

**Mas powermech Arabia**  
**Mixed Limited Liability Company**  
**Riyadh – Kingdom of Saudi Arabia**  
**Auditor Report**  
**Financial Statements as at 31/12/2019**

## Report of the Independent Auditor

Dear Partners in, Mas Powermech Arabia

(Mixed Limited Liability Company)

Riyadh, Kingdom of Saudi Arabia

### Disclaimer of Opinion:

we are engaged to audit the financial statements of **Mas Powermech Arabia (Mixed Limited Liability Company)**, which comprise the statement of financial position as at 31 December 2019, and the statement of income and other comprehensive income, statement of changes in partner's equity and statement of cash flows for the year on that date ended, and the notes to the financial statements, including summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of, Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion:

The company's management did not provide us with the required supporting documents, so we have not been able to determine whether all of the company's expenses and all its revenues, assets and liabilities have been recorded or that what was recorded is considered correct Accordingly, we were unable to determine whether there are necessary adjustments to the recorded and unrecorded Assets, Liabilities and Partners Equity and the resulting impact on statement of financial position, statement of income and other comprehensive income, statement of changes in partner's equity and cash flow statement.

### The responsibilities of management and those responsible for governance for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Standard for the Financial Reporting of Small and Medium-Sized Entities approved in Kingdom of Saudi Arabia and the standards and other issuances adopted by the Saudi Organization for Certified Public Accountants, which is responsible for the internal control that management deems necessary, to enable it to prepare financial statements free of material misstatement, whether due to fraud or error.





**Report of the Independent Auditor to the partners of Mas Powermech Arabia (Mixed Limited Liability Company) for the year ended at 31 December 2019.**

In the preparation of the financial statements, the management of the company is responsible for assessing the company's ability to remain a going concern and disclosing, as appropriate, matters relating to continuity and using the basis of continuity in accounting unless there is an intention to liquidate the company or discontinue its operations, or a realistic option other than that. The company's corporate governance officers or the board of directors are responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities on Audit of Financial Statements:**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing adopted in Kingdom of Saudi Arabia and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company within the meaning of ethics and professional ethics approved in the kingdom of Saudi Arabia related to our audit.

**Report on Other Regulatory and Regulatory Requirements:**

According to paragraph (135) of the Companies Law requires the auditor to include in his report any irregularities that may have been in the provisions of the Article of Association or the Article of Association of the company. In contrary to the irregularities that had a material impact on the financial statements, and led to the disclaimer opinion as described above under the heading "Basis for Disclaimer of Opinion, we have found that the company's occurrence in violation of the provisions of the company's law has no material impact on the financial statements represented as follows:

-The company's accumulated losses exceeded half of the capital and the partners did not held a meeting, to consider the continuation or dissolution of the company which is contrary to article 181 of the company's law

For Nasser AL Kanhal & Partner Co.  
Certified Public Accountants  
Moath Abduallah Al-Kanhal  
License No.575

Riyadh, 02/03/2021 G  
Corresponding to 18/07/1442 H

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**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**BALANCE SHEET AS AT 31 DECEMBER 2019**

**LIST [A]**

Description	Notes	31/12/2019 SAR	31/12/2018 SAR
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment-Net	3	4,337,669	7,604,065
<b>Total Non-Current Assets</b>		<b>4,337,669</b>	<b>7,604,065</b>
<b>Current Assets</b>			
Inventory		618,620	2,924,008
Trade Receivables	4	37,832,510	64,104,902
Other Receivables	5	3,799,105	607,854
Cash & Cash Equivalents	6	785,595	6,210,076
<b>Total Current Assets</b>		<b>43,035,830</b>	<b>73,846,840</b>
<b>TOTAL ASSETS</b>		<b>47,373,499</b>	<b>81,450,905</b>
<b>LIABILITIES AND PARTNER'S EQUITY</b>			
<b>PARTNER'S EQUITY</b>			
Capital	7	500,000	500,000
Additional Capital		1,960,784	1,960,784
Retained Earnings		(2,597,168)	15,859,481
Statutory Reserves		250,000	250,000
<b>TOTAL PARTNER'S EQUITY</b>		<b>113,616</b>	<b>18,570,265</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Provision for End of Service Indemnities	8	666,352	399,241
<b>Total Non-Current Liabilities</b>		<b>666,352</b>	<b>399,241</b>
<b>Current Liabilities</b>			
Due to Related Parties	9/B	12,357,550	11,336,666
Trade Payables	10	26,983,085	42,275,083
Accrued Expenses & Other Payables	11	5,808,579	7,440,054
Zakat & Tax Provisions	12/C	1,444,317	1,429,596
<b>Total Current Liabilities</b>		<b>46,593,531</b>	<b>62,481,399</b>
<b>TOTAL LIABILITIES</b>		<b>47,259,883</b>	<b>62,880,640</b>
<b>TOTAL LIABILITIES AND PARTNER'S EQUITY</b>		<b>47,373,499</b>	<b>81,450,905</b>

The accompanying notes are from (1) to (17) integral part of these financial statements



**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**Statement of Income & Other Comprehensive Income for the Year Ended in 31 December 2019**

**LIST [B]**

<b>Description</b>	<b>Notes</b>	<b>31/12/2019 SAR</b>	<b>31/12/2018 SAR</b>
Revenues		57,517,845	167,789,611
Cost of Revenues	13	<u>(60,169,377)</u>	<u>(121,538,866)</u>
<b>Gross Profit</b>		<b><u>(2,651,532)</u></b>	<b><u>46,250,745</u></b>
General and Administration Expenses	14	(15,602,830)	(33,415,649)
Other Income		50,405	14,133
Capital losses		<u>(237,971)</u>	<u>0</u>
<b>Net Income before Zakat &amp; Tax</b>		<b><u>(18,441,928)</u></b>	<b><u>12,849,229</u></b>
Zakat & Tax	12/C	<u>(14,721)</u>	<u>(1,429,596)</u>
<b>Net Income after Zakat &amp; Tax</b>		<b><u>(18,456,649)</u></b>	<b><u>11,419,633</u></b>
<b><u>Items of Other Comprehensive Income</u></b>			
<b>Total Other Comprehensive Income for the year</b>		<b><u>(18,456,649)</u></b>	<b><u>11,419,633</u></b>

The accompanying notes are from (1) to (17) integral part of these financial statements

**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**Statement of Partner's Equity for the Year Ended in 31 December 2019**

**LIST [D]**

Description	Capital		Additional Capital		Retained Earnings		Statutory Reserves		Total Partner's Equity	
	SAR		SAR		SAR		SAR		SAR	
<b>Balance as at 01 Jan 2018</b>	<b>500,000</b>		<b>0</b>		<b>4,539,848</b>		<b>150,000</b>		<b>5,189,848</b>	
Net Profit the Year	0		0		11,419,633		0		11,419,633	
Statutory Reserves	0		0		(100,000)		100,000		0	
Additional capital	0	1,960,784			0		0		1,960,784	
<b>Balance as at 31 Dec 2018</b>	<b>500,000</b>	<b>1,960,784</b>	<b>1,960,784</b>		<b>15,859,481</b>		<b>250,000</b>		<b>18,570,265</b>	
Net Profit the Year	0		0		(18,456,649)		0		(18,456,649)	
<b>Balance as at 31 Dec 2019</b>	<b>500,000</b>	<b>1,960,784</b>	<b>1,960,784</b>		<b>(2,597,168)</b>		<b>250,000</b>		<b>113,616</b>	

The accompanying notes are from (1) to (17) integral part of these financial statements

**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**Statement of Cash Flows for the Year Ended in 31 December 2019**

**LIST [C]**

Description	31/12/2019 SAR	31/12/2018 SAR
<b>Net Income after Zakat &amp; Tax</b>	<b>(18,456,649)</b>	<b>11,419,633</b>
Depreciation for the year	1,948,154	1,716,670
Provision for End of Service Indemnities	1,099,645	253,286
Provision for Zakat & Tax	14,721	1,429,596
<b>Cash Flow from Operating Activities</b>		
Trade Receivables	26,272,392	(40,926,196)
Inventory	2,305,388	(1,168,854)
Other Receivables	(3,191,251)	1,108,507
Trade Payables	(15,291,998)	21,318,507
Accrued Expenses & Other Payables	(1,631,475)	2,385,706
End of service paid	(832,534)	0
Zakat and tax Paid	0	(727,894)
<b>Net Cash Flow from Operating Activities</b>	<b>(7,763,607)</b>	<b>(3,191,039)</b>
<b>Cash Flow from Investing Activities</b>		
Additions of Property Plant & Equipment	(430,872)	(1,103,315)
Disposals of Property Plant & Equipment	1,749,114	0
<b>Net Cash Flow from Investing Activities</b>	<b>1,318,242</b>	<b>(1,103,315)</b>
<b>Cash Flow from Financing Activities</b>		
Additional Capital	0	1,960,784
Due from Related Parties	0	5,888,571
Due to Related Parties	1,020,884	2,077,971
<b>Net Cash Flow from Financing Activities</b>	<b>1,020,884</b>	<b>9,927,326</b>
<b>Net Changes in Cash Flow</b>	<b>(5,424,481)</b>	<b>5,632,972</b>
Cash at the beginning of the year	6,210,076	577,104
<b>Cash at the end of the year</b>	<b>785,595</b>	<b>6,210,076</b>

The accompanying notes are from (1) to (17) integral part of these financial statements



## MAS POWERMECH ARABIA (Mixed Limited Liability Company)

### Notes to the Financial Statements in 31/12/2019

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#### 1. The Legal Entity and the Activity of the Establishment

**Company Name:** Mas Powermech Arabia Company

**Legal Entity:** A mixed limited liability company, with commercial registration number 1010430705 issued by Riyadh city Dated 04/05/1436H corresponding to 23/02/2015.

**Activity:** The main activities is presenting the service of operations and installation, testing and maintainance the powerplants, high-pressure adaptors, medium-pressure adaptors, lo-pressure adaptors, under the investment license no. 10204360149794 dated 22/01/1436H issued by Saudi Arabian Investment Authority (SAGIA) service activities.

#### 2. Basis of Preparation of the Financial Statements

The accompanying financial statements have been prepared in accordance with generally accepted International Financial Reporting Standards for Small and Medium Enterprises approved by the Saudi Organization for Certified Public Accountants in the Kingdom of Saudi Arabia. As these financial statements are the first financial statements in accordance with International Financial Reporting Standards for Small and Medium Enterprises.

#### Significant Accounting Policies:

The significant accounting policies adopted by the company are as follows:

##### A. Measurement Basis:

The financial statements have been prepared on the historical cost convention (except for accounting policies for non-current financial assets and non-current financial liabilities that are stated at current cost or fair value). In addition, they are prepared on an accrual basis and the principle of continuity.

##### B. Property, Plant and Equipment

An entity recognizes an asset as a cost model as it is measured at cost of acquisition and includes any direct costs that make the asset available to be used in the manner sought by the management of the establishment and the expected costs of dismantling, removing the original and returning the leased asset to its nature minus the consumption compound and any compound of landing losses. Subsequent expenditure is capitalized when there is an increase in benefits Economic future of the enterprise and can be measured reliably. Assets are depreciated on a straight-line basis over their useful lives The following annual consumption ratios are applied:

Description	Percentage
Computer & Electric Equipments	10%
Furniture & Fixture	13%
Vehicles	25%
Equipments and Machinery	30%

##### C. Trade Receivables & Other Receivables

These are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognized at fair value. Trade receivables are stated in the balance due net of provision for doubtful debts. Provision for doubtful debts is made when there is objective evidence that the Company will not be able to collect all of the debts. Amounts due under the original invoice terms such as the possibility of bankruptcy or facing the debtor for financial difficulties are recorded. Provisions are included in administrative and general expenses, and bad debts are written off when incurred.

##### D. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts at banks and short-term deposits The maturity date is three months or less when purchased.

##### E. Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. That Net realizable value is the estimated selling price less all expected completion costs, selling costs and write downs predicted prices, Custom is created against slow moving inventory, obsolete inventory and damaged. The inventory is selected corrupted at inventory.



#### **F. Provisions**

Provisions are recognized when there is an obligation (legal or constructive) arising from an event in the past that is probable to arise. The use of resources containing the economic benefits of payment of the obligation is required and the amount of the obligation can be estimated reliably.

#### **G. Benefits of Employees**

The Company calculates the provision for end of service benefits on the date of the statement of financial position based on the valuation of the actuarial expert. The provision is measured at the present value of the expenses to be repaid in the future based on the discount rate.

#### **H. Statutory Reserve**

The statutory reserve is calculated by deducting 10% of the net income for the year to the statutory reserve, provided that it may be discontinued. The reserve is 50% of the company's capital and this reserve is not available for distribution.

#### **I. Income tax**

The company is subject to the instructions of the General Authority of Zakat and Income in the Kingdom of Saudi Arabia, the tax is recovered according to the principle of entitlement, the tax provision is calculated according to the tax base, and at the end of the year any differences between the provision and the final assessment are recorded when the final assessment is approved, where the provision is then closed.

#### **J. Zakat**

The Company is subject to the instructions of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia. Zakat is recognized in accordance with the accrual basis. Zakat is calculated according to Zakat and any differences are recorded when the final linkage is approved.

#### **K. value added tax**

The value-added tax collected from customers is recorded as a liability of the company in favor of the General Authority for Zakat and Income after deducting the tax that the company pays on its purchases of goods and services.

#### **L. Revenue Recognition**

Revenue is recognized at the fair value of the consideration received or expected to be received against the sale of the goods through activities. The usual company Revenue is shown net of VAT, returns, rebates and discounts. Revenue is recognized when it can be measured reliably, when goods are delivered and the transfer of risks and rewards is material accompanying ownership to the buyer.

#### **M. Cost of Revenue**

The cost of revenue is recognized in full of the operating costs incurred to execute the contracts concluded with the customers in accordance with the accounting accrual basis, If it is probable that the total costs incurred will exceed total contract revenue, the expected increase should be recognized as an expense immediately and carries on the income statement.

#### **N. Expenses**

Administrative and general expenses include direct and indirect expenses that are not directly related to the cost. Revenue is in accordance with the IFRS for SMEs between administrative and general expenses and the cost of income on a fixed basis.

**O. Use of estimates in preparation of financial statements**

The preparation of the financial statements in accordance with the International Standard for SMEs approved by the Saudi Organisation for Certified Public Accountants requires the use of estimates and assumptions that may affect the amounts of assets and liabilities and clarifications of potential assets and liabilities at the balance sheet date, in addition to the amounts of income and expenses during that period. Although these estimates are based on the best information and current events available to management at a date issuance of financial statements, actual final results may differ from estimates and the bases on which these estimates are based are reviewed. The following are the estimates that affect the financial statements:

1. Depreciation rate for property, plant and equipment.
2. Impairment of assets.
3. Provision for end of service indemnities.
- 4 . Provision for Zakat.
5. Tax Provision.

**p. Financial Period**

The financial statements have been issued in accordance with the gregorian calendar year and start from 01/01/2019 to 31/12/2019.

**Q. General**

Figures in the financial statements are rounded to the nearest SAR.



**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**

Notes to the Financial Statements in 31/12/2019

(3) Property Plant & Equipment	Description	Cost		Additions		Disposals		Cost		Accumulated Depreciation		Depreciation		Accumulated Depreciation		Net Value	
		Beginning Year	Ending Year	Year	Year	Year	Year	Beginning Year	Ending Year	Year	Year	Beginning Year	Ending Year	Year	Year	Beginning Year	Ending Year
	Computer & Electric Equipments	158,061	158,061	0	0	0	0	75,821	105,846	30,025	105,846	52,215	52,215	82,240	82,240		
	Furnitures & Fixtures	410,685	314,451	0	96,234	0	0	112,025	183,246	71,221	183,246	131,205	131,205	298,660	298,660		
	Vehicles	3,270,819	3,270,819	0	0	0	0	761,294	995,106	233,812	995,106	2,275,713	2,275,713	2,509,525	2,509,525		
	Equipments and Machinery	6,973,802	5,751,794	430,872	1,652,880	0	0	2,260,162	3,873,258	1,613,096	3,873,258	1,878,536	1,878,536	4,713,640	4,713,640		
	<b>Total</b>	<b>10,813,367</b>	<b>9,495,125</b>	<b>430,872</b>	<b>1,749,114</b>	<b>0</b>	<b>0</b>	<b>3,209,302</b>	<b>5,157,456</b>	<b>1,948,154</b>	<b>5,157,456</b>	<b>4,337,669</b>	<b>4,337,669</b>	<b>7,604,065</b>	<b>7,604,065</b>		

**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**Notes to the Financial Statements in 31/12/2019**

**(4) Trade Receivables**

Description	31/12/2019	31/12/2018
	SAR	SAR
Customers	16,200,374	7,718,161
Accrued Revenue	19,610,400	45,075,802
Advance to suppliers	0	5,832,134
Retention Money	2,021,736	5,478,805
<b>Total</b>	<b>37,832,510</b>	<b>64,104,902</b>

**(5) Other Receivables**

Description	31/12/2019	31/12/2018
	SAR	SAR
Loans	5,500	55,500
Refunded Insurance	420,272	551,630
Receivables from sale of Property, plant and equipment	2,237,501	0
VAT	1,091,231	0
Other Receivables	44,601	724
<b>Total</b>	<b>3,799,105</b>	<b>607,854</b>

**(6) Cash & Cash Equivalents**

Description	31/12/2019	31/12/2018
	SAR	SAR
Cash	132,508	653,170
Bank	653,087	5,556,906
<b>Total</b>	<b>785,595</b>	<b>6,210,076</b>

**(7) Capital**

The Company's capital was set at SR 500,000 divided into 500 shares of equal value and value of each share is SAR 1,000 and the shares were distributed to the partners as follows:

Partners Name	Number of Shares	Value of Share	Total
Abdulaziz Alhammad	1,000	95	95,000
Mas Holding Company	1,000	150	150,000
Power Mech Projects Limited	1,000	255	255,000
<b>Total</b>	<b>-</b>	<b>500</b>	<b>500,000</b>

**(8) End of service Provision**

Description	31/12/2019	31/12/2018
	SAR	SAR
Balance at the Beginning of the Year	399,241	145,955
Current service cost	1,099,645	253,286
End of Service Provisions Paid	(832,534)	0
<b>Balance at the end of the Year</b>	<b>666,352</b>	<b>399,241</b>



**MAS POWERMECH ARABIA (Mixed Limited Liability Company)**  
**Notes to the Financial Statements in 31/12/2019**

(9) Related Parties	Partner Name	Nature	Balance as at 01 Jan 2019		Total Movement		Balance as at 31 Dec 2019	
			Debit	Credit	Debit	Credit	Debit	Credit
	Abdulaziz Alhammad	Finance/Trade	0	3,759,240	4,796,759	3,530,350	0	2,492,831
	Mas Holding Company	Finance/Trade	0	6,999,989	2,990,110	4,072,698	0	8,082,577
	Power Mech Projects Limited	Finance	0	577,437	353,328	1,558,033	0	1,782,142
	<b>Total</b>		<b>0</b>	<b>11,336,666</b>	<b>8,140,197</b>	<b>9,161,081</b>	<b>0</b>	<b>12,357,550</b>

MAS POWERMECH ARABIA (Mixed Limited Liability Company)

Notes to the Financial Statements in 31/12/2019

(10) Trade Payables

Description	31/12/2019 SAR	31/12/2018 SAR
Suppliers	22,259,431	31,473,784
Advance from Customers	4,617,019	10,665,196
Other Suppliers	106,635	136,103
<b>Total</b>	<b>26,983,085</b>	<b>42,275,083</b>

(11) Accrued Expenses & Other Payables

Description	31/12/2019 SAR	31/12/2018 SAR
Accrued Expenses	4,482,421	6,462,527
VAT	1,223,146	976,219
GOSI	103,012	1,308
<b>Total</b>	<b>5,808,579</b>	<b>7,440,054</b>

(12) Zakat & Tax Provisions

(A) Zakat Provisions (49% Saudi partner share)

Description	31/12/2019 SAR
Net loss	(9,036,545)
Provisions	326,512
<b>Adjusted net loss</b>	<b>(8,710,032)</b>
Capital	245,000
Additional Capital	960,784
Due to Related Parties	2,125,458
Statutory Reserves	122,500
Provisions	181,711
Retained Earnings	7,771,146
<b>Total</b>	<b>11,406,599</b>
Less: Property Plant & Equipment-Net	(2,125,458)
<b>Zakat Container</b>	<b>571,109</b>
<b>Zakat @ 2.5%</b>	<b>14,721</b>

(B) Tax Provisions (51% Foreign partner share)

Description	31/12/2019 SAR
Net loss (51%)	(9,405,383)
Provisions	339,840
Used provision	(203,613)
<b>Tax Container</b>	<b>(9,269,157)</b>
<b>Tax @ 20%</b>	<b>0</b>

(C) Provisions Movement

Description	31/12/2019 SAR	31/12/2018 SAR
Balance at the Beginning of the Year	1,429,596	727,894
Zakat during the year	14,721	181,711
Income Tax during the year	0	1,247,885
Zakat and tax paid during the year	0	(727,894)
<b>Balance at the end of the Year</b>	<b>1,444,317</b>	<b>1,429,596</b>



**MAS POWERMECH ARABIA (Mixed Limited Liability Company)****Notes to the Financial Statements in 31/12/2019****(D) Zakat and tax position**

The Company received Zakat and tax Certificate for the year ended 31/12/2017 valid until 30/04/2019, there has not been a final link to the accounts of the company for previous year there are no queries issued by the Zakat Authority. There is no request for statements or objections.

**(13) Cost of Revenue**

Description	31/12/2019 SAR	31/12/2018 SAR
Salaries & Wages	26,423,095	47,804,197
Inspection & Testing Charges	549,183	3,022,369
Equipment & Vehicle Hiring Charges	5,790,813	20,682,810
Operating Expenses	11,260,767	15,476,726
Radiography Expenses	2,299,965	4,462,911
Consultancy Expenses	2,259,334	4,430,486
Consumables & Spares	6,173,671	13,965,368
Rent Expenses	1,530,742	2,487,256
Government Expenses	2,518,099	5,203,236
Technical Services	0	2,618,595
Depreciation	1,363,708	1,384,912
<b>Total</b>	<b>60,169,377</b>	<b>121,538,866</b>

**(14) General & Administration Expenses**

Description	31/12/2019 SAR	31/12/2018 SAR
Salaries & Wages	5,284,301	11,214,108
Staff Welfare	1,113,470	12,411,680
Travelling & Transportation	706,583	1,248,787
Government Expenses	2,856,977	1,683,671
GOSI	937,130	2,092,462
Insurance	381,699	404,390
Electricity, Telephone & Post	569,247	1,222,544
Professional Fees	22,939	84,750
Printing & Stationery	97,008	121,054
Commission	270,973	444,339
Maintenance & Repair	954,906	1,015,270
depreciation	584,446	331,758
End of service	1,051,192	253,286
Penalties	482,948	0
Bank Expenses and currency exchange	284,779	139,323
Miscellaneous	4,232	748,227
<b>Total</b>	<b>15,602,830</b>	<b>33,415,649</b>

**(15 Fair value of Financial Instruments and Risk management**

Fair value is the amount for which an exchange is exchanged for the settlement of an obligation between knowledgeable and willing parties and the same is done in conditions of dealing with other parties. The fair values of the company's financial instruments are not materially different from their book value.

**Credit Risk**

Credit risk is the risk that a party will fail to discharge an obligation and cause the other party to incur a loss Financial assets arising from balances with banks, debtors and due from related parties, and payments and expenses made complete depositing cash with local banks with a high credit rating. The company manages credit risk in respect of customers through Set credit limits for customers individually by monitoring existing receivables and taking provisions For doubtful debts. Accordingly, there is no significant credit risk.

**Liquidity Risk**

Liquidity risk Is the risk that the Company will be unable to meet its financial liabilities when due. The Company monitors liquidity requirements on a monthly basis so that management ensures that sufficient funds are available to meet its obligations with the necessary support from partners.

**16- Reclassification**

The comparative figures for the previous year have been reclassified to conform with the presentation and disclosure for current year.

**(17) Subsequent events**

The presence of the new corona virus(Covid19) was confirmed at the beginning of 2020 and spread throughout the world including the Kingdom of Saudi Arabia, which caused the disruption of many companies and economic activities, the management considers this outbreak to be non- adjustable event in the balance sheet .since the is variable and rapidly evolving, management doesn't consider it possible determine a quantitive estimate of the potential impact of this outbreak on the entity's future financial statements at this period