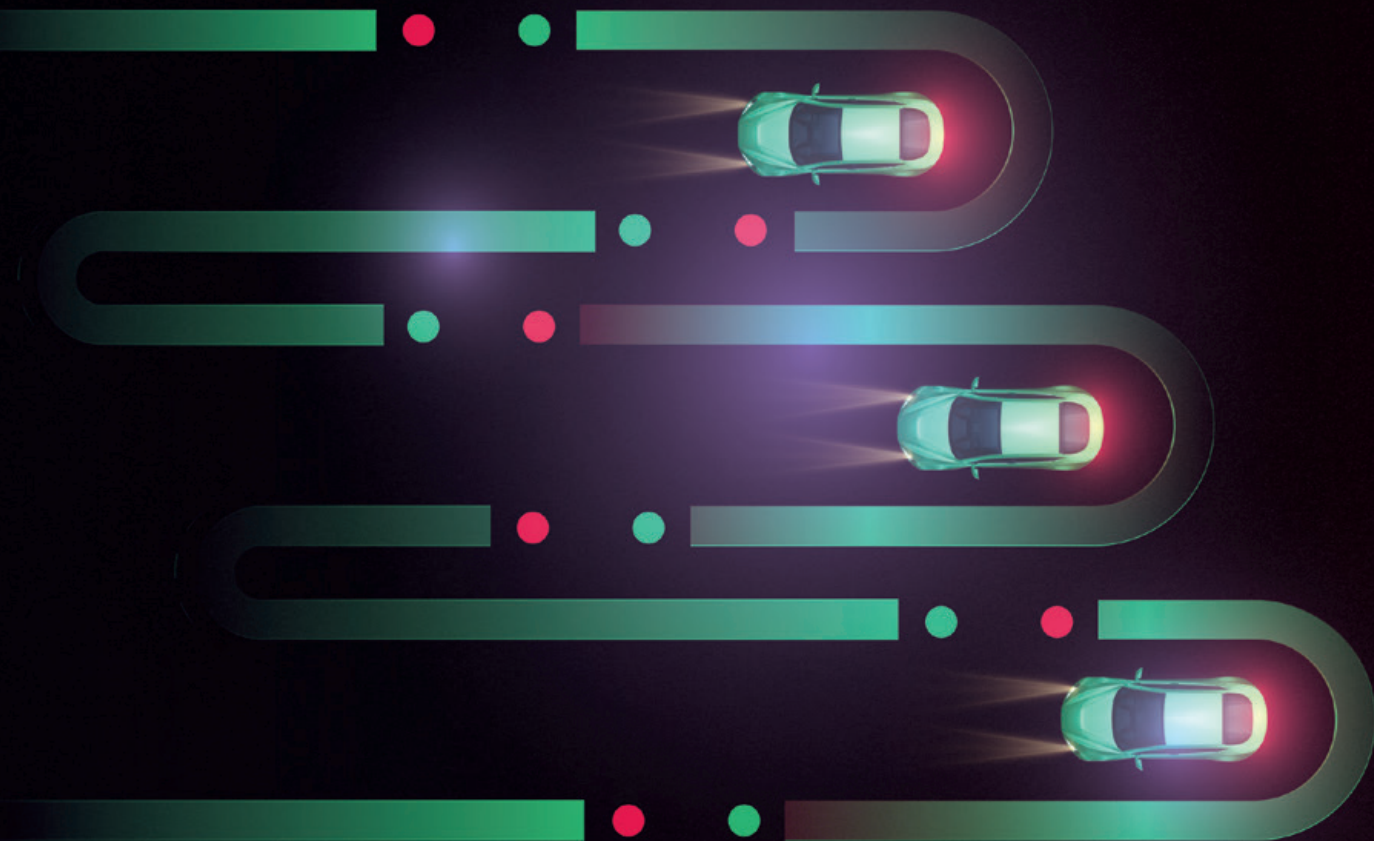
Annual Report 2023



INNOVATING.

DEVELOPING.

EXPANDING.



> **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**

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

> **COMMERCIAL
REGISTRATION NUMBER**

11455 obtained on
31 October 1981



**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 2023

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

Nomination, Remuneration and Corporate Governance Committee

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 - Advisory

Tariq Ali Aljowder - Member

Ehsan Ali Al-Kooheji - Member

Chief Executive Officer

Tariq Ali Aljowder

Executive Management

Abdulla Isa Qudrat - Business Development Director

Hassan Ali Alshoala - Finance Director

Ehsan Ali Al-Kooheji - IT Director

Fatema Fuad Alkhan - HR & Admin Manager

Looai Hassan Ali - Operations Manager - Technical

Hussain Taiseer Shehab - Operations Manager - Facilities



MAKING



PARKING

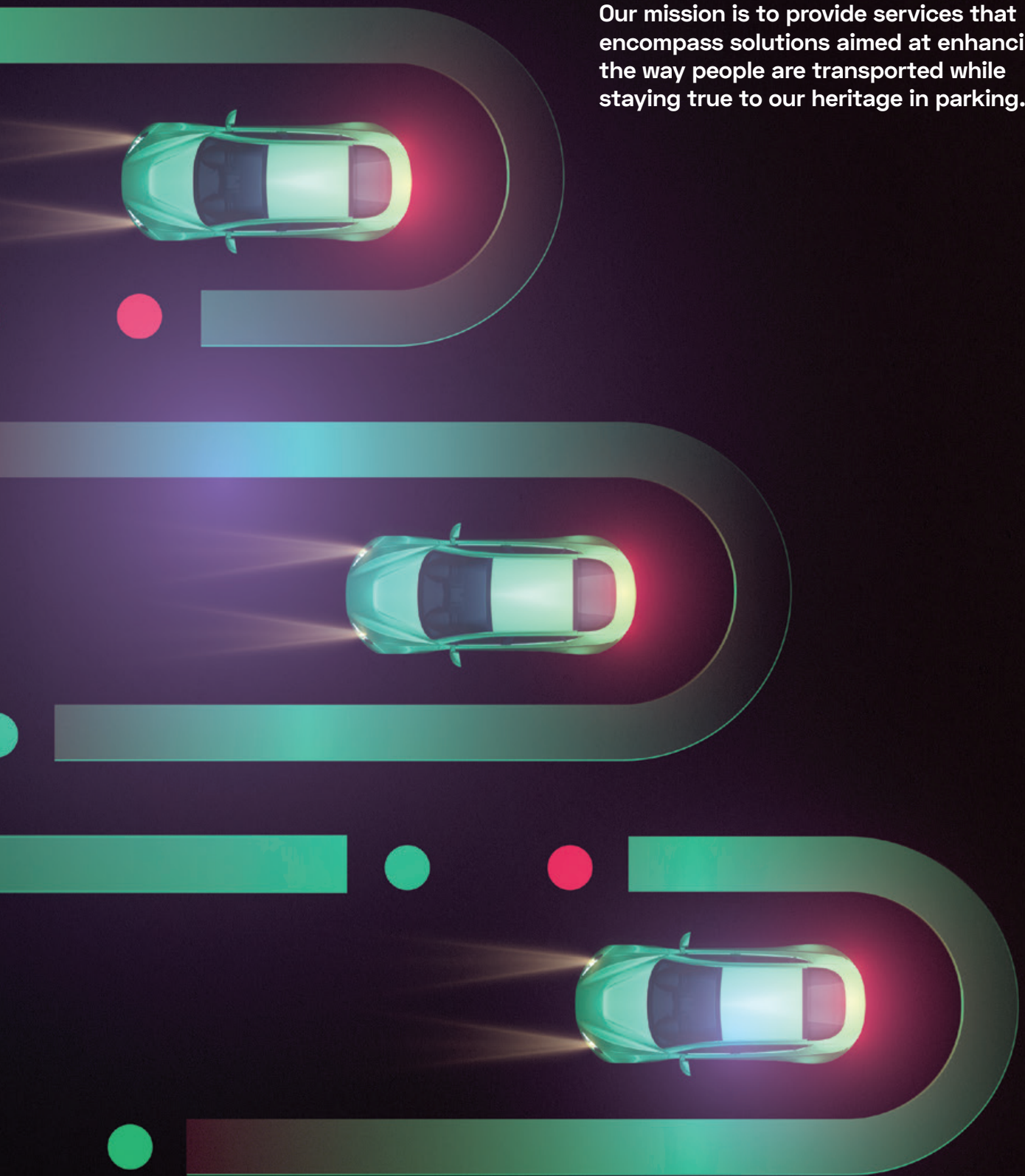


SIMPLE



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.



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)

8,504

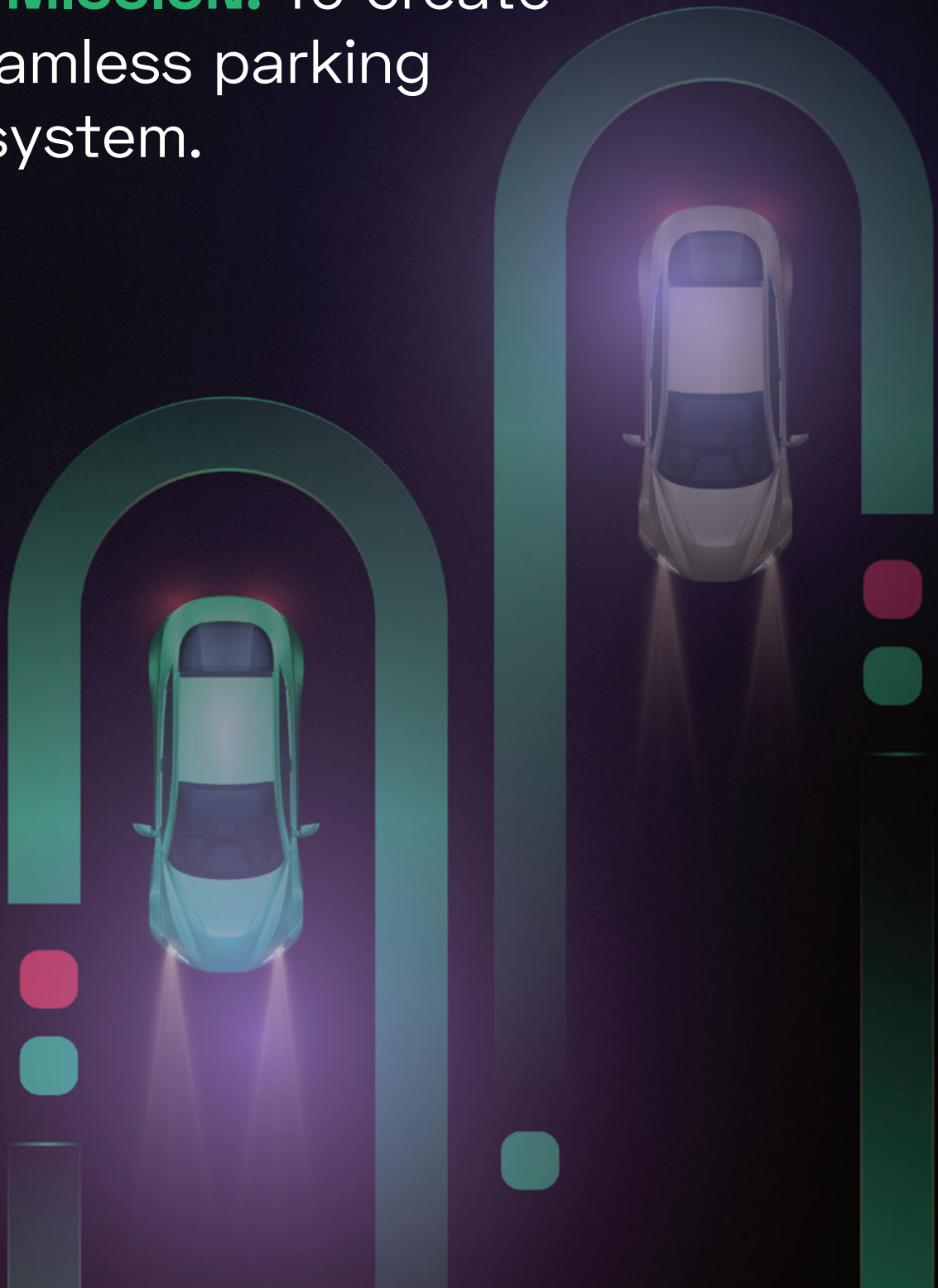
Total parking spaces

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OUR VISION: To be the preferred mobility integrator in the region.

OUR MISSION: To create a seamless parking ecosystem.



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 8,504 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 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.





Specialized in the niche segment of car park management since 1981. We currently manage thirteen locations across Bahrain with over 8,504 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 Million

2023 **BD1.09**

2022 BD0.81



TOTAL EQUITY

BD Million

2023 **BD20.19**

2022 BD19.92

OPERATING PROFIT

BD Millions

2023

BD1.13

2022

BD0.87



TOTAL ASSETS

BD Million

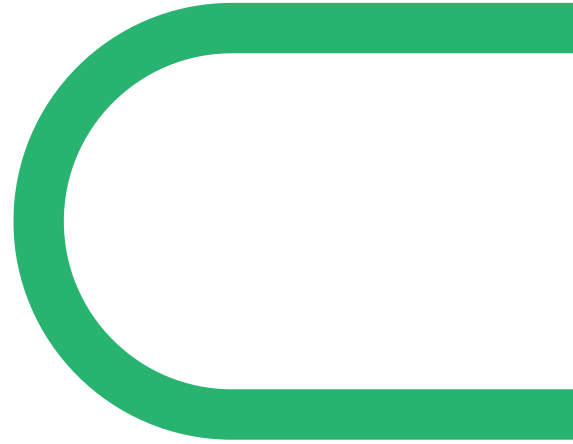
2023

BD21.61

2022

BD20.59

OUR BOARD OF DIRECTORS



AMIN AHMED ALARRAYED
 Chairman
 Non-Executive
 / Non-Independent

AMIN AHMED ALARRAYED IS THE CHIEF EXECUTIVE OFFICER OF NASEEJ COMPANY.

Amin Al Arrayed currently leads the Naseej BSC (c) team as Chief Executive Officer. He is responsible for overlooking the strategic objectives of the company on an operational and performance level as well as enhancing Naseej's corporate brand within the real estate & development sector. Reporting directly to the Board of Directors, Amin controls the development, performance and profitability of the company, its strategic direction and ensures that the company maintains and develops its key business partnerships on a national and regional level.

With over 25 years of professional experience in the fields of banking, investment, financial services, real estate and development, Amin's extensive experience covers multiple sectors that include hospitality, tourism, warehousing & logistics as well as large scale industrial projects in the Kingdom of Bahrain.

Prior to joining Naseej, Amin held several executive management and leadership roles, including his appointment as Chief Executive Officer of Edamah (www.edamah.com); the real estate arm of Bahrain's sovereign wealth fund Mumtalakat Holding Company.

Prior to that Amin was Chief Executive Officer at First Bahrain Real Estate Development Company (firstbahrain.com) which was established in 2007. As part of his banking & finance experience, Amin held executive level posts at Reef Real Estate Finance Company as Head of Retail and Placement as well as Head of Retail Banking at the Bank of Bahrain & Kuwait (www.bbkonline.com).

As part of Amin's Board-member roles, he currently serves on the Board of Directors and member of the Executive Committee of the National Bank of Bahrain (NBB), meanwhile he is also Chairman of Amakin; Bahrain Car Parks Company.

Amin holds a Masters in Business Administration (MBA) with Distinction from the Kellstadt Graduate School of Business at DePaul University, Chicago, USA (kellstadt.depaul.edu). His Bachelor's Degree in Economics is from the University of Redlands, California, USA (www.redlands.edu).

Aside from his demanding career, Amin enjoys spending time with his wife and two children taking the opportunity to travel and enjoy dining when possible.

Specialties: Finance, Banking, and Real Estate Investment and Development.

OUR BOARD OF DIRECTORS (continued)



ABDULLA AHMED KAMAL
Vice Chairman

Non-Executive / Non-Independent

Abdulla Ahmed Kamal is the Chief Executive Officer at Osool Asset Management. Mr. Kamal has 21 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, Amlak Real Estate Company, Bahrain Marina Development Co. and Osool Asset Management.

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 an Associate Director – 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 13 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 Senior Director in the Investment Department at Osool Asset Management. Mr. Buallay has 16 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 Khereiiji 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 master's 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 the principal – Private Equity MENA at Investcorp. Mr. Al Jalahma has over 16 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.

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 Group, 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, Committees and has served as the Chairman of ACCA Members' Advisory Committee, Bahrain.

He is currently a Board Member at Sabre Travel Network Middle East and Bahrain Duty Free Company.

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 14 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 King Fahad Causeway Authority, Bank ABC Jordan and Saudi Alawal Bank.

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 21 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.

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

Non-Executive / Independent

Ahmed Nazar Albaharna is Deputy General Manager at International Agencies Co Ltd (Intercool) leading the B2B Technology team and business development for the group. Mr. Albaharna has over 21 years of experience in the 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)



Wael EZZELDEEN ARAFA

Director

Non-Executive / Non-Independent

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

Mr. Arafa has 22 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 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.

DIGITAL COMMITTEE ADVISORY MEMBER



FRANK BECKMANN

Advisory Member

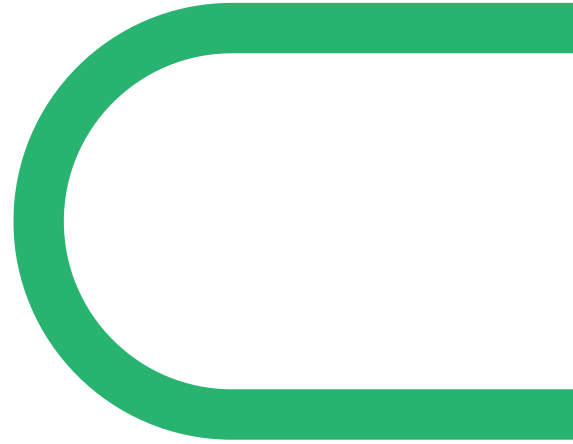
Frank Beckmann, residing currently in Berlin/Germany, is a leading international parking expert with more than 19 years parking experience. He lead as CFO and CEO a leading European Parking Operator (Q-Park) for 10 years in Germany and had been Consultant Digital Parking & Strategic Mobility for 9 years. Frank has been involved in international projects for McKinsey, Roland Berger, PWC and Strategy for Parking and Automated Valet Parking. Moreover, he is a key-note-speaker on international events (e.g. World Mobility Show Dubai).

He is coming from a successful family-business in the third generation, has extensive experience in the industry over 25 years and a significant track record of successfully leading international companies as CFO & CEO.

Frank is also founder and CEO of GVI Investment Advisory working with startups/scaleups as well with VCs from various countries and cultures in mobility and other domains.

He is Senator & German Chair of the World Business Angel Investment Forum (G20) which will host its global Assembly in 2024 in Bahrain; and he is also President German chapter of the AsiaCEO Community.

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. Tariq Ali Aljowder has been leading the expansion of operational portfolio at Bahrain Car Parks Company (Amakin) since 2016, spearheading the achievement of the strategic plan and effective digital transformation, and enhancing the Company's role as a growth engine for the mobility sector.

Mr. Tariq Ali Aljowder has experience at the local and international levels, as he worked in several institutions in the field of real estate management and development in the Kingdom. He also worked in the field of managing and developing logistics services and contract management in Gulf countries, United States of America, and Europe, through his work in Bahrain Defence Force, in which he held various leadership positions for a period of more than 20 years.

Before joining the Company, he served as CEO of Al-Areen Holding Company, and Chairman of Board of Directors of Al-Areen Leisure and Tourism Company, a subsidiary of Al-Areen Holding Company. He also served as a member of Board of Directors of Bahrain Property Development Association and Takamul Capital WLL.

Mr. Tariq Ali Aljowder holds a bachelor's degree in aerospace engineering from Northrop University, Los Angeles, California, and a master's degree in business administration from American University, Washington, DC.

OUR EXECUTIVE MANAGEMENT (continued)



ABDULLA ISA QUDRAT
Business Development Director

Mr. Abdulla joined Bahrain Car Parks Company (Amakin) as Business Development Director, where he leads the efforts of (Amakin) for creating the best solutions and proposals for customers with the aim of increasing the Company's market share. He also leads the operations team as Acting Operations Director for owned and managed Facilities.

Mr. Abdulla has more than 14 years of experience in the banking and financial sector, property management and business development. Before joining Amakin, he worked as Director of Real Estate Department at Seef Properties and was responsible for managing "Al-Liwan" project and as Head of Administrative Affairs for Bahrain Development Bank, where he supervised the Bank's assets as Director of Properties and Facilities, in addition to his work in Ministry of Transportation & Telecommunications and Zain Bahrain. Abdulla holds a Bachelor of Science in Finance and Accounting, and a professional certificate from UK Institute of Management in Certified Professional Training and Guidance (Level 5), in addition to obtaining the Real Estate Regulatory Authority's certificate in project management.



HASSAN ALI ALSHOALA
Finance Director

Mr. Hassan joined Bahrain Car Parks Company (Amakin) as Finance Director, where he oversees the Company's financial management, contributes to strategic planning, leads, and directs the budget process, and maintains an appropriate accounting framework in accordance with international financial reporting standards and requirements.

He has more than 20 years of experience in management consulting and working with the public and private sectors. Before joining Bahrain Car Parks Company (Amakin), he was a Director at PricewaterhouseCoopers, and helped establish the regional practice and expand the consulting team across the Middle East. He holds a Master's degree in Business Administration (MBA) from University of Cambridge and a bachelor's degree with First Class Honor in Accounting from University of Bahrain, and a Fellow of Chartered Certified Accountants of the United Kingdom (FCCA).



EHSAN ALI AL-KOOHEJI
IT Director

Mr. Ehsan joined Bahrain Car Parks Company (Amakin) as IT Director, where he leads the digital transformation process and oversees improving the level of efficiency and performance in the Company's work which falls under the IT Department.

He has about 20 years of experience in the technology, marketing, real estate development, and communications sectors. Before joining Bahrain Car Parks Company (Amakin), he held the position of General Manager in several companies, including KOOHEJI Systems, Unisono, and Cirrus Development. He also held the position of Project Manager at BATELCO. Ehsan holds a Master of Business Administration from New York Institute of Technology, and a bachelor's in computer science from American University of Sharjah, in addition to many professional certificates in technology and project management.

Mr. Ehsan is a member of Board of Trustees of Bahraini Foundation for Dialogue.

OUR EXECUTIVE MANAGEMENT (continued)



FATEMA FUAD ALKHAN
HR and Admin Manager

Upon joining Bahrain Car Parks Company (Amakin), Fatema Alkhan held the position of HR and administration manager, where she is responsible for managing human capital and administrative affairs, in addition to supervising the strategy and initiatives of community partnership and sustainability in the Company.

Ms. Alkhan is one of the human resources leaders and has about 16 years of experience. She has been working on managing and investing in human resources and talents through her career. She is keen on enhancing and controlling the full power of one of the most valuable assets of any firm; which is the human capital with expertise in the field of human resources and operations. Before joining the Company, she worked as a Human Resources Supervisor in the health while she obtained her Associate Degree in Business Management. Then she worked as an Administration Manager in the project management and engineering sector for 4 years before becoming the Executive Director of non-governmental or non-profit organization in the field of community partnership, sustainable development, and governance, where she obtained the PMD Pro Certificate at the time. She also held the position of Head of Recruitment Department at ASRY Company, which is one of the major industrial companies in the Kingdom of Bahrain.



LOOAI HASSAN ALI
Operations Manager - Technical

Mr. Looai holds the position of Operations Manager – Technical, where he manages the technical support team responsible for the installation, maintenance, and ongoing technical support for all parking management devices at the Company's sites. He is also responsible for planning and controlling comprehensive operational services of the Company.

Mr. Looai has more than 18 years of experience in facilities management and maintenance. Before joining the Company, he worked as Assistant Operation Manager at ANOVA Company, Maintenance Manager at Ritz-Carlton Hotel, and Senior Maintenance Officer at Gulf Hotel. He holds a bachelor's degree in Mechatronics Engineering from AMA International University and a diploma in Electrical Engineering from University of Bahrain.



HUSSAIN TAISEER SHEHAB
Operations Manager - Facilities

Mr. Hussain holds the position of Operation Manager, Facilities Department, where he is responsible for managing all sites owned and managed by Bahrain Car Parks Company (Amakin), in addition to supervising the operation team of these sites.

Mr. Hussain has more than 18 years of experience in the banking and financial sector, where he worked as Branch Manager of Loans Department at Bahrain Facilities Company, and Assistant of Head of the Branches Network, where he supervised the workflow of all branches of the Company. He also held the position of Approvals Manager and Acting Head of Collection and Legal Affairs Department in the same Company, where he headed approximately 60 employees and supervised the department restructuring. Mr. Hussain holds a bachelor's degree in business administration from Arab Open University and has acquired many professional certificates in the field of business administration and leadership.

DIRECTORS' REPORT

for the year ended 31 December 2023

Dear shareholders,

Another year has passed, filled with achievements for us. We are proud of our company's expansion and its ability to adapt to constant changes. We began the year 2023 with a commitment to build on our success, aiming to enhance the customer experience and ensure their benefit from our exceptional services. This, in turn, generated growth and expansion in our operational portfolio.

In 2023, the company continues its successful execution of its 5 years strategy, launched in 2021, which aims to enable growth and progress in the coming years. The strategy is built on four key pillars: operational flexibility, collaboration, digital transformation, and market expansion. All these pillars are rooted in our steadfast commitment to delivering exceptional customer experience and meeting their requirements. We are confident that this will allow us to better adapt to opportunities and challenges as our strategy evolves.

In 2023, we added four new locations to our operational portfolio, bringing the total to 8,504 parking spaces. We continue to seize opportunities for further expansion.

Additionally, "Amakin" financial performance reflects its outstanding success and expansion, as the company has entered strategic alliances with both the public and private sectors. This aligns with "Amakin" core values of "collaboration for a better future." As a result, we will continue to do our best to achieve our strategic initiatives while harnessing our resources to deliver exceptional results in serving our community and fulfilling our mission of providing an outstanding service in the mobility sector.

Based on these efforts, the company achieved a net profit of BD1,091,835 for the year ended December 31, 2023, compared to a net profit of BD809,157 for the year ended December 31, 2022, with an increase in net profit of BD282,678. Considering the achieved results and the accrued profits from previous years, the total available for allocation for the year end December 31, 2023, has become an amount of BD4,874,007. From this amount, the Board of Directors proposes the following implementations:

1. Transfer of BD109,184 to statutory reserves, being 10% of the net profit for the year.
2. A dividend of BD874,421 which represents 8% of the share capital at 8 fils per share.
3. Directors' remuneration at BD63,000.
4. Transfer of BD40,000 to charity reserve.
5. Balance of BD3,787,402 remains in retained earnings.

Directors' remuneration of BD63,000 for the year 2023 will be paid to the Board of Directors during 2024 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

DIRECTORS' REPORT

(continued)

for the year ended 31 December 2023

Board of directors' remuneration details:

Name	Fixed remunerations ^(b)					Variable remunerations ^(c)					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others	Total			
First: Independent Directors:													
1- Adnan Habeeb Maki Hashim	-	4,750	-	-	4,750	6,000	-	-	-	6,000	-	10,750	-
2- Mohamed Rasheed Mohamed Almaraj	-	8,000	-	-	8,000	6,000	-	-	-	6,000	-	14,000	-
3- Ahmed Nazar Sadiq Albaharna	-	7,500	-	-	7,500	6,000	-	-	-	6,000	-	13,500	-
Second: Non-Executive Directors:													
1- Amin Ahmed Salem Alarrayed	-	7,150	-	-	7,150	9,000	-	-	-	9,000	-	16,150	-
2- Abdulla Ahmed Abdulla Kamal ^(a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-
3- Fahad Abdulrahman Mohammed AlSaad	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500	-
4- Areej Abdulla Abdulghaffar Abdulla ^(a)	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500	-
5- Bader Kassim Mohamed Buallay ^(a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-
6- Wael Ezzeldeen Mohamed Arafa	-	5,000	-	-	5,000	6,000	-	-	-	6,000	-	11,000	-
7- Khalifa Hassan Al-Jalahma	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-
Total	-	61,400	-	-	61,400	63,000	-	-	-	63,000	-	124,400	-

^(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 2023 will be paid in the year 2024, 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 2023 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 2023 will be paid during 2024 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

DIRECTORS' REPORT (continued)

for the year ended 31 December 2023

Executive management remuneration details:

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in kind remuneration for 2023	Aggregate Amount
Top 6 remunerations for executives, including CEO, Finance Director, Operations Director, Business Development Director, IT Director and HR Manager	326,744	47,856	6,498	381,098

In conclusion, on behalf of the Board of Directors, we express our sincere gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, and to his Government led by His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister. We are grateful for their continuous support. We also extend our deep thanks and appreciation to our esteemed shareholders for their ongoing trust in "Amakin".

We are also delighted to express our pride in our team, which consistently demonstrates its commitment to our vision of achieving sustainable mobility in the Kingdom and continuing to create a distinctive environment in the transportation sector. We look forward to 2024 for further collaboration and innovation to create the future we aspire to.



Amin Ahmed Alarrayed
Chairman



Abdulla Ahmed Kamal
Vice-Chairman



OUR CHAIRMAN'S MESSAGE



AMIN AHMED ALARRAYED
Chairman

OUR MISSION IS TO BE A REGIONAL HUB FOR MOBILITY, “AMAKIN” HAS SUCCESSFULLY DEVELOPED AND FOSTERED NEW PARTNERSHIPS, UPGRADED ITS SERVICES AND PRODUCTS, AND INTEGRATED LONG-TERM SUSTAINABLE STRATEGIES THAT WILL LEAD TO ACCELERATING THE COMPANY’S GROWTH AND EXPANSION.

It gives me great pleasure to report that the Bahrain Car Parks Company “AMAKIN” has continued to exceed expectations and fulfil its promises during the year 2023 by delivering outstanding operational performance and impressive financial results for its shareholders. This increase in profit for the year comes as a result of the strategic investments that “AMAKIN” has been working over the past years. This strategy has focused on prioritizing value creation, forging new partnerships with both the public and private sectors, and enhancing customer experience in the transportation sector. This was achieved through the adoption of smart technology that puts users at the forefront.

Building upon our mission to be a regional hub for mobility, “AMAKIN” has successfully developed and fostered new partnerships, upgraded its services and products, and integrated long-term sustainable strategies that will lead to accelerating the Company’s growth and expansion for many years to come.

We concluded the year 2023 with tremendous activities, further solidifying our position in the Kingdom as a key player in the field of mobility. The Company registered significant progress in its core priorities, maintaining its strong commitment to redefining the concept of transportation for residents and visitors alike, by creating innovative parking experiences. Furthermore, we have expanded our operational portfolio to reach a total of 8,504 parking spaces. Efforts have been continued to enhance the quality of our products and services, launching several new initiatives under the framework of our sustainable strategy.

With its unique customer-orientated philosophy, the Company aims to provide future solutions, exceptional experiences, and a qualitative shift in the way people commute. I am highly optimistic about our future and what we can achieve, thanks to our strong leading position to continuously leverage modern technologies in advancing digitalization in the transportation sector.

Indeed, our operations are closely aligned and integrated with the Kingdom’s 2030 vision, which is clearly reflected in our Company’s aspirations. Therefore, we are working

towards expanding our operations both locally and regionally, with the goal of reaching the international markets and sharing our success with many countries.

This strong performance in 2023 translated to an earning per share of 10 fils. Total equity of the company amounted to BD 20.19 million, an increase of 1% compared to 2022. Based on these results, the Board of Directors recommends distributing annual dividends to shareholders representing 8% of the company’s paid-up capital.

We are determined to move forward and will continue to develop and shape the future of the parking industry and its related services in the region. We shall explore new opportunities by leveraging advanced technologies and building long-term alliances that will contribute to our sustainable aspirations, support our environmental commitment, and enhance our responsibilities towards society.

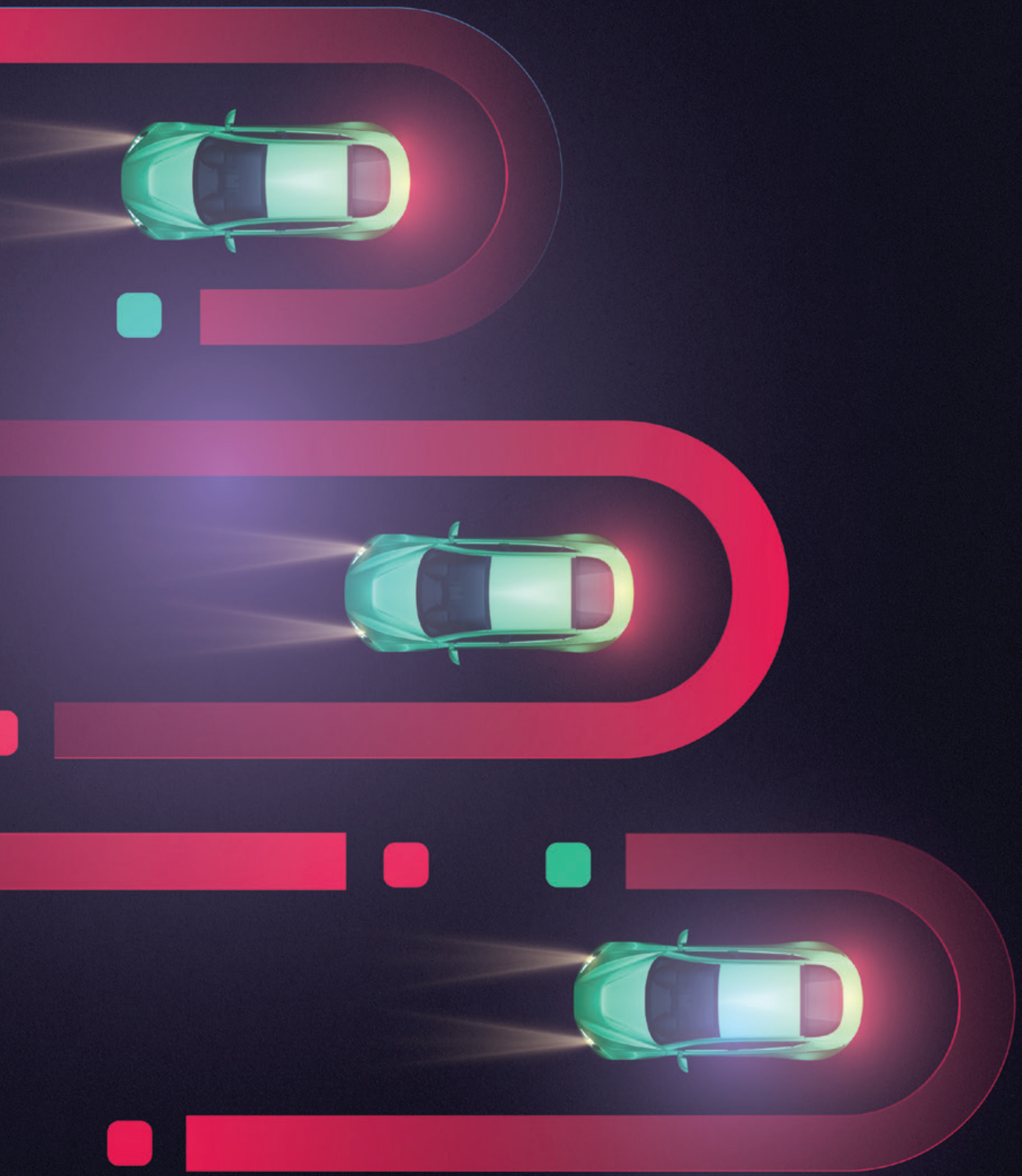
In conclusion, I would like to emphasize that it would not have been possible to commence the year 2023 with this strong performance, without the significant contributions by our key partners, esteemed shareholders as well as the dedicated efforts of our exceptional team. Their collective efforts have greatly impacted “AMAKIN” ability to continue evolving and achieving success.

AMIN AHMED ALARRAYED

Chairman



A SEAMLESS
PARKING
ECOSYSTEM



OUR CEO'S MESSAGE



TARIQ ALI ALJOWDER
Chief Executive Officer

WE HAVE MADE EVERY EFFORT TO ENSURE THAT WE ARE THE LEADING FORCE IN SHAPING THE FUTURE SOLUTIONS. WE HAVE FOCUSED ON DIGITALLY TRANSFORMING THE SECTOR THROUGH THE “AMAKIN MOBILITY APP”, WHICH OFFERS SEAMLESS AND EFFICIENT SERVICES.

The year 2023 was a year of growth and opportunities for Bahrain Car Parks Company (Amakin). The financial results for 2023 reflect the remarkable efforts exerted by the Company and invested in the previous years to initiate a transformative journey in our operations.

The Company's solid growth strategy, as outlined in its strategic plan, is a clear indicator of our portfolio's expansion due to high demand for the exceptional and advanced services provided by (Amakin) to its clients. The results achieved by the Company, highlighted in the 2023 annual financial report, serve as a testament of the hard work, dedication, and commitment demonstrated by the Bahrain Car Parks Company (Amakin) family over the past years. Through these efforts, the Company has successfully established itself as a Bahraini entity that offers sustainable solutions in the mobility sector.

Amakin has remained, during this year, committed to promoting and developing transportation and parking systems in the country. We have made every effort to ensure that we are the leading force in shaping the future solutions for the sector. From this perspective, we have focused on digitally transforming the sector through the “Amakin Mobility App”, which offers seamless and efficient services. At the same time, our efforts have continued to enhance our financial portfolio in line with our commitment to our shareholders and partners.

This year, we have dedicated our efforts towards adding 1920 car parking spaces across various locations in Bahrain. Furthermore, we have introduced valet parking services in 5 additional parking lots. This increase reflects our commitment to better serving our community and customers, as well as creating new job opportunities, through focusing on larger projects and multi-level buildings such as the “Amakin Souq” project, parking facilities for the Accident and Emergency Department at Salmaniya Medical Complex, as well as Hala Plaza and Gulf Hotel parking spaces.

In Bahrain Car Parks Company (AMAKIN), we strive hard to meet the growing needs of our customers by providing simplified and tailor-made technological services in line with the mobility sector requirements. Our success lies in our unwavering commitment to offering innovative and digital solutions that focus on meeting the needs

of our customers, who benefit from the latest advanced technology in parking facilities sphere.

We are also committed to investing in the well-being of our community. In this context, we have launched several new initiatives, including donations to charitable organizations, volunteer programs, and national community events. We take pride in our long-term 2023 corporate social responsibility and sustainability program, which includes the education sector through the establishment and renovation of engineering laboratories at the University of Bahrain. In addition, we focus on the environmental sector through the National Initiative for Sector Development, aiming to achieve a sustainable future for the agricultural sector.

In the healthcare sector, we have rehabilitated some facilities at the Salmaniya Medical Complex and provided support in enhancing various services offered at the medical complex. Furthermore, in the realm of community development, our Company participates in establishing and developing vocational training workshops under the auspices of the Ministry of Interior's rehabilitation centres.

In conclusion, I would like to take this opportunity to express my sincere gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, may God protect and bless him, and to His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, and Prime Minister, for their wise guidance and generous support to the economic environment in the Kingdom of Bahrain.

I would like also to express my gratitude to our shareholders for their valuable confidence and continuous support. I would like also to express my gratitude and thanks to our chairman and members of the Board of Directors for their enlightened vision and valuable guidance. Finally, I would like to convey my appreciation and gratitude to all the employees of the Company for their dedication, commitment, and outstanding performance. May Allah grant us all success and progress in achieving greater success.

TARIQ ALI ALJOWDER
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

For the year 2023



CORPORATE GOVERNANCE REPORT

For the year 2023

Corporate Governance is about promoting corporate fairness, transparency, and accountability. It is a continuous process that aims at transforming corporations into more democratic entities 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 of 31 December 2023

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

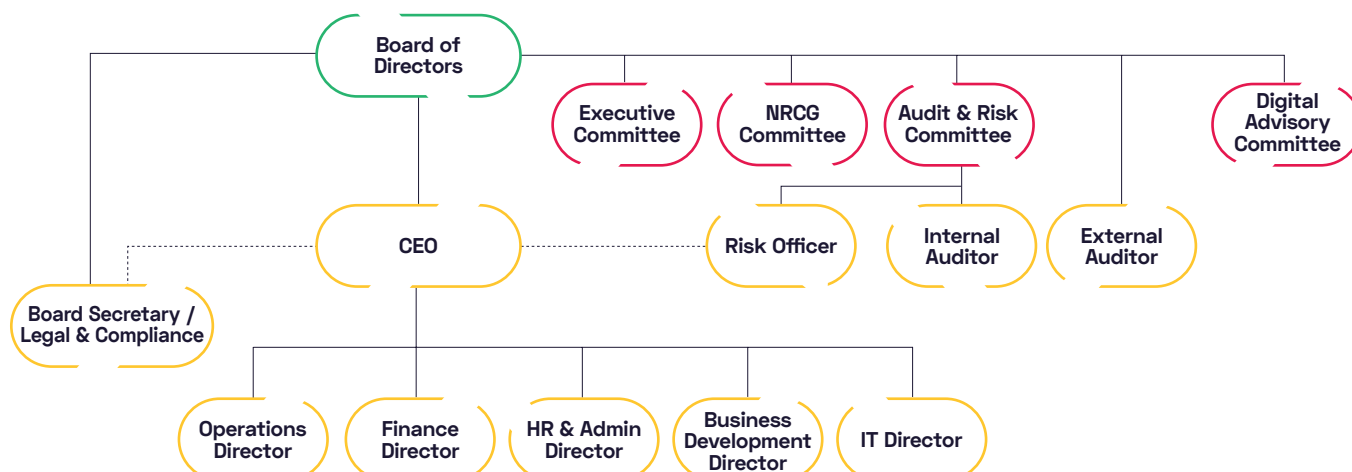
Shareholding Distribution 2023

Category (shares)	No. of shares	No. of shareholders	Shareholding
Less than 50,000	3,792,552	1,322	3.44%
50,000 to 500,0000	5,263,232	39	4.77%
500,000 to 5,000,000	9,227,956	6	8.36%
Above 5,000,000	92,033,490	3	83.43%
Total	110,317,230	1,370	100%

GOVERNANCE STRUCTURE

31 December 2023

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



CORPORATE GOVERNANCE REPORT (continued)

BOARD OF DIRECTORS

Board Charters

The board of directors reviewed and approved 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 Charter 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 judgment throughout the year. The status of each director was reviewed in terms of independence and number of directorships for the year 2023 with no exceptions noted.

As of 31st December 2023, the Board's representation by gender was 10% female and 90% male representation (2021 & 2022: the Board's representation by gender was 10% female and 90% male representation).

Board Responsibilities

The primary role of the board of directors 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.

Material Transactions that require Board Approval

The following material items require the Board of Directors' review, evaluation and approval: 1) the Company's strategy; 2) annual budget and investment/divestment plan; 3) financial statements; 4) major procurement and investments; and 5) Executive Management succession plans.

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 2023. The independence of the directors has also been reviewed for independent members and they met all independence requirements.

Board Term, Election and Appointment

Bahrain Commercial Companies Law and the Amakin's Articles of Association outline the formal process for electing and appointing directors. Upon election and appointment, directors sign a formal appointment letter that outlines their authorities, responsibilities, and the terms and conditions of their directorship. 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 2023)

	Name	Role	Qualifications	Shareholding	No. of Directorship
1	Amin Ahmed Alarrayed	Chairman	MBA and Bachelor's Degree in Economics	-	5
2	Abdulla Ahmed Kamal	Vice Chairman	ACCA, IIA, APRM and Bachelor's Degree in Accounting	-	4
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	Masters Degree in Business Administration and Bachelor's Degree in Computing and Accounting and Finance, CFA, CAIA	-	1
5	Fahad Abdulrahman Alsaad	Board Member	Doctorate degree in Business Administration, MBA and Bachelor's Degree in Industrial Accounting	-	2
6	Wael Ezzeldein 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.	-	1

CORPORATE GOVERNANCE REPORT (continued)

Independent Board Members (31 December 2023)

	Name	Role	Qualifications	Shareholding	No. of Directorship
1	Adnan Habib Hashim	Board Member	MBA, FCCA	-	2
2	Mohamed Rasheed Almaraj	Board Member	Bachelor's Degree in Finance and Accounting	-	3
3	Ahmed Nazar Albaharna	Board Member	Bachelor's Degree in Communications Engineering.	-	3

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 directors of Amakin elected to have non-independent members 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, Induction and Training

The board completed the annual self-evaluation for the year 2023. 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.

Amakin has a formal induction and training process that is designed for new Directors. The induction process includes providing/organizing 1) induction pack containing an overview of the Company, its structure, and Strategy 2) presentation covering Amakin's strategy and financial overview; and 3) meetings with Executive Management, as required. All Directors are continuing from the year 2022, no further induction took place during 2023.

Directors attend a training workshop in 2023 on Corporate Governance and Leadership.

Board of Directors 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 2023, 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 of Directors Attendance 2023

	Name	Role	Feb 26	May 14	Aug 6	Nov 8	Dec 10
1	Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓	✓
2	Abdulla Ahmed Kamal	Vice Chairman	✓	✓	✓	✓	✓
3	Adnan Habib Hashim	Board Member	✓	✓	✓	✓	x
4	Mohamed Rasheed Almaraj	Board Member	✓	✓	✓	✓	✓
5	Areej Abdulla Abdulghaffar	Board Member	✓	✓	✓	✓	✓
6	Bader Kassim Buallay	Board Member	✓	✓	✓	✓	✓
7	Fahad Abdulrahman Alsaad	Board Member	✓	✓	✓	✓	✓
8	Wael Ezzeldeen Arafa	Board Member	✓	✓	✓	✓	✓
9	Ahmed Nazar Albaharna	Board Member	✓	✓	✓	✓	✓
10	Khalifa Hassan Al-Jalahma	Board Member	✓	✓	✓	✓	✓

All meetings were held physically & virtually. As per the Board Charter, a minimum of 4 meetings are to be held annually.

CORPORATE GOVERNANCE REPORT (continued)

Board of Directors 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, Ministry of Industry & Commerce prior approvals and was subject to the shareholders' approval at the Annual General Meeting. The paid amount for the year 2022 was BHD 52,500. Details of the proposed amounts for the year 2023 are outlined in the table below:

Name	Fixed remuneration ^(b)					Variable remuneration ^(c)								
	Remuneration of the chairperson and BOD	Total sitting fees for board and committee meetings	Salaries	Other	Total	Remuneration of the chairperson and BOD	Bonus	Incentive plans	Other	Total	End-of-service award	Aggregate amount (Does not include expense allowance)	Expense allowance	
Independent directors														
1	Adnan Habib Hashim	-	4,750	-	-	4,750	6,000	-	-	-	6,000	-	10,750	-
2	Mohamed Rasheed Almaraj	-	8,000	-	-	8,000	6,000	-	-	-	6,000	-	14,000	-
3	Ahmed Nazar Albaharna	-	7,500	-	-	7,500	6,000	-	-	-	6,000	-	13,500	-
Non-executive / Non-independent directors														
1	Amin Ahmed Alarrayed	-	7,150	-	-	7,150	9,000	-	-	-	9,000	-	16,150	-
2	Abdulla Ahmed Kamal (a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-
3	Areej Abdulla Abdulghaffar (a)	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500	-
4	Bader Kassim Buallay (a)	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-
5	Fahad Abdulrahman Alsaad	-	5,500	-	-	5,500	6,000	-	-	-	6,000	-	11,500	-
6	Wael Ezzeldeen Arafa	-	5,000	-	-	5,000	6,000	-	-	-	6,000	-	11,000	-
7	Khalifa Hassan Al Jalahma	-	6,000	-	-	6,000	6,000	-	-	-	6,000	-	12,000	-

(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 2023 will be paid in the year 2024, 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 2023 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 2023 will be paid during 2024 subject to the approval of the Ministry of Industry and Commerce, in addition to the approval of the shareholders in the Annual General Meeting.

CORPORATE GOVERNANCE REPORT (continued)

BOARD COMMITTEES

Consistent with MOIC's Corporate Governance Code and best practice, Amakin board of directors 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 of directors 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 2023, 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 2023

Name	Role	Feb 6	Apr 18	Jul 18	Oct 16	Nov 28
1 Abdulla Ahmed Kamal	Chairman	✓	✓	✓	✓	✓
2 Bader Kassim Buallay	Committee Member	✓	✓	✓	✓	✓
3 Mohamed Rasheed Almaraj	Committee Member	✓	✓	✓	✓	✓
4 Khalifa Hassan Al Jalahma	Committee Member	✓	✓	✓	✓	✓

All meetings were held physically & virtually. As per the Committee Charter, a minimum of 4 meetings are to be held annually. Sitting fees paid for attendance of the Executive Committee BD 10,000.

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, monitoring of compliance and risk mitigation with the company's policies, code of conduct and the applicable laws and regulations.

Audit & Risk Committee Attendance 2023

Name	Role	Feb 19	May 7	Aug 1	Oct 31
1 Adnan Habib Hashim	Chairman	✓	✓	✓	✓
2 Wael Ezzeldeen Arafa	Committee Member	✓	x	✓	✓
3 Fahad Abdulrahman Alsaad	Committee Member	✓	✓	✓	✓

All meetings were held physically & virtually. As per the Committee Charter, a minimum of 4 meetings are to be held annually. Sitting fees paid for attendance of the Audit & Risk Committee BD 5,500.

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 of directors and senior management and improve and monitor the implementation of the corporate governance framework.

CORPORATE GOVERNANCE REPORT (continued)

NRCG Committee Attendance 2023

Name	Role	Feb 14	Apr 13	Jul 23	Oct 23
1 Amin Ahmed Alarrayed	Chairman	✓	✓	✓	✓
2 Areej Abdulla Abdulghaffar	Committee Member	✓	✓	✓	✓
3 Ahmed Nazar Albaharna	Committee Member	✓	✓	✓	✓

All meetings were held physically & virtually. As per the Committee Charter, a minimum of 4 meetings are to be held annually. Sitting fees paid for attendance of the NRCG Committee BD 6,000.

Digital Advisory Committee

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

Digital Committee Attendance 2023

Name	Role	Feb 8	April 10	July 17	Oct 29
1 Mohamed Rasheed Almaraj	Chairman	✓	✓	✓	✓
2 Ahmed Nazar Albaharna	Committee Member	✓	✓	✓	✓
3 Frank Beckmann	Advisory Committee Member	✓	✓	✓	✓
4 Tariq Ali Aljowder ⁽¹⁾	Committee Executive Member	✓	✓	✓	✓
5 Ehsan Ali Al-Kooheji ⁽¹⁾	Committee Executive Member	✓	✓	✓	✓

All meetings were held physically & virtually. As per the Committee Charter, a minimum of 4 meetings are to be held annually. Sitting fees paid for attendance of the Digital Advisory Committee BD 4,000

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

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 and goals set out by the board of directors.

Name	Position	Joining date	Shareholding
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 Fatema Fuad Alkhan	Human Resources & Admin Manager	18 April 2023	-

*Resigned 26 June 2023

CORPORATE GOVERNANCE REPORT (continued)

Management Compensation

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

Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/in-kind remuneration for 2023	Aggregate Amount
326,744	47,856	6,498	381,097

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 of directors or committees meeting to disclose new or amended conflicts of interest.

Details of approved transactions are included in note 26 of the financial statements for the year ended 31 December 2023, which will be reported to the shareholders at the Annual General Meeting.

Related Party Transactions

31 December 2023

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)	109,668
2 Sale of car parks equipment and services	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	46,090
3 Lease rent expenses	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	73,260
4 Other car parks expenses included in operating, general and administrative expenses	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C. (C)	4,209
5 Directors' remuneration	Board members	Board members	63,000
6 Directors' sitting fees	Board members	Board members	61,400
7 Salaries and bonuses to key management personnel	Executive management	Executive management	374,600
8 Long-term benefits to key management personnel	Executive management	Executive management	6,498

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	43,940

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	142,537

CORPORATE GOVERNANCE REPORT (continued)

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 of directors.

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. Mr. Tariq Aljowder was appointed as the company's Corporate Governance Officer in July 2022 on a temporary basis till 28 May 2023. On 28 May 2023 Mrs. Rahma Altawash was appointed as Corporate Governance Officer.

ANNUAL GENERAL MEETING AND MEANS OF COMMUNICATION

It is the responsibility of the board of directors to communicate and 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 of Directors recommendation in relation to the allocation of net profit.
- Board of Directors recommended remuneration.
- Company's Corporate Governance Report.
- Related party transactions & balances.

Additionally, executive management communicates regularly via the following means to the shareholder:

- Bahrain Bourse website.
- Amakin website.
- Public announcement in local newspapers.

CORPORATE GOVERNANCE REPORT (continued)

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 2024, based to the shareholders' approval at the AGM. Fees and charges for the audit or services provided by the external auditor during the year 2023, in addition to a description of the auditor's years of services as the Company's external auditor.

Name of the Audit Firm	BDO
Years of service as the Company's external auditor	Since 2002, 22 years
Name of the partner in charge of the Company's audit	Mr. Samson George
The partner's year of service as the partner in charge of the Company's audit	2 years
Total audit fees for the financial year 2023	BHD 6,850
Other special fees and charges for non-audit services other than auditing the financial statements for the year 2023	BHD 3,550

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

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.



AMIN AHMED ALARRAYED

Chairman

25 February 2024

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Community Partnership Initiatives 2023

Considering our leading position in Bahrain, and in line with our established role as a national supporter, serving the community and contributing to its advancement is always an integral part of our core values.

“During the past year, we launched many initiatives in various sectors including education, health, community development and environmental protection. Cooperation with Government agencies and institutions was one of the basic pillars of our investments in society.”



Supporting Education Sector:

In line with the trend of Kingdom of Bahrain and based on its keenness to enhance the culture of community partnership and its belief in the importance of the education sector, “Amakin” provided its support to University of Bahrain; the first national university in the Kingdom of Bahrain, by contributing to equipping the laboratories of College of Engineering and Department of Interior Design to be a comprehensive initiative that contributes to the field of education and technology and attends to the needs of all college students.



Supporting Environment Sector:

“Amakin” took part in the national afforestation campaign under slogan “Stay Green” in partnership with the National Initiative for Agricultural Development with the aim of supporting the State’s strategies to increase the green area through coordination with the public and private sectors to execute afforestation projects and sustain the development of agricultural sector in the Kingdom of Bahrain and highlight the aesthetics character of the Kingdom and its interest in agriculture as a historical legacy over time. This contribution aims to protect and develop the agricultural sector and ensure the required balance between agricultural and urban lands, and as a belief in the importance thereof for the health of population.

CORPORATE SOCIAL RESPONSIBILITY (continued)



Supporting Health Sector:

Bahrain Car Parks Company (Amakin) supported the rehabilitation of some facilities at Salmaniya Medical Complex.

This support falls within the Company's social responsibility strategy, which is keen to support the health sector and other vital development sectors for their growth and prosperity, which is reflected in improving the quality and efficiency of Government services provided to achieve the highest levels of benefit and satisfaction from the society.



Supporting Community Development:

Amakin contributed to supporting the facilities of Reformation and Rehabilitation Centers in partnership with the Ministry of Interior, by supporting the preparation of vocational training workshops of those Centers, as the beneficiaries thereof are an integral part of our society. It was important to contribute to qualifying and enabling them to some crafts and practices that help them to engage and integrate in the labor market immediately after leaving these Centers.

CORPORATE SOCIAL RESPONSIBILITY (continued)



Pink October Event:

Bahrain Car Parks Company (Amakin), in cooperation with Royal Bahrain Hospital and with participation of Wael Pharmacy, organized Pink October Event in conjunction with the global campaign to raise awareness of the breast cancer, which falls in October every year.

This Event falls within the Company's efforts to serve the society and raise awareness of breast cancer through its participation in awareness campaigns and its keenness to educate its employees about the dangers of breast cancer and how to prevent it, and spreading the culture of early self-examination. Amakin has always paid attention to the health of its employees and provided the necessary health care and support, as the Management is making continuous efforts in providing the best health care services to all its members.

"Amakin" Charity Bazaar:

Amakin continues its initiatives and activities in support of the Bahraini society in general, as "Amakin" organized Amakin Charity Bazaar Event with the participation of the work team as part of the Kingdom's celebrations of the 52nd National Day. The Event was held in the main building and hosted a number of diverse activities that celebrate Bahraini folk heritage and the ancient culture of the Kingdom. The Event witnessed the establishment of "Amakin" Charity Bazaar, which supported the participation of productive families, adding distinctive experiences and wonderful times to the work team members and patrons of the main building.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES (ESG)

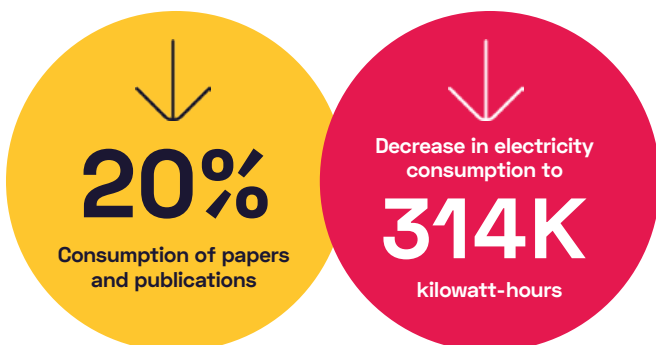
As a company providing innovative solutions in the field of mobility, “Amakin” strives to be at the forefront by aligning its Environmental, Social and Governance (ESG) practices with the best international practices from leading companies and independent global organizations toward achieving the UN Sustainable Development Goals. “Amakin” is also proud of prioritizing diversity, environmental sustainability, and governance in all its operations.

Accordingly, Amakin is working to integrate Environmental, Social and Governance (ESG) considerations into its operations allowing for the creation of long-term value for all stakeholders, in relation to the Bahrain Development Plan, climate change, biodiversity, Bahrain’s path to net neutrality by 2060 and Paris Agreement.

1 - Environment

(Amakin) participates very actively in instilling a culture of responsibility and environmental awareness among employees and within the community, by educating the workforce and providing them with skills, competencies and empowerment for continuous improvement. The Company has committed itself to applying the highest standards and levels of environmental management complied with the social responsibility standards.

The bases of responsibility and environmental awareness at (Amakin) are established on reducing the use of consumed active energy, as new practices led to a decrease in the percentage of electricity consumption during the year ended in (December) to 314,000 kilowatt-hours. The consumed reactive energy reached 63,000 kilovolt-ampere hours. Due to the automation of work flow, consumption of papers and publications was reduced and restricted by 20%. Amakin is committed to the life cycle of operations and equipment by choosing the best ones in terms of environmental impacts.



2 - Social Development:

Human Resources:

The greatest asset of Bahrain Car Parks Company (Amakin) is its employees who are the primary driving force for the Company’s success and value creation. Therefore, our top priorities are to attract the best talent available, and ensure that our employees are happy in their work, and able to give their best effort to serve customers every day.

We believe that the key factor in being an employer of choice, is working to empower all our employees and provide them with the skills and tools they need to accomplish their work to the highest possible standards, while ensuring that they are given opportunities to advance and grow in their careers at Bahrain Car Parks Company and unleash their full potential. Applying such approach to our human resources helps creating sustainable value not only for the Company, but also for the economy and communities in which we operate.

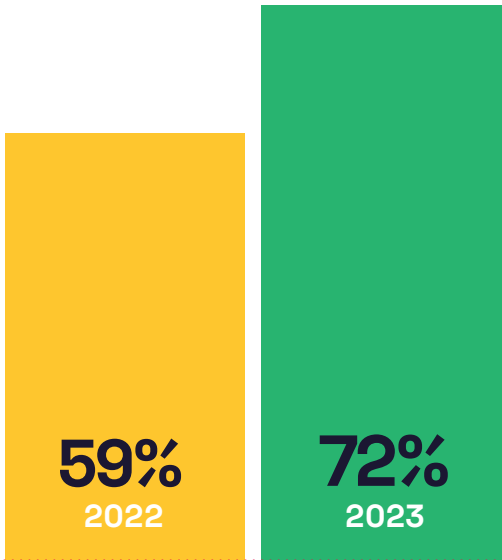
Increase in number of jobs created	210%
Jobs created in 2023	42
Employees trained in 2023	84%

Attracting Employees:

Recruitment is the first step towards building a highly skilled workforce capable of providing outstanding services to our clients. Bahrain Car Parks Company (Amakin) is always looking for the best candidates for every level of Departments, starting from graduates up to Senior Management. The Company applies a multi-stage recruitment process to screen, select and hire the best candidates. Bahrain Car Parks Company (Amakin) attracts its new employees by offering:

- Competitive salaries and attractive benefits.
- Long record of developing talent and providing advancement opportunities.
- Inclusive and positive work environment.
- Flexible working hours, work-life balance and focus on employee engagement and comfort.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES (ESG)



Increase in the percentage of national cadres employed from 2022 to 2023



In 2023, the percentage of female employees in the Company represented 13% of the total workforce, as Bahrain Car Parks Company (Amakin) believes in the principle of equal opportunities between both genders and a diverse workforce.

Bahrainisation:

Amakin is keen to enhance the diversity and inclusiveness of the work environment while promoting equal opportunities. As a Bahraini company, we have a responsibility to ensure the strong representation of its national cadres at 72% during this year compared to 59% in 2022.

Women Empowerment:

Attracting and retaining female talent is a priority for Bahrain Car Parks Company (Amakin) and a key goal in its sustainability roadmap. To support this goal, Amakin provides a number of benefits, including paid maternity leave, flexible working hours, and the possibility of working remotely, so that the working mother can achieve a balance between her professional aspirations and her family obligations.

Protecting our Employees:

(Amakin) is committed to improving the working conditions and environment and achieving the best health and safety practices by providing a safe and healthy work environment for all employees in accordance with the best international practices. The Company implemented work policies and procedures related to health and safety, by implementing a comprehensive training plan for the employees of Operations Department.

More than 40 employees were trained during 2023. By keeping its employees constantly informed of the latest health and safety guidelines and presenting regular seminars thereto, no industrial accident was recorded as of December 2023. In addition, Amakin was keen to create a healthier and happier work environment with a decrease in cases of absence and quitting work among employees.

Percentage of female employees

From Total Workforce	13%
From Management	8%
From Administrative Positions	29%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES (ESG)

3 - Supporting Community Development:

"Amakin" decided to have an effective role in the success of initiatives that establish and enhance the concept of community partnership, it supported community events, training and awareness programs to qualify young people, in addition to the on-the-job training program for students. The Company launched the second version of the Summer Training Program (STP), in partnership with a number of educational institutions and organizations from all over the Kingdom. This Program was produced to provide school and university graduates with potential

career opportunities in the commercial and professional services sector. The Program has contributed to activating the Company's efforts to embrace and support the next generation and invest therein to be decision-makers and sector leaders, by giving them vocational training and development opportunities. Amakin continues its commitment to its vision and mission of enriching the lives of Bahraini next generations, by contribution to empower the promising local youth as the competencies that will lead the future of the Kingdom.

4 - Governance:

Amakin is committed to adhering to the highest standards of corporate governance. This entails complying with regulatory requirements, protecting the rights and interests of all stakeholders, and enhancing shareholder value.

The Company also has policies approved by Board of Directors for risk management, compliance and internal controls, in accordance with the rules and guidelines of Central Bank of Bahrain. Approval and implementation

of governance policy is the direct responsibility of the Board of Directors. The Board of Directors is committed to excellence in governance and its rules set by Central Bank of Bahrain and the principles of corporate governance in accordance with the law of Kingdom of Bahrain issued by Ministry of Industry and Commerce.

Amakin follows an ethics policy and/or anti-corruption policy included in the Code of Conduct and Whistleblowing Policies.

FINANCIAL STATEMENTS

For the year ended 31 December 2023

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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 2023, 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 material accounting policy information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 2023. 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 19 of the financial statements includes rental income, and service charges in respect of investment properties, sales of car parks equipment and services, 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.

Right-of-use of assets and lease liabilities

As described in Note 7 and 16 to the financial statements, the carrying values of right-of-use of assets and lease liabilities as at 31 December 2023 amounted to BD6,153,605 and BD777,510 respectively. The useful life of the right-of-use of assets are based on management's estimate of the period that the asset would generate revenue. Similarly, carrying value of lease liabilities are determined on a number of factors including management certainty to exercise the lease options to extend/terminate the lease, variable elements such as future lease payments and incremental borrowing rates. Changes to these assumptions could have a significant impact on either the carrying values or the amount charged to statement of profit or loss or both.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Other information

Management is responsible for the other information. The other information comprises the information included in the Directors' 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 IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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 Directors' 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 2023.

BDO

Manama, Kingdom of Bahrain
25 February 2024



STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Expressed in Bahrain Dinars)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Intangible assets	6	24,261	32,210
Property, plant and equipment	7	9,602,215	8,729,077
Financial assets at fair value through other comprehensive income	8	453,857	547,106
Investment properties	9	1,771,926	1,570,436
		11,852,259	10,878,829
Current assets			
Inventories		40,875	83,773
Investments at amortised cost	10	380,871	380,871
Current portion of term deposits	11	4,344,040	3,400,000
Trade and other receivables	12	1,149,109	762,982
Cash and cash equivalents	13	3,839,658	5,083,074
		9,754,553	9,710,700
Total assets		21,606,812	20,589,529
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	11,031,723	11,031,723
Treasury shares	14	(101,456)	(101,456)
Share premium	14	2,000,000	2,000,000
Statutory reserve	15	3,444,054	3,334,870
Charity reserve	15	221	42,400
Investment fair value reserve	15	(848,002)	(769,404)
Retained earnings	15	4,661,823	4,377,009
Total equity		20,188,363	19,915,142
Non-current liabilities			
Non-current portion of lease liabilities	16	696,760	130,428
Employees' terminal benefits	17	48,283	35,945
		745,043	166,373
Current liabilities			
Current portion of lease liabilities	16	80,750	11,347
Other payables	18	592,656	496,667
		673,406	508,014
Total liabilities		1,418,449	674,387
Total equity and liabilities		21,606,812	20,589,529

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 2023

(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Operating income	19	2,681,891	2,183,754
Net income from investments	20	716,334	551,560
Operating, general and administrative expenses	21	(2,263,811)	(1,861,211)
Operating profit		1,134,414	874,103
Other income		20,421	24,304
Directors' remuneration	22	(63,000)	(89,250)
Net profit for the year		1,091,835	809,157
Basic and diluted earnings per share	23	10 fils	7 fils

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 2023

(Expressed in Bahrain Dinars)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Net profit for the year		1,091,835	809,157
Other comprehensive loss:			
Items that will not be reclassified to profit or loss:			
Valuation losses on financial assets at fair value through other comprehensive income	8	(80,619)	(768)
Other comprehensive loss for the year		(80,619)	(768)
Total comprehensive income for the year		1,011,216	808,389

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 2023

(Expressed in Bahrain Dinars)

	Share capital	Treasury shares	Share premium	Statutory reserve	Charity reserve	Investment fair value reserve	Retained earnings	Total
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 15)	-	-	-	80,916	-	-	(80,916)	-
Dividend paid for 2021 (Note 24)	-	-	-	-	-	-	(655,816)	(655,816)
Charity reserve created during the year (Note 25)	-	-	-	-	40,000	-	(40,000)	-
Charity payments made during the year (Note 15)	-	-	-	-	(20,000)	-	-	(20,000)
At 31 December 2022	11,031,723	(101,456)	2,000,000	3,334,870	42,400	(769,404)	4,377,009	19,915,142
Total comprehensive income for the year	-	-	-	-	-	(80,619)	1,091,835	1,011,216
Transferred on disposal of financial assets at value through other comprehensive income	-	-	-	-	-	2,021	(2,021)	-
Transferred to statutory reserve (Note 15)	-	-	-	109,184	-	-	(109,184)	-
Dividend paid for 2022 (Note 24)	-	-	-	-	-	-	(655,816)	(655,816)
Charity reserve created during the year (Note 25)	-	-	-	-	40,000	-	(40,000)	-
Charity payments made during the year (Note 15)	-	-	-	-	(82,179)	-	-	(82,179)
At 31 December 2023	11,031,723	(101,456)	2,000,000	3,444,054	221	(848,002)	4,661,823	20,188,363

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023
(Expressed in Bahrain Dinars)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Operating activities			
Net profit for the year		1,091,835	809,157
Adjustments for:			
Amortisation of intangible assets	6	12,157	6,956
Depreciation of property, plant and equipment	7	323,792	258,061
Unrealised fair value gain on investment properties	9	(201,490)	(243,946)
Provision for impaired trade receivables	12	12,733	3,592
Interest expenses on lease liabilities	16	27,785	8,653
Dividend income	20	(24,210)	(44,701)
Interest income on investments at amortised cost	20	(21,896)	(21,896)
Interest income on term deposits	20	466,253	(226,700)
Interest income on current account balance with a bank	20	(2,485)	(14,317)
Gain on the disposal of property, plant and equipment		(5,455)	-
Changes in operating assets and liabilities:			
Inventories		42,898	(63,942)
Trade and other receivables		(398,860)	(3,454)
Other payables		95,989	43,872
Employees' terminal benefits, net		12,338	13,068
Net cash provided by operating activities		498,878	524,403
Investing activities			
Purchase of intangible assets	6	(4,208)	(25,264)
Purchase of property, plant and equipment	7	(568,980)	(137,271)
Proceeds from disposal of property, plant and equipment		5,455	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	8	12,630	1,319,291
Additions to investment properties	9	-	(854,892)
Dividend income received	20	24,210	44,701
Interest income received on investments at amortised cost	20	21,896	21,896
Interest income received on term deposits	20	466,253	226,700
Interest income received on current account balance with a bank	20	2,485	14,317
Net movements in term deposits		(944,040)	258,151
Net cash (used in)/provided by investing activities		(984,299)	867,629
Financing activities			
Principal paid on lease liabilities		(12,086)	(11,347)
Interest paid on lease liabilities		(7,914)	(8,653)
Charity payments	15	(82,179)	(20,000)
Dividend paid during the year	24	(655,816)	(655,816)
Net cash used in financing activities		(757,995)	(695,816)
Net (decrease)/increase in cash and cash equivalents		(1,243,416)	696,216
Cash and cash equivalents, beginning of the year		5,083,074	4,386,858
Cash and cash equivalents, end of the year	13	3,839,658	5,083,074

Non-cash transactions:

During the year ended 31 December 2023, the transactions towards additions to right-of use assets amounting to BD627,950 (Note 7) and lease liabilities amounting to BD627,950 (Note 16) have been excluded from the statement of cash flows, being non-cash transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(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 59 to 87, were approved, authorised for issue and signed by the Board of Directors on 25 February 2024.

2 Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with the IFRS Accounting Standards as issued 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 Accounting Standards 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 Accounting Standards

Improvements/amendments to IFRS Accounting Standards contained numerous amendments to IFRS Accounting Standards that the IASB considers non-urgent but necessary. 'Improvements to IFRS Accounting Standards' 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 Accounting Standards. The amendments are effective for the Company's future accounting period with earlier adoption.

Standards, amendments and interpretations effective and adopted in 2023

The following new amendments to existing standards or interpretations to published standards are mandatory for the first time for the financial year beginning 1 January 2023 and have been adopted in the preparation of these financial statements:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

2 Basis of preparation (continued)

IAS 1 Presentation of financial statements

In February 2021, the International Accounting Standard Board ("IASB") has issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Company has applied amendments and disclosed the impact in Note 3 and has updated the relevant disclosures in the financial statements.

IAS 8 Accounting policies, changes in accounting estimates and errors

In February 2021, the International Accounting Standard Board ("IASB") issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

The Company has adopted the amendments of IAS 8 and had no significant impact on these financial statements.

Standards, amendments and interpretations issued and effective in 2023 but not relevant

The following new standards/amendments to existing standards and interpretations to published standards are mandatory for accounting year beginning on or after 1 January 2023 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 12	Income Taxes	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

Standards, amendments and interpretations issued but not yet effective in 2023

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 31 December 2023. They have not been adopted in preparing the financial statements for the year ended 31 December 2023 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 2024
IAS 7	Statement of Cash Flows	1 January 2024
IFRS 7	Financial Instruments: Disclosures	1 January 2024
IFRS 16	Leases	1 January 2024
IAS 21	The Effects of Changes in Foreign Exchange Rates	1 January 2025

Early adoption of amendments or standards in 2023

The Company did not early-adopt any new or amended standards in 2023. There would have been no change in the operational results of the Company for the year ended 31 December 2023 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 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information

A summary of the material accounting policy information adopted in the preparation of these financial statements is set out below. These 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:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information (continued)

Financial assets (continued)

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

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

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

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

b) Financial assets at amortised cost

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information (continued)

Financial assets (continued)

Cash and cash equivalents

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

Financial liabilities

The financial liabilities of the Company consist of other payables (excluding employee benefits) and lease liabilities. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information (continued)

Treasury shares

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

Contribution to charities

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

Leases

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information (continued)

Leases (continued)

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 depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated 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 of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

Revenue recognition

Performance obligation and timing of revenue recognition

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

3 Material accounting policy information (continued)

Revenue recognition (continued)

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.

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 services;
- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

4 Critical accounting judgments and key source of estimation uncertainty

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

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

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

Economic useful lives of intangible assets

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

Economic useful lives of property, plant and equipment

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

Classification of investments

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

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

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 27.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

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

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 2023, in the opinion of the management, an impairment allowance of BD59,022 is required towards impaired trade receivables from tenants and amounts due from a related party (2022: BD49,983). Further, in the opinion of the management, term deposits and bank balances are not impaired as at 31 December 2023 (2022: BDNil).

Other non-financial assets

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

Revenue recognition

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

Determination of lease term and the borrowing rates for leases

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

Economic life of right-of-use assets

Right-of-use assets are depreciated 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 depreciated 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

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

Legal proceedings

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

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

Going concern

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

Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

5 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 42.74% (2022: 39.97%) of the Company's total revenue.
- Property rental income - This segment is involved in the management, maintenance and renting of properties. This segment contributes 30.11% (2022: 37.81%) 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 contributes 20.96% (2022: 20.03%) 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 contributes 6.19% (2022: 2.19%) of the Company's total revenue.

As at, and for the year ended, 31 December 2023

	Car park services	Property rental services	Investment activities	Sales of equipment	Total
Car park income	1,456,209	-	-	-	1,456,209
Sales of car parks equipment	-	-	-	211,578	211,578
Property rental income	-	851,362	-	-	851,362
Service charges income	-	162,742	-	-	162,742
Operating income	1,456,209	1,014,104	-	211,578	2,681,891
Net income from investments	-	-	716,334	-	716,334
Other income	4,845	15,285	291	-	20,421
Total revenue	1,461,054	1,029,389	716,625	211,578	3,418,646
Operating and general expenses	(1,023,097)	(879,597)	(84,183)	(111,231)	(2,098,108)
Depreciation	(95,980)	(69,723)	-	-	(165,703)
Total operating and general expenses	(1,119,077)	(949,320)	(84,183)	(111,231)	(2,263,811)
Unallocated expenses	-	-	-	-	(63,000)
Total expenses	(1,119,077)	(949,320)	(84,183)	(111,231)	(2,326,811)
Segment profit	341,977	80,069	632,442	100,347	1,091,835
Reportable segment assets	4,836,516	5,602,300	11,085,750	82,246	21,606,812
Reportable segment liabilities	1,012,766	365,485	18,393	21,805	1,418,449
Other segment information					
Minimum operating lease commitment	1,054,450	-	-	-	1,054,450

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

5 Segmental information (continued)

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

	Car park services	Property rental services	Investment activities	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	(725,985)	(878,255)	(85,569)	(45,263)	(1,735,072)
Depreciation	(62,645)	(63,494)	-	-	(126,139)
Total operating and general expenses	(788,630)	(941,749)	(85,569)	(45,263)	(1,861,211)
Unallocated expenses	-	-	-	-	(89,250)
Total expenses	(788,630)	(941,749)	(85,569)	(45,263)	(1,950,461)
Segment profit	314,335	101,636	467,136	15,300	809,157
Reportable segment assets	3,998,295	5,436,200	11,114,674	40,360	20,589,529
Reportable segment liabilities	306,856	329,316	29,229	8,986	674,387
Other segment information					
Minimum operating lease commitment	180,000	-	-	-	180,000

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.

6 Intangible assets

	31 December 2023	31 December 2022
Opening balance	32,210	13,902
Additions during the year	4,208	25,264
Amortisation charge for the year (Note 21)	(12,157)	(6,956)
Closing balance	24,261	32,210

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)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

7 Property, plant and equipment

	Freehold lands	Building on leasehold land	Car park and other equipment	Office furniture and equipment	Right -of-use assets: lands and buildings	Total
Cost						
At 31 December 2021	2,454,530	8,138,413	527,247	122,088	6,154,968	17,397,246
Additions	-	-	114,010	23,261	-	137,271
At 31 December 2022	2,454,530	8,138,413	641,257	145,349	6,154,968	17,534,517
Additions	-	-	510,782	58,198	627,950	1,196,930
Disposals	-	-	(16,880)	-	-	(16,880)
At 31 December 2023	2,454,530	8,138,413	1,135,159	203,547	6,782,918	18,714,567
Accumulated depreciation						
At 31 December 2021	-	7,936,515	186,127	85,437	339,300	8,547,379
Charge for the year (Note 21)	-	18,354	91,015	16,768	131,924	258,061
At 31 December 2022	-	7,954,869	277,142	102,205	471,224	8,805,440
Charge for the year (Note 21)	-	18,354	122,737	24,612	158,089	323,792
On disposals	-	-	(16,880)	-	-	(16,880)
At 31 December 2023	-	7,973,223	382,999	126,817	629,313	9,112,352
Net book amount						
At 31 December 2023	2,454,530	165,190	752,160	76,730	6,153,605	9,602,215
At 31 December 2022	2,454,530	183,544	364,115	43,144	5,683,744	8,729,077

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.

As at 31 December 2023 and 2022 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.

8 Financial assets at fair value through other comprehensive income

	31 December 2023	31 December 2022
Opening balance	547,106	1,867,165
Disposals during the year	(12,630)	(1,319,291)
Valuation losses recognised in other comprehensive income	(80,619)	(768)
Closing balance	453,857	547,106

The above investments are further classified as follows:

	31 December 2023	31 December 2022
Shares listed on the Bahrain Bourse	227,360	329,987
Unquoted equity shares	226,497	217,119
	453,857	547,106

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

8 Financial assets at fair value through other comprehensive income (continued)

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

Currency	31 December 2023	31 December 2022
Bahrain Dinar	453,857	547,106

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 2023 would be reflected in Company's 2024 financial statements upon receipt of the most recent financial information.

9 Investment properties

	31 December 2023	31 December 2022
Opening balance	1,570,436	471,598
Additions during the year *	-	854,892
Unrealised fair value gain for the year (Note 20)	201,490	243,946
Closing balance	1,771,926	1,570,436

* During the year 2022, the Company has exchanged part of the investment in unquoted equity shares towards transfer of certain investment properties.

During the year ended 31 December 2023, 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 amounted to BD201,490 for the year ended 31 December 2023 (2022: the fair value gain of BD243,946). During the year ended 31 December 2023, no income has been recognised from the investment properties (2022: BDNil). Further, no expenses relating to the investment properties, including repairs and maintenance, were incurred for the year ended 31 December 2023 (2022: BDNil). The fair values of investment properties are categorised as a level 2 recurring fair value measurement.

10 Investments at amortised cost

	31 December 2023	31 December 2022
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% (2022: 6.875%) and are denominated in United States Dollars.

11 Term deposits

	31 December 2023	31 December 2022
Term deposit with banks maturing after 3 months but within 1 year	4,344,040	3,400,000

Term deposits placed with the Company's bankers, earn interest at rates ranging between 2.8% and 6.5% per annum (2022: between 2.8% and 4.7% 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

12 Trade and other receivables

	31 December 2023	31 December 2022
Rents receivable from tenants	411,675	160,712
Amounts due from a related party (Note 26)	43,940	25,602
Trade receivables from other customers	8,139	14,136
	463,754	200,450
Less: provision for impaired trade receivables	(59,022)	(49,983)
	404,732	150,467
Accrued revenue	107,128	194,519
Accrued interest	280,378	137,601
Advances paid to creditors	189,242	172,465
Prepayments and other receivables	95,859	80,652
Security deposits	71,770	27,278
	1,149,109	762,982

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

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

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

On that basis, the lifetime expected loss provision as at 31 December 2023 and 2022 was determined as follows for trade receivables:

	Current	30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
31 December 2023							
Expected loss rate	0%	0.81%	1.03%	1.71%	3.01%	100%	
Trade receivables	25,364	76,801	75,630	71,441	163,030	51,488	463,754
Loss allowance	-	623	780	1,225	4,906	51,488	59,022
31 December 2022		30 days overdue	90 days overdue	180 days overdue	360 days overdue	Above 360 days overdue	Total
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

12 Trade and other receivables (continued)

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

	31 December 2023	31 December 2022
Opening balance	49,983	51,351
Provision created during the year	12,733	3,592
Provision utilised during the year	(3,694)	(4,960)
Closing balance	59,022	49,983

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.

13 Cash and cash equivalents

	31 December 2023	31 December 2022
Short-term deposits maturing within three months	3,345,000	4,348,573
Current account balances with banks*	491,828	732,549
Cash on hand	2,830	1,952
	3,839,658	5,083,074

The current account balances with banks earn interest rate ranging from 0% to 3.5% per annum (2022: ranging between 0% to 2.5% per annum).

Short-term deposits held with the Company's bankers earn rate of return ranging from 6.4% to 6.55% per annum (2022: ranging from 2.8% to 5.9% 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 BD57,090 earmarked towards due to a related party (2022: BD117,635).

14 Share capital

	31 December 2023	31 December 2022
Authorised:		
125,000,000 ordinary shares of 100 fils each (2022: 125,000,000 ordinary shares of 100 fils each)	12,500,000	12,500,000
Issued and fully paid-up:		
110,317,230 ordinary shares of 100 fils each (2022: 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 (2022: 1,014,560 treasury shares of 100 fils each)	(101,456)	(101,456)
	10,930,267	10,930,267

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

14 Share capital (continued)

Additional information on shareholding pattern

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

	At 31 December 2023		
	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 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%

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

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

	At 31 December 2023		
	Number of shareholders	Number of shares	Percentage of total outstanding shares
Less than 1%	1,365	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%
	1,370	110,317,230	100%

	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%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

15 Reserves

a) Statutory reserve

	31 December 2023	31 December 2022
Opening balance	3,334,870	3,253,954
Transferred during the year	109,184	80,916
Closing balance	3,444,054	3,334,870

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 2023 (2022: BD 40,000). An amount of BD82,179 has been paid during the year ended 31 December 2023 towards charity (2022: BD20,000). Further, an amount of BD40,000 has been transferred to the charity reserve during the year ended 31 December 2023 (2022: BD40,000). This reserve is not available for distribution. The proposed transfer has not been accounted for in these financial statements.

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 BD80,619 (2022: BD768). This reserve is not available for distribution.

d) Retained earnings

	31 December 2023	31 December 2022
Opening balance	4,377,009	4,263,624
Net profit for the year	1,091,835	809,157
Dividend (Note 24)	(655,816)	(655,816)
Transferred to statutory reserve	(109,184)	(80,916)
Transferred on disposal of financial assets at value through other comprehensive income	(2,021)	80,960
Charity reserve created during the year	(40,000)	(40,000)
Closing balance	4,661,823	4,377,009

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

16 Lease liabilities

	31 December 2023	31 December 2022
Opening balance	141,775	153,122
Additions	627,950	-
Lease payments	(20,000)	(20,000)
Interest expenses (Note 21)	27,785	8,653
Closing balance	777,510	141,775
Less: current portion of lease liabilities	(80,750)	(11,347)
Non-current portion of lease liabilities	696,760	130,428

Maturity analysis - contractual undiscounted cash flows:

	31 December 2023	31 December 2022
Less than one year	80,750	20,000
More than one year and less than five years	317,750	80,000
More than five years	655,950	80,000
Total undiscounted leases	1,054,450	180,000

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 BD72,260 (25% of the gross operating profit generated from the related building), is included under operating, general and administrative expenses (Note 21) (2022: BD54,119).

17 Employees' terminal benefits

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 2023 amounted to BD80,147 (2022: BD59,723).

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

	31 December 2023	31 December 2022
Opening balance	35,945	22,877
Accruals for the year	16,683	13,146
Payments during the year	(4,345)	(78)
Closing balance	48,283	35,945
The number of staff employed by the Company	103	60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

18 Other payables

	31 December 2023	31 December 2022
Accruals and other payables	343,422	239,442
Amounts due to a related party (Note 26)	142,537	153,301
Provision for leave salary and air passage	50,819	41,111
Advances received from tenants	46,710	53,645
Unclaimed dividend	9,168	9,168
	592,656	496,667

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

19 Operating income

	Year ended 31 December 2023	Year ended 31 December 2022
<i>Primary geographic markets</i>		
Kingdom of Bahrain	2,681,891	2,183,754
<i>Service/product type</i>		
Car park income	1,119,278	961,937
Rental income	851,362	865,792
Other car park income	336,931	129,509
Sales of car parks equipment and services	211,578	60,563
Service charges income	162,742	165,953
	2,681,891	2,183,754
<i>Contract counterparties</i>		
Direct to customers	2,526,133	2,050,645
Direct to a related party (Note 26)	155,758	133,109
	2,681,891	2,183,754
<i>Timing of revenue recognition</i>		
Over time	2,681,891	2,183,754

20 Net income from investments

	Year ended 31 December 2023	Year ended 31 December 2022
Interest on term deposits	466,253	226,700
Unrealised fair value gain on investment properties (Note 9)	201,490	243,946
Dividend income	24,210	44,701
Interest income on investments at amortised cost	21,896	21,896
Interest on current account balance with a bank	2,485	14,317
	716,334	551,560

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

21 Operating, general and administrative expenses

	Year ended 31 December 2023	Year ended 31 December 2022
Staff costs	1,009,692	804,049
Facilities management	144,705	135,085
Electricity and water charges	130,678	130,741
Depreciation of property, plant and equipment (Note 7)	323,792	258,061
Directors' sitting fees (Note 26)	61,400	56,500
Lease rent expenses (Note 16)	73,260	54,119
Cost of sales of car parks equipment and services	111,231	44,772
Maintenance costs	50,330	36,180
Interest expenses on lease liabilities (Note 16)	27,785	8,653
Amortisation of intangible assets (Note 6)	12,157	6,956
Other operating, general and administrative expenses	318,781	326,095
	2,263,811	1,861,211

22 Directors' remuneration

Accrued and expensed

An amount of BD63,000 has been accrued and expensed as Directors' remuneration during the year ended 31 December 2023 (Note 26), relating to current year 2023 (2022: BD52,500 relating to the year ended 31 December 2022). The payment for 31 December 2022 was approved by the shareholders in the Annual General Meeting held on 26 March 2023.

Proposed by the Board of Directors

The Board of Directors of the Company has proposed and accrued to pay a Directors' remuneration of BD63,000 for the year ended 31 December 2023. Such proposed remuneration only becomes payable once it has been approved by the shareholders in the Annual General Meeting, and has been accrued in 2023.

23 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 2023	Year ended 31 December 2022
Net profit attributable to the shareholders	1,091,835	809,157
Weighted average number of ordinary shares	109,302,670	109,302,670
Basic and diluted earnings per share	10 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

24 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 2022 (at 6 fils per share) (2022: BD655,816 for the year ended 31 December 2021 at 6 fils per share), was approved by the shareholders in the Annual General Meeting of the shareholders held on 26 March 2023 (2022: 30 March 2022).

Proposed by the Board of Directors

The Board of Directors of the Company has proposed a dividend of BD874,421 (2022: BD655,816) representing 8% of the total issued and fully paid-up share capital of the Company for the year ended 31 December 2023 at 8 fils per share (2022: 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.

25 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 2023 (2022: BD40,000). This is subject to the approval of shareholders in the Annual General Meeting.

26 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 2023	Year ended 31 December 2022
Included in other car park income (Note 19)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	109,668	129,509
Included in sale of car parks equipment and services (Note 19)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	46,090	3,600
Lease rent expenses (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	73,260	54,119
Other car parks expenses included in operating, general and administrative expenses (Note 21)	Shareholder	Bahrain Real Estate Investment (Edamah) B.S.C (c)	4,209	-
Directors' remuneration (Note 22)	Key management personnel *	Key management personnel *	63,000	89,250
Directors' sitting fees (Note 21)	Key management personnel *	Key management personnel *	61,400	56,500
Salaries and bonuses to key management personnel	Key management personnel *	Key management personnel *	374,600	368,815
Long-term benefits to key management personnel	Key management personnel *	Key management personnel *	6,498	5,553

(*) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

26 Transactions and balances with related parties (continued)

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 12)	
		31 December 2023	31 December 2022
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	43,940	25,602

Name of the related party	Nature of relationship	Amounts due to a related party (Note 18)	
		31 December 2023	31 December 2022
Bahrain Real Estate Investment (Edamah) B.S.C (c)	Shareholder	142,537	153,301

27 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), lease liabilities 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 2023 and 2022.

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 2023	31 December 2022
Other payables	592,656	496,667
Lease liabilities	777,510	141,775
Less: cash and cash equivalents	(3,839,658)	(5,083,074)
Net surplus	(2,469,492)	(4,444,632)
Share capital, net of treasury shares	10,930,267	10,930,267
Share premium	2,000,000	2,000,000
Statutory reserve	3,444,054	3,334,870
Charity reserve	221	42,400
Investment fair value reserve	(848,002)	(769,404)
Retained earnings	4,661,823	4,377,009
Total capital	20,188,363	19,915,142
Total capital and net surplus	17,718,871	15,470,510

As at 31 December 2023 and 2022, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

27 Financial assets and liabilities and risk management (continued)

Principal financial instruments

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

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

A summary of the financial instruments held by category is provided below as at 31 December 2023:

	Financial assets at fair value through OCI	Financial assets at amortised cost
Financial assets		
Financial assets at fair value through OCI	453,857	-
Investments at amortised cost	-	380,871
Trade and other receivables (excluding prepayments)	-	864,008
Term deposits	-	4,344,040
Cash and cash equivalents	-	3,839,658
Total financial assets	453,857	9,428,577

Financial liabilities

	Financial liabilities at amortised cost
Other payables (excluding employee benefits)	541,837

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

	Financial assets at fair value through OCI	Financial assets at amortised cost
Financial assets		
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

Financial liabilities

	Financial liabilities at amortised cost
Other payables (excluding employee benefits)	455,556

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

27 Financial assets and liabilities and risk management (continued)

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

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

	At 31 December 2023	
	Carrying value	Maximum exposure
Financial assets		
Trade and other receivables (excluding prepayments)	864,008	864,008
Term deposits	4,344,040	4,344,040
Cash and cash equivalents	3,839,658	3,836,828
Total financial assets	9,047,706	9,044,876
	At 31 December 2022	
	Carrying value	Maximum exposure
Financial assets		
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

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 BD85,617 (2022: BD88,620).

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.

	Less than 1 year		Total
At 31 December 2023			
Non-interest bearing instruments	541,837		541,837
	Less than 1 year		Total
At 31 December 2022			
Non-interest bearing instruments	455,556		455,556

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

(Expressed in Bahrain Dinars)

27 Financial assets and liabilities and risk management (continued)

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

Investments fair value sensitivity analysis is as follows:

	Change	Impact on equity	
		31 December 2023	31 December 2022
Quoted financial assets through OCI	+/-5%	+/-11,368	+/-16,499

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, lease liabilities 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 2023 and 2022.

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
Non-financial assets					
Investment properties	1,771,926 (2022:1,570,436)	L2	Independent valuation report, market indicators.	Current market rates.	Positive correlation between market rates and fair values.
Financial assets					
Quoted investments	227,360 (2022:329,987)	L1	Quoted prices from stock exchanges.	Not applicable	Not applicable
Unquoted investments	226,497 (2022:217,119)	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)

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(Expressed in Bahrain Dinars)

27 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 2023	31 December 2022
Opening balance	217,119	806,072
Unrealised fair value gain	9,378	323,990
Disposal during the year	-	(912,943)
Closing balance	226,497	217,119

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.

28 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.

29 Events after the reporting date

There were no significant events subsequent to 31 December 2023 and occurring before the date of the report that are expected to have a significant impact on these financial statements.