SAMA HEALTHY WATER FACTORY CO.

(SAUDI CLOSED JOINT-STOCK COMPANY)

JAZAN - KINGDOM OF SAUDI ARABIA

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

SAMA HEALTHY WATER FACTORY CO.

(Saudi Closed Joint-Stock Company)

Financial statements for the year ended December 31, 2023

MOORE

El Sayed El Ayouty & Co.
Certified Public Accountants

Professional LLC
Paid Capital One Million Saudi Riyals
C.R. No. 4030291245
58 Al Watan Al Arabi St. Al Hamra'a Dist.
P.O.Box 780, Jeddah 21421
Kingdom of Saudi Arabia
T: 012 669 3478 / 665 8711
F: 012 660 2432
Head Office
www.elayouty.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS,
SAMA HEALTHY WATER FACTORY CO.
(SAUDI CLOSED JOINT-STOCK COMPANY)
JAZAN - KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sama Healthy Water Factory Co., (Saudi Closed Joint Stock Company), ("the Company")" which comprise the statement of financial position as at December 31, 2023, and the statements of profit or loss and other comprehensive income, statement of changes in shareholders" equity, and the statement of cash flows for the year then ended, and the notes accompanying to the financial statements from (1) to (37) and summary of the significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Sama Healthy Water Factory Co. as at December 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards as endorsed in the Kingdom Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the conduct. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Responsibilities of Management and Those Charged with Governance for the financial statements:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as endorsed in the Kingdom Saudi Arabia and other standards and pronouncements that issued by Saudi SOCPA, and the provisions of the Companies Law and the Company's Articles of Association and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 has no appropriate alternative but to do so.

The management's responsibility for the existence of appropriate accounting records maintained by the company, and the management's assurance that the data has been proven according to the law and that the data stated in the company's financial statements are consistent with the reports extracted from computer systems.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Independent 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS,
SAMA HEALTHY WATER FACTORY CO.
(SAUDI CLOSED JOINT-STOCK COMPANY)
JAZAN - KINGDOM OF SAUDI ARABIA
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS... (CONTINUED)

Independent Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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, misrepresentation, 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 insufficient, we are required 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 a fair presentation.

We communicate with the Board of Directors 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.

FOR EL SAYED EL AYOUTY & CO.

A. Balamesh

Abdullah Ahmed Balamesh
Certified Public Accountant
License No. (345)

السيد العيوطي وشركاه
محاسبون ومراجعون قانونيون
س.ت رقم ٤٠٣٠٢٩١٢٤٥
CERTIFIED PUBLIC ACCOUNTANTS
C.R. No. 4030291245
EL SAYED EL AYOUTY & CO.

Jeddah: March 25, 2024
Corresponding to: Ramadan 15, 1445H

SAMA HEALTHY WATER FACTORY CO.
(Saudi Closed Joint-Stock Company)

Statement of financial position as at December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment - net	6	68,912,381	74,598,900
Capital works in progress	7	134,521	107,999
Intangible assets - net	8	72,877	129,745
Right-of-use assets – net	9	2,764,612	4,638,628
Total non-current assets		**71,884,391**	**79,475,272**
Current assets			
Assets held for sale	10	-	3,105,580
Inventory	11	7,651,689	9,415,202
Trade receivables – net	12	4,254,928	4,318,564
Prepayments and other account receivables	13	6,015,795	2,915,449
Bank deposit	14	15,000,000	-
Cash and cash equivalent	15	3,925,917	12,870,749
Total current assets		**36,848,329**	**32,625,544**
Total assets		**108,732,720**	**112,100,816**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	16	50,000,000	45,000,000
Statutory reserve	17	3,058,653	3,058,653
Other reserves	18	17,926,153	18,307,475
Retained earnings		5,431,860	11,771,001
Total Shareholders' equity		**76,416,666**	**78,137,129**
Non-current Liabilities			
Lease liabilities - non-current portion	19	639,685	1,828,310
Long-term loan - non-current portion	20	11,508,365	13,853,797
Employees' defined benefit obligations	21	2,958,539	2,310,194
Total non-current liabilities		**15,106,589**	**17,992,301**
Current Liabilities			
Lease liabilities - current portion	19	1,188,678	1,610,660
Long-term loan - current portion	20	2,861,935	2,746,728
Trade payables	23	11,686,708	10,221,964
Accrued expenses and other payables	24	942,828	1,019,063
Provision for zakat	25	529,316	372,971
Total current liabilities		**17,209,465**	**15,971,386**
Total liabilities		**32,316,054**	**33,963,687**
Total Shareholders' equity and liabilities		**108,732,720**	**112,100,816**

The accompanying notes from (1) to (37) form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended December 31, 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Note	2023	2022
Continues operations			
Sales	**26**	87,428,490	84,546,421
Cost of sales	**27**	(45,805,039)	(49,128,905)
Gross profit		**41,623,451**	**35,417,516**
Selling and marketing expenses	**28**	(23,495,352)	(21,451,783)
General and administrative expenses	**29**	(7,365,749)	(7,357,812)
Income from operating activities		**10,762,350**	**6,607,921**
Other (expenses) / income	**30**	(261,599)	1,399,626
Finance charges	**31**	(739,191)	(904,653)
Net profit for the year before Zakat		**9,761,560**	**7,102,894**
Zakat	**25**	(529,077)	(372,971)
Net profit for the year from continues operations		**9,232,483**	**6,729,923**
Non-continues operations			
Losses on disposal of assets held for sale	**10**	(71,624)	-
Net profit for the year		**9,160,859**	**6,729,923**
Other comprehensive income			
Items that will not be subsequently reclassified to statement of profit or loss			
(Gains) / losses from re-measurement of employee defined benefit obligations	**21**	(381,322)	256,943
Other comprehensive income for the year		**(381,322)**	**256,943**
Total comprehensive income for the year		**8,779,537**	**6,986,866**
Earnings per share			
Basic earnings per share from net profit for the year	**32**	**0.19**	**0.15**

The accompanying notes from (1) to (37) form an integral part of these financial statements.

Statement of changes in shareholders' equity at December 31, 2023

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Other reserves	Retained earnings	Total
Opening balance - 2022	**45,000,000**	**2,385,661**	**18,050,532**	**5,714,070**	**71,150,263**
Net profit for the year	-	-	-	6,729,923	**6,729,923**
Other comprehensive income	-	-	256,943	-	**256,943**
Transferred to the statuary reserve	-	672,992	-	(672,992)	**-**
Balance at year-end 2022	**45,000,000**	**3,058,653**	**18,307,475**	**11,771,001**	**78,137,129**
Opening balance - 2023	**45,000,000**	**3,058,653**	**18,307,475**	**11,771,001**	**78,137,129**
Net profit for the year	-	-	-	9,160,859	**9,160,859**
Transferred from retained earnings to share capital	5,000,000	-	-	(5,000,000)	**-**
Other comprehensive loss	-	-	(381,322)	-	**(381,322)**
Dividends	-	-	-	(10,500,000)	**(10,500,000)**
Balance at year-end 2023	**50,000,000**	**3,058,653**	**17,926,153**	**5,431,860**	**76,416,666**

The accompanying notes from (1) to (37) form an integral part of these financial statements.

Statement of cash flows for the year ended December 31, 2023

(All amounts in Saudi Riyals unless otherwise stated)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit for the year before Zakat	**9,761,560**	**7,102,894**
Adjustments:		
Depreciation on property, plant, and equipment	8,412,474	8,914,819
Amortization of intangible assets	56,868	34,623
Depreciation on right-of-use assets	1,558,435	1,366,974
Settlements of right-of-use assets	-	36,151
Gains on disposal of property, plant and equipment	(160,495)	(39,000)
Allowance for expected credit losses	767,394	219,385
Finance costs of defined benefit employees	113,843	83,470
Employees' defined benefit obligations paid	361,716	477,664
	20,871,795	**18,196,980**
Changes in:		
Inventory	1,763,513	(1,681,618)
Trade receivables	(703,758)	(1,039,739)
Prepayments and other account receivables	(3,100,346)	(317,959)
Bank deposit	(15,000,000)	-
Trade payables	1,464,744	(896,910)
Accrued expenses and other payables	(76,235)	453,664
Zakat provision paid	(372,732)	(195,395)
Employees' defined benefit obligations paid	(208,536)	(824,588)
Net cash generated from operating activities	**4,638,445**	**13,694,435**
Cash flows from investing activities:		
Additions to property, plant and equipment	(1,521,945)	(1,054,099)
Additions to capital work in progress	(989,563)	(2,716,028)
Cash proceeds from disposal of property, plant and equipment	344,063	38,894
Net proceeds from assets held for sale	2,925,000	-
Additions of right-of-use assets	-	(3,319)
Net cash generated from / (used in) investing activities:	**757,555**	**(3,734,552)**
Cash flows from financing activities:		
Long-term loan	(2,230,225)	(4,234,321)
Lease liabilities	(1,610,607)	(2,217,606)
Dividends	(10,500,000)	-
Net cash (used in) financing activities	**(14,340,832)**	**(6,451,927)**
Net change in cash and cash equivalent	**(8,944,832)**	**3,507,956**
Cash and cash equivalents at beginning of year	**12,870,749**	**9,362,793**
Cash and cash equivalents at year-end	**3,925,917**	**12,870,749**
Other Non-cash transactions:		
Transferred from retained earnings to share capital	5,000,000	-
Gains / losses from re-measurement of employees' benefit obligations	381,322	(256,943)
Net transferred from right-of-use assets to property, plant and equipment	(315,581)	-
Transferred from Capital work in progress to property, plant and equipment	(963,041)	(3,952,186)
Transferred from Capital work in progress to intangible assets	-	(100,000)
Transferred from capital work in progress to right-of-use assets	-	(2,030,552)
Net transferred from property, plant and equipment to assets held for sale	(108,956)	3,105,580

The accompanying notes from (1) to (37) form an integral part of these financial statements.

Notes to the financial statements for the year ended December 31, 2023

(All amounts in Saudi Riyals unless otherwise stated)

1. General

1.1 Corporate information

Sama Healthy Water Factory Co. (a closed Saudi joint stock company) - headquartered in Jizan - was established in accordance with the Companies Regulation and registered in the commercial register in Jizan under number 5900012044 on 01/04/1429H, corresponding to 07/04/2008.

The company's activity is represented in the production and packaging of mineral water on site, and the company exercises its activity through an industrial establishment license dated 26/01/1429H issued by the Ministry of Industry and Mineral Wealth and was renewed under decision number 431102118571 dated 15/10/1443H and expires on 15/10/1446H.

On 10 Jumada Al-Awwal 1443H, corresponding to December 14, 2021, the legal entity of Sama Healthy Water Factory Company, registered in the commercial register number 5900012044 on 01/04/1429H corresponding to 07/04/2008, and its branches, was converted from a limited liability company to a closed Saudi joint stock company. This includes all its rights and obligations, labor, licenses, and all its financial, technical, administrative, and executive classification elements while retaining the same trade name and the number and date of the commercial register of the company and its branches after the transformation in accordance with the Companies Regulation issued by Royal Decree No. (M/3) dated 28/01/1437H and its regulations. The company's capital was set at 45 million Saudi Riyals.

On June 24, 2023 (corresponding to Thul-Hijjah 6, 1444H), the Extraordinary General Assembly of the Company has approved the increase in share capital by SR 5,000,000 so the total share capital becomes SR 50,000,000 by transferring the amount from retained earnings. The approval of share capital increase has been issued by official Authorities on July 9, 2023.

Address:

The Company's main headquarters is located in Jizan, next to the Industrial High School
P.O. Box 11, Jazan 4512, Kingdom of Saudi Arabia
Phone No. 920000254

Branches: The Company has the following branches:

S/N	City	CR No.	Date	Branch activity
1	Jeddah	4030397699	22/3/1442 H	Wholesale of various types of mineral water, distribution centers for food and beverages.
1	Al-Qonfudah	4603009231	9/3/1439 H	Production of editable ice
3	Khamis Mushait	5855057900	4/5/1438 H	Distribution centers for food and beverages, warehouses for refrigerated food items.
4	Farasan	5908516107	1/11/1444 H	Goods land transportation
5	Jazan	5900114589	8/2/1440 H	Production of ice used in cooling
6	Al-Qonfudah	4603154430	19/3/1443 H	Distribution centers for food and beverages.
7	Farasan	5908515999	16/4/1443 H	Production of editable ice

1.2 Fiscal year

The fiscal year commences on January 1 and ends on December 31 of same year.

2. Basis of preparation

2.1. Compliance with Accounting Standards Applied

These financial statements were prepared in accordance with International Financial Reporting Standards (“IFRSs”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (collectively referred to as “International Financial Reporting Standards endorsed in Kingdom of Saudi Arabia”).

2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis using the accrual accounting principle, except for the employee defined benefit obligation, which is measured on the basis of the present value of the defined benefit obligation using the projected unit credit method.

2.3. Functional and presentation currency

The financial statements are presented in Saudi Riyals, which is the functional and presentation currency of the Company.

2.4. Going concern Basis

When preparing the accompanying financial statements, the Company’s management has made an assessment of its ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to twelve months after the end of the reporting period.

3. Significant accounting judgments and estimates

The preparation of these financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosures. These estimates are based on underlying assumption related to historical experience and various other factors that are believed to be reasonable in these circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimate is modified if the modification affects current and future periods. The significant judgments and estimates have the most significant effect on the amounts recognized in the financial statements are as follows:

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the option to extend or terminate. The assessment is reviewed if a material event or a significant change in circumstances has occurred that affects this assessment. During the current financial year, there was no material financial impact of revising the terms of the lease contracts to reflect the impact of exercising extension or termination options.

Item	Lease term - years
Vehicles	3
Offices and warehouses	5 - 8

Depreciation and amortization on non-current assets

Depreciation and amortization are recognized to write off the cost of assets less their residual value over their useful lives using the appropriate method. The Company's management estimates useful lives, residual values and depreciation method and reviews them at the end of each reporting period. The impact of any changes in estimate is calculated on a prospective basis.

Allowance for expected credit losses on trade receivables

Management's determination of expected credit losses in trade and other receivables requires taking into consideration certain future factors when calculating the probability of default. Estimates may differ from actual circumstances.

3. Significant accounting judgments and estimates (continued)

Zakat and VAT

When the amount of zakat, tax liability or assets are an uncertain, the Company recognizes the provision that reflects management's best estimate as a more probable outcome based on facts known in the relevant jurisdiction. Any differences between the zakat estimates and final zakat assessments are charged to the statement of profit or loss in the period in which they are incurred, unless expected.

Impairment of financial assets

Impairment of financial assets at the end of each reporting period, the Company estimates the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In the event of this indication, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Provision for obsolete, slow moving and Inventory.

The Management creates a provision for obsolete and slow moving inventories damaged. Estimates of the net realizable value of inventories are based on To reliable evidence at the time the estimates were methods and. These estimates take into account Exchange or cost fluctuations directly related to events occurring after the date administrative to the extent that these events such confirm conditions existing at the end of the year.

Contingent liabilities

By default, contingent liabilities will only be resolved upon the occurrence or non-occurrence of one or more future events. The assessment of such contingencies inherently involves exercise of significant judgment and estimates of the outcome of future events.

Employees defined benefit obligations

Other long-term employee benefits obligations are measured at the present value of the estimated future cash flows expected to be by the Company in respect of services provided by employees up to the date of the Report.

The Company determines the appropriate discount rate at each balance sheet date. In determining the appropriate discount rate, management takes into account the interest rates for corporate bonds denominated in the currency in which the benefits will be paid and which have maturity periods approximating the expected term of the related pension obligation.

Referring to disclosure number 21 for further information on the primary sources of uncertain estimates regarding employee benefit obligations.

4. New and amended standards and interpretation

A. New and amended standards that have no material impact on the financial statements

The following are the last changes of IFRS for SMEs that required to be approved in the annual periods effective in January 1, 2023:

- IFRS 17: Insurance Contract
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12: Income Tax
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)
- International tax reforms - Pillar two model rules (Amendments to IAS 12)

The application of the revised IFRSs did not have any material impact on the amounts reported for current periods.

B. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- Classification of liabilities as current or non-current (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Lease Liabilities in a Sale and Leaseback (Amendments to IFRS 16), effective for annual periods beginning on or after 1 January 2024.
- Non-current Liabilities with Covenants (Amendments to IAS 1), effective for annual periods beginning on or after 1 January 2024.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28), effective for annual periods beginning on or after January 1, 2024.
- IFRS S1 - General requirements for disclosure of sustainability – related financial information, effective for the annual periods beginning on or after January 1, 2024 with early application permitted as long as IFRS S2 climate-related disclosure is also applied.
- IFRS S2 – Climate related disclosures, effective for annual periods beginning on or after 1 January 2024 with early application permitted as long as IFRS S1 general requirements for disclosure of sustainability - related financial information is also applied.

The above-mentioned standards are not expected to have a material impact on the financial statements.

5. Summary of significant accounting policies:

The accounting policies described below have been consistently applied when preparing the company's financial statements in all periods presented.

5.1. Fair value measurement

The company measures some financial instruments and non-financial assets according to the fair value at the statement of financial position date.

Fair value is the price 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- Sale or transfer in the principal market for the asset or liability, or
- A sale or transfer in a market other than the principal, i.e. in the most advantageous market for the asset or liability.

The company must have access to the principal market or the most favorable market. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate for the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Inputs are quoted prices asset markets for identical assets (unadjusted) of similar obligations,
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The Company's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Company identified classes of assets and liabilities based on their nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy, as described above.

5.2. Foreign currency translation

The financial statements are presented in Saudi Riyals, which is the Company's functional currency. Foreign transactions are translated into the company's functional currency at the exchange rate on the transaction dates. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the date of the preparation of the financial statements. Assets and liabilities measured at fair value in a foreign currency are translated at the exchange rates used when determining their fair values. Also, non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. In general, currency differences are recognized in the income statement, except for currency differences arising from items recognized in other comprehensive income.

5. Summary of significant accounting policies (continued)

5.3. Classification of assets and liabilities based on current / non-current:

The Company presents assets and liabilities in the statement of financial position based on current / non-current classification:

An asset is current when:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period;
- The asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- Held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The terms of the liability can, at the option of the counterparty, be settled by issuing equity instruments without affecting its classification.

The company classifies all other liabilities as non-current.

5.4. Cash and Cash equivalents

Cash and cash equivalents include cash balances in bank and cash in hand. The statement of cash flows is prepared according to the indirect method.

5.5. Inventories

Inventories are stated at the lower of cost or net realizable value. Any reduction in the net realizable value is recorded as an expense in the period in which the reduction occurs. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion, marketing, selling, and distribution to complete the sale.

Costs are determined using the weighted average method; in the case of a decline in the value of inventory, the carrying amount is reduced to the selling price minus the costs to complete and sell, and the loss from the decline in value is directly recognized in the profit or loss statement.

An estimate is made of inventory's net realizable value. For individually significant amounts this estimation is performed on an individual basis. This is performed when the product belongs to the same production line (which similar has a purpose and final use) and they are marketed in the same geographical area.

Provision is made for slow-moving, obsolete and damaged Inventory. Damaged inventory is identified and recorded when physical inventory is performed. The allowance for obsolete and slow-moving inventory is assessed by each inventory category as part of the ongoing financial reporting process. Obsolescence is evaluated based on a comparison of inventory levels with expected future sales. Inventory is comprised of:

Inventory	**Utilized cost**
Raw materials	Weighted average cost
Finished goods	Weighted average cost
Spare parts	Weighted average cost

(All amounts in Saudi Riyals unless otherwise stated)

5. Summary of significant accounting policies (continued)

5.6. Property, plant and equipment

5.6.1. Recognition and measurement

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, where the company recognizes the revaluation of land and recognizes the surplus or deficit in the statement of other comprehensive income. The cost includes all costs directly attributable to bringing the asset to the site and in the condition necessary for it to be able to operate in the manner intended by management. The cost consists of the purchase price, including non-refundable import duties and purchase taxes, after deducting trade discounts and rebates.

An entity adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is charged, if the replacement part is expected to provide additional future benefits to the entity, and derecognizes the carrying amount of those parts that are replaced. All other repairs and maintenance expenses are charged to the statement of profit or loss during the period in which they are incurred.

If the main components of an item of property, plant and equipment have different patterns - in a fundamental way - to consume economic benefits, then the initial cost of the asset is allocated to its main components and each component is consumed separately - over its useful life.

Gains or losses arising from derecognition of an item of property, plant and equipment are recognized in the profit or loss statement.

5.6.2. Deprecation

The value of the depreciable property, plant and equipment item - which is the cost of the asset less its residual value - is depreciated according to the straight-line method over the estimated useful life of each type of property, plant and equipment, and the depreciation is charged to the profit or loss statement. The estimated useful lives are as follows:

Item	Depreciation (years)	Item	Depreciation (years)
Buildings	10 - 20	Computer and printers	4
Plant and equipment	10 - 16	Electrical devices	4
Vehicles	4	Refrigerators	4
Furniture and Fixtures	10		

The residual value and useful lives of property, plant and equipment are reviewed in the event that there are indications of significant changes since the date of preparation of the last annual report, and are amended prospectively if necessary.

5.7. Capital work in progress

Capital work in progress at year end includes certain assets (property, plant, equipment and intangible assets) that have been acquired but are not ready for their intended use. Capital work in progress is stated at cost less any recorded impairment. These assets are transferred to relevant assets categories and are depreciated once they are available for their intended use.

5.8. Intangible assets

Intangible assets acquired independently are initially recognized at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if they exist.

Internally generated intangible assets are not capitalized, and the related expenses are recognized in the income statement in the period in which they are incurred.

Intangible assets are considered to have a definite useful life. If the company is unable to make a reliable estimate of the useful life, it is presumed that the useful life is ten years. Intangible assets are amortized on a straight-line basis over their useful lives as follows:

Item	Depreciation (years)
Software and apps	4

The residual value and useful lives of intangible assets are reviewed in the event that there are indications of significant changes since the date of preparation of the last annual report, and are amended prospectively if necessary.

5. Summary of significant accounting policies (continued)

5.9. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Recognition and initial measurement

Trade receivables are initially recognized at their inception. All financial assets and other financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. The initial measurement of a financial asset (unless it is a trade receivable without a significant financing component) or financial liability is at fair value plus transaction costs that are directly attributable to its acquisition or issue, for an item not classified at fair value through profit or loss. Trade receivables without a significant financing component are initially measured at the transaction price.

B. Classification and measurement of financial assets and liabilities

At initial recognition, financial assets are classified as measured at amortized cost, or at fair value through other comprehensive income - investments in debt instruments, or at fair value through other comprehensive income - investments in equity instruments, or at fair value through profit or loss. The classification of financial assets under International Financial Reporting Standard 9 is typically based on the business model in which the financial assets are managed and the characteristics of their contractual cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met, and was not designated at fair value through profit or loss.

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

C. Financial liabilities - Classification, measurement, and profits and losses

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, or is a derivative or is so designated upon initial recognition. Financial liabilities at fair value through profit or loss are recognized and net gains and losses, including any interest expense, are presented in the profit or loss statement. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in the profit or loss statement. Any gain or loss is recognized in the statement of profit or loss.

D. Derecognition

Financial assets

Management derecognizes financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual rights to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the financial asset.

Financial liabilities

Liabilities are derecognized when the contractual obligations are discharged, canceled or expired. Management also derecognizes financial liabilities when their terms are modified, and the cash flows of the modified liabilities substantially differ. In such cases, new financial liabilities are recognized based on the modified terms at their fair value.

E. Offsetting

Offsetting between the amounts of financial assets and liabilities is conducted, and the net amount is presented in the statement of financial position only when the company currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Upon the derecognition of financial liabilities, the difference between the carrying amount amortized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5. Summary of significant accounting policies (continued)

5.9 Financial instruments (Continued)

F. Impairment of financial Assets

The company's management recognizes loss allowances for expected credit losses on financial assets measured at amortized cost and contract assets. Management estimates the loss allowances at an amount equal to the lifetime expected credit losses.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month expected credit losses: This expected reimbursement loss arises from default and potential default events within 12 months after the reporting date
- Lifetime expected credit losses: These are the credit losses expected to result from possible default events within the 12 months following the reporting date.

When determining whether the credit risk on a financial asset has increased significantly since initial recognition and when estimating expected credit losses, management considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment, including forward-looking information.

Management assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

Management considers a financial asset to be in default when:

- It is unlikely that the debtor will fulfill its credit obligations to the company in full, without the company having to take actions such as realizing collateral (if any); or
- The financial asset is past due in terms of the contractual terms agreed upon with the clients.

An expected credit loss is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows the company expects to receive). Expected credit losses are discounted at the asset's effective interest rate.

5.10. Right-of-use assets

The right-of-use assets are presented at the present value of the minimum lease payments, less accumulated depreciation. Depreciation of the right-of-use assets is calculated on the basis of the expected useful life using the straight-line method, in accordance with the following percentages:

Item	Depreciation (years)
Vehicles	4 - 5
Offices and warehouses	5 - 8

The residual value and useful lives of right-of-use assets are reviewed in the event that there are indications of significant changes since the date of preparation of the last annual report, and are amended prospectively if necessary.

5. Summary of significant accounting policies (continued)

5.11. Employee defined benefit obligations

A. Short-term employee benefits

Liabilities for wages and salaries including non-cash benefits and accumulated unused paid leave that are expected to be fully settled within 12 months after the end of the period in which the employees render the related service are recognized in respect of employee services up to the end of the reporting period and are measured at amounts expected to be paid when settlement of obligations. The liabilities are presented as current employee benefit obligations under accruals in the statement of financial position.

B. Employees end of service indemnity

The liability or asset recognized in the statement of financial position in respect of defined benefits. The employee end of service benefit plan is the present value of the defined benefit obligation at the end of the financial year. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in the currency in which the benefits will be paid and that have terms approximating those of the related obligation. Defined benefit costs are classified as follows:

B.1. Cost of service

Service costs include current service cost and past service cost is recognized immediately in profit or loss. Changes in the present value of the defined benefit obligations resulting responses plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

B.2. Cost of interest

The net interest cost is calculated by applying the discount rate to the net defined benefit obligation balance. This cost is included in employee benefits expense in the statement of profit or loss.

B.3. Re-measurement profits or losses

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumptions in the year in which they occur are recognized directly in other comprehensive income.

5.12. Leasing

The company rents various offices, equipment, cars and warehouses, and the contracts may contain leasable and non-leasable components. The Company allocates the consideration in the Contract to the leased and non-leasable components based on their relative stand-alone prices unless it has elected not to separate the leased and non-leasable components and instead accounts for them as a single lease component. Leases are recognized as a right-of-use asset and a corresponding liability on the date that the leased asset is available for use by the Company.

A. Right-of-use assets

The Company recognizes a right to use assets on the lease commencement date (ie the date the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the commencement date, less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter lease term and the estimated useful lives of the assets.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right to use assets are subject to impairment.

5. Summary of significant accounting policies (continued)

5.12 Leases (continued)

B. Lease liability

At the commencement date, the Company measures the holding lease liability that were measured as the present value of lease payments payable over the lease term. Lease payments include fixed payments (including immaterial fixed payments) less any lease incentives accrued, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option that is reasonably certain to be exercised by the Company and the payment of penalties for terminating the lease if the lease term reflects the Company exercising the option to terminate.

Lease payments to be made in the future under reasonable extension options are also included in the measurement of the liability.

Lease payments are discounted using the interest rate included in the lease. If that price cannot be readily determined - and generally does for corporate leases - then the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the money needed to acquire an asset of similar value to the right-of-use asset in a similar economic environment with similar security and terms.

The Company is exposed to potential future increases in variable lease payments based on an index or rate that are not included in the lease obligation until they become effective. When adjustments to lease payments based on an index or rate become effective, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are apportioned between capital and finance cost. The financing cost is charged to the statement of profit or loss over the period of the lease contract in order to produce a fixed periodic rate of interest on the remaining balance of the obligation for each period.

Payments associated with short-term leases and low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss.

Amounts due from tenants under finance lease contracts are recorded as receivables of the value of the Company's investment in the relevant lease contracts. Income from finance leases is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the relevant lease contracts.

Rental income from operating leases when the Company is a lessor is recognized in income on a straight-line basis over the term of the lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as rental income. The related leased assets are included in the statement of financial position on the basis of their nature.

5.13. Revenues

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15, which are as follows:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or service to the customer.

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of any other parties.

Step 4 – to the performance obligations in the contract: Where a contract has multiple performance obligations, the Management will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Management expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

5. Summary of significant accounting policies (continued)

5.13. Revenues (continued)

The Company satisfies a performance obligation and recognizes revenue over time, if one of the criteria is met:

- The company's fulfillment of the obligation does not create assets with alternative uses for the company, and the company has the right to collect the amount for the completed performance to date.
- The company's performance results in the creation or enhancement of an asset that is controlled by the customer as either an underlying or enhanced asset.
- The customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs its work.

For performance obligations where none of the above conditions are met, revenue is recognized at the time the performance obligation is satisfied. Revenue is recognized net of returns and trade liabilities.

A. Sale of Mineral Water

Revenue from the sale of mineral water is recognized at the point in time when control of the goods is transferred to the customer, generally upon delivery of the goods to the customer's site or, in most cases, when they are sold directly. The standard credit term is 30 to 90 days upon delivery.

If there are other promises in the contract, the company considers them separate performance obligations and allocates a portion of the transaction price to them (for example, warranties and customer loyalty points). When determining the transaction price for the sale of mineral water, the company takes into account the effects of variable consideration, the significance of a financing component, non-cash consideration, and consideration payable to the customer (if any).

B. Other revenues

Other income is recognized on an accrual basis.

C. Contract balances

C.1. Contract assets

Contract assets are initially recognized for earned revenues from the sale of mineral water because the receipt of consideration is conditional on successful completion of the delivery. Upon the required product's delivery and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables.

C.2. Trade receivables

Trade receivables are recognized when the unconditional right to consideration is due from the customer (for instance, only the passage of time is required before payment of the consideration is due).

C.3. Contract liabilities

A contract liability is recognized in the case of receiving a payment amount or becoming due (whichever is earlier) from the customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue primary when the company performs the contract (i.e. transfers control of related goods or services to the customer).

5.14. Value Added Zakat Tax

Zakat

The company is subject to zakat in accordance with the regulations issued by the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia. A provision for zakat is formed on the accrual basis, and this provision is charged to the statement of profit or loss and other comprehensive income. The zakat provision is calculated according to the zakat base or the adjusted net profit, whichever is greater. Recording any differences in the estimates between the calculated zakat and the final assessment (if any) within the profit or loss in the year in which the assessment is finalized. Zakat is calculated on the basis of 2.5% of the zakat base or adjusted net income, whichever is greater.

Value Added Tax

The company is subject to the value-added tax system, and the tax is calculated as soon as the invoice is issued, the commodity is delivered, or the price or part of it is received. The value-added tax return is submitted on a quarterly basis.

5. Summary of significant accounting policies (continued)

5.15. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present liabilities, its carrying amount is the present value of those cash flows. The provision should be reviewed at the end of each reporting period if future outflows are not likely, and the provision should be reversed.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the debtor is recognized as an asset and not as a reduction of the provision required. Also, the amount to be recognized as an asset should not exceed the amount of the provision if it is virtually certain that payment will be received and the due amount can be measured reliably.

Contingent assets and liabilities are potential rights and obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

5.16. Expenses

A. Cost of sold goods

The cost of goods sold is determined on the basis of production or purchase cost, adjusted for inventory changes. All other expenses, including those related to advertising and promotion, are recognized when the company assumes the risks and rewards of ownership of the goods or upon receipt of services.

B. Selling and marketing expenses

Selling and marketing expenses include all costs of selling and marketing the company's products and encompass advertising expenses, marketing fees, and other indirect costs related to sales. Allocations between cost of revenue and general and administrative expenses are made on a consistent basis, if required.

C. General and administrative expenses

General and administrative expenses include direct and indirect costs that are not specifically part of cost of revenue sales Certified Public. Allocations between cost of revenue and general and administrative expenses are made on a consistent basis, if required.

5.17. Borrowing costs

Borrowing costs directly attributable to the purchase or construction of inventory properties that take a substantial period of time to be constructed or prepared to be ready for the purpose for which they were built or for sale are capitalized as part of the cost of that asset. Capitalization begins when (1) the company incurs expenses for the asset, (2) the company incurs borrowing costs, and (3) the company undertakes activities necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of the interest and other costs that an entity incurs in borrowing funds. Capitalized interest is calculated using the company's weighted average cost of borrowings adjusted for borrowings relating to specific development work. Where the loans relate to a specific development, the capitalized amount is the total interest on those loans less the investment income generated from the temporary investment. Interest is capitalized from the commencement of the development work until the date of actual completion. Capitalization of financing costs is suspended if there are long periods when the development activity is suspended. Interest is also capitalized on the cost of purchasing a site that has been specifically acquired for development, but only when the necessary development activities are in progress.

5. Summary of significant accounting policies (continued)

5.18. Related party transactions

Transactions with related parties include the transfer of resources, services, obligations or financing between the Company and the related party, regardless of whether such transactions are conducted on terms equivalent to those prevailing in an arm's-length transaction.

A related party is a person that is related to the company or a close member of that person's family is related to the company if that person:
- is a member of the key management personnel of the company;
- has control or joint control over the company;
- has significant influence over the company's decision-making process and policies.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors whether executive or otherwise of the entity.

An entity is related to the company if any of the following conditions applies:
- The entity and the company are members of the same group or both entities are jointly owned;
- One entity is an associate or joint venture of the group;
- The entity is controlled by the company or vice versa or the entity and the company are jointly controlled.

5.19. Events subsequent to the financial position date

The company adjusts the financial statements in the event of a post-reporting period occurrence that provides additional evidence about conditions that existed at the end of the reporting period, including any event indicating that the going concern assumption regarding all or part of the enterprise is not appropriate. These adjustments are made up until the date the financial statements are authorized for issue by the board of directors.

5.20. Segmental information

The operating segments have been presented in consistent with the internal reports submitted to the Board of Directors and the Chief Executive Officer who are responsible for evaluating the financial performance and the financial position of the Company plus making strategic decisions.

An operating segment is a group of assets and operations:

- That engage in revenue-generating activities,
- Results of its operations are continuously analyzed by the management in order to make decisions related to resources allocation and performance assessment, and
- For which detailed financial information is available.

5.21. Earnings per share

Basic earnings per share and diluted earnings per share (if any) are presented for ordinary shares. Basic earnings per share are calculated by dividing the Company's profit or loss attributable to common shareholders by the weighted average number of common shares outstanding during the year, after being adjusted by the number of ordinary shares repurchased or issued during the period. Diluted earnings per share is calculated by adjusting diluted profit or loss of the Company's ordinary shareholders and the weighted average number of shares outstanding during the year compared to dilutive potential ordinary shares during the period.

(All amounts in Saudi Riyals unless otherwise stated)

6. Property, plant and equipment - net

	Lands	Buildings	Plant and equipment	Vehicles	Furniture and Fixtures	Computer and printers	Electrical devices	Refrigerators	Total
Cost:									
Balance at 1 January 2022	18,534,155	13,658,147	69,776,782	10,607,316	691,923	474,552	3,015,722	9,978,965	**126,737,562**
Additions during the year	-	-	296,109	2,734	68,873	35,976	72,907	577,500	**1,054,099**
Transfers from capital work in progress	-	1,347,672	-	525,000	-	-	1,254,634	824,880	**3,952,186**
Transferred to assets held for sale	-	-	(12,828,589)	-	-	-	-	-	**(12,828,589)**
Disposals during the year	-	-	-	(319,794)	-	-	-	-	**(319,794)**
Balance at 31 December 2022	**18,534,155**	**15,005,819**	**57,244,302**	**10,815,256**	**760,796**	**510,528**	**4,343,263**	**11,381,345**	**118,595,464**
Balance at 1 January 2023	18,534,155	15,005,819	57,244,302	10,815,256	760,796	510,528	4,343,263	11,381,345	118,595,464
Additions during the year	-	-	311,842	793,550	55,373	37,023	134,357	189,800	**1,521,945**
Transfers from capital work in progress	-	-	-	-	-	-	251,245	711,796	**963,041**
Transferred from right-of-use assets	-	-	-	4,297,137	-	-	-	-	**4,297,137**
Disposals during the year	-	-	(1,060,000)	(462,951)	-	-	(74,000)	(1,460)	**(1,598,411)**
Balance at 31 December 2023	**18,534,155**	**15,005,819**	**56,496,144**	**15,442,992**	**816,169**	**547,551**	**4,654,865**	**12,281,481**	**123,779,176**
Accumulated depreciation									
Balance at 1 January 2022	-	3,394,310	22,056,975	9,646,853	209,510	328,642	2,058,050	7,430,314	**45,124,654**
Deprecation	-	748,572	5,932,290	417,247	72,781	66,967	476,119	1,200,843	**8,914,819**
Transferred to assets held for sale	-	-	(9,723,009)	-	-	-	-	-	**(9,723,009)**
Disposals	-	-	-	(319,900)	-	-	-	-	**(319,900)**
Balance at 31 December 2022	**-**	**4,142,882**	**18,266,256**	**9,744,200**	**282,291**	**395,609**	**2,534,169**	**8,631,157**	**43,996,564**
Balance at 1 January 2023	-	4,142,882	18,266,256	9,744,200	282,291	395,609	2,534,169	8,631,157	**43,996,564**
Deprecation	-	814,428	4,762,215	775,641	76,596	65,857	670,411	1,247,326	**8,412,474**
Transferred from right-of-use assets	-	-	-	3,981,556	-	-	-	-	**3,981,556**
Transferred to assets held for sale	-	-	(108,956)	-	-	-	-	-	**(108,956)**
Disposals	-	-	(962,000)	(440,375)	-	-	(12,468)	-	**(1,414,843)**
Balance at 31 December 2023	**-**	**4,957,310**	**21,957,515**	**14,061,022**	**358,887**	**461,466**	**3,192,112**	**9,878,483**	**54,866,795**
Net book value:									
Balance at December 31, 2023	**18,534,155**	**10,048,509**	**34,538,629**	**1,381,970**	**457,282**	**86,085**	**1,462,753**	**2,402,998**	**68,912,381**
Balance at December 31, 2022	**18,534,155**	**10,862,937**	**38,978,046**	**1,071,056**	**478,505**	**114,919**	**1,809,094**	**2,750,188**	**74,598,900**

Notes to the financial statements for the year ended December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

6. Property, plant and equipment net (continued)

6.1. Ownership of the agricultural land located in Al-Junaih area in Abu Arish city, under deed number 772106001314 dated 1/8/1442H (corresponding to 14/03/2021), was transferred to Sama Healthy Water Factory Company.

The Company conducted a revaluation of the land asset in 2019 through an accredited appraiser with membership number 210001165. This resulted in a revaluation surplus of SAR 18,041,355, was recognized in the statement of other comprehensive income.

6.2. The depreciation on property, plant, and equipment has been charged as follows:

	2023	2022
Cost of sales (note 27)	5,487,835	6,603,754
Selling and marketing expenses (note 28)	2,010,851	1,680,906
General and administrative expenses (note 29)	905,124	613,002
capital work in progress (note 7)	8,664	17,157
Total	**8,412,474**	**8,914,819**

6.3. There are no mortgages or restrictions on property, plant and equipment against long term loans. The Company also has no financial commitments to purchase property, plant and equipment.

7. Capital - work in progress

	2023	2022
Balance at beginning of the year	107,999	3,474,709
Additions during the year	980,899	2,698,871
Depreciation of property, plant and equipment (note 6. 2)	8,664	17,157
Transfers to property, plant and equipment (note 6)	(963,041)	(3,952,186)
Transfers to intangible assets (note 8)	-	(100,000)
Transfers to right-of-use assets (note 9)	-	(2,030,552)
Balance at end of the year	**134,521**	**107,999**

The management completed the following projects during the year 2023: the security and safety network in Farasan, the security and safety network in Jizan, the security and safety network in Jeddah. The project of the administrative building above the desalination plant, the project of security and safety network in Taif, the internet project of Sama Healthy Water Factory Co. in Jizan and the construction project for the preform factory for closure are still in progress.

8. Intangible assets - net

	Software and apps	Total
Cost		
Balance at January 1, 2023	271,000	271,000
Balance at December 31, 2023	**271,000**	**271,000**
Gross amortization		
Balance at January 1, 2023	141,255	141,255
Amortization during the year	56,868	56,868
Balance at December 31, 2023	**198,123**	**198,123**
Net book value:		
Balance at December 31, 2023	**72,877**	**72,877**
Balance at December 31, 2022	**129,745**	**129,745**

(All amounts in Saudi Riyals unless otherwise stated)

9. Right-of-use assets - net

	Vehicles	Offices and warehouses	Total
Balance at January 1, 2023	7,405,546	1,865,626	**9,271,172**
Transferred to property, plant and equipment	(4,297,137)	-	**(4,297,137)**
Balance at December 31, 2023	**3,108,409**	**1,865,626**	**4,974,035**
Total depreciation			
Balance at January 1, 2023	4,005,981	626,563	**4,632,544**
Deprecation during the year	1,234,845	323,590	**1,558,435**
Transferred to property, plant and equipment	(3,981,556)	-	**(3,981,556)**
Balance at December 31, 2023	**1,259,270**	**950,153**	**2,209,423**
Net book value:			
Balance at December 31, 2023	**1,849,139**	**915,473**	**2,764,612**
Balance at December 31, 2022	**3,399,565**	**1,239,063**	**4,638,628**

Right-of-use assets contracts represent vehicles the Company has number of which 32 truck. These contracts obligate the Company to purchase the leased assets at the end of the lease term, with no sale, transfer, or disposal of the assets during the contract period.

Right-of-use assets contracts represent office and warehouses the Company has number of which 3 warehouses. These contracts obligate the Company to pay the amounts at agreed-upon times and not to dispose of or transfer the warehouses without obtaining the lessor's consent.

10. Assets held for sale

	2023	2022
Cost		
Balance at beginning of the year	12,828,589	12,828,589
Disposals	(12,828,589)	**-**
Balance at end of the year	**-**	**12,828,589**
Accumulated depreciation		
Balance at beginning of the year	9,723,009	8,440,150
Deprecation during the year	108,956	1,282,859
Disposals	(9,831,965)	-
Balance at end of the year	**-**	**9,723,009**
Net book value:		
Balance at end of the year	**-**	**3,105,580**

On January 31, 2023, the Company entered into an agreement of selling a production line with a net book value of SR 2,996,624. During the period, the production line has been delivered to the buyer after receiving the full agreed-upon sale amount of SR 3,000,000. The total expenses incurred related to sale of the production line amounted to SR 75,000 which resulted in a net loss of SR 71,624, the details of which are as follows:

	2023
Cost of assets held for sale	12,828,589
Accumulated depreciation	(9,831,965)
Net book value	**2,996,624**
Sale commission	75,000
Selling value	(3,000,000)
Losses on disposal of assets held for sale	**71,624**

(All amounts in Saudi Riyals unless otherwise stated)

11. Inventory

	2023	2022
Raw materials	3,385,521	4,634,363
Finished goods	2,085,689	2,949,798
Spare parts	2,180,479	1,831,041
Total	**7,651,689**	**9,415,202**

12. Trade receivables - net

	2023	2022
Trade receivables	5,636,046	4,932,288
Less: Provision for expected credit losses (note 12.1)	(1,381,118)	(613,724)
Total	**4,254,928**	**4,318,564**

12.1. Provision for expected credit losses

	2023	2022
Balance at January 1	613,724	394,339
Provided during the year (note 28)	767,394	219,385
Balance at December 31	**1,381,118**	**613,724**

13. Prepayments and other account receivables

	2023	2022
Employees' receivables	1,416,762	1,078,206
Employees advances	66,703	45,058
Insurance with others	590,550	590,550
Prepaid expenses	1,189,883	729,390
Prepayments to trade receivables	2,751,897	472,245
Total	**6,015,795**	**2,915,449**

13.1. Expenses prepaid and other receivables do not include any assets that have experienced an impairment and do not expose to material credit risks at December 31, 2023.

14. Bank deposit

	2023	2022
Bank deposit	15,000,000	-
Total	**15,000,000**	**-**

At September 17, 2023, the Company invested SR 15 million in one of the local banks for one year with an annual return of 5.77% of the investment amount. The deposit connection ends on September 17, 2024.

15. Cash and cash equivalents

	2023	2022
Cash on hand	25,029	180,088
Bank balances at – local	3,874,103	12,663,876
Bank balances at – Foreign currency	26,785	26,785
Total	**3,925,917**	**12,870,749**

The Company holds bank balances with reputable local banks, and the management believes that these banks have historically demonstrated stable performance and satisfactory credit ratings, which do not expose any cash assets to impairment or material credit risks at December 31, 2023.

Notes to the financial statements for the year ended December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

16. Share capital

- As of December 31, 2023, the Company's share capital amounted to 50,000,000 Saudi Riyals (December 31, 2022: 45,000,000 Saudi Riyals), consisting of 50,000,000 shares (December 31, 2022: 45,000,000 shares) fully paid with a nominal value of 1 Saudi Riyals per share.

On June 24, 2023 (corresponding to Thul-Hijjah 6, 1444H), the Extraordinary General Assembly of the Company has approved the increase in share capital by SR 5,000,000 so the total share capital becomes SR 50,000,000 by transferring the amount from retained earnings. The approval of share capital increase has been issued by official Authorities on July 9, 2023.

17. Statutory reserves

According to the Company's Articles of Association dated 5/7/2023 (corresponding to 17/12/1444H) and complying with the Companies' Regulations, establishment of statutory reserve was ceased as the new Companies' Regulations do not obligate to establish the statutory reserve. In previous years, the Company is required to set aside 10% of its net profit to the statutory reserve until reaches 30% of the share capital.

18. Other reserves

The table below provides an analysis of other reserves and movements during the year:

	Land Revaluation	Actuarial profits (losses)	Total
Balance January 1, 2022	17,534,155	516,377	**18,050,532**
Impact of re-measurement of employee defined benefit obligations	-	256,943	**256,943**
Balance December 31, 2022	**17,534,155**	**773,320**	**18,307,475**
Impact of re-measurement of employee defined benefit obligations	-	(381,322)	**(381,322)**
Balance December 31, 2023	**17,534,155**	**391,998**	**17,926,153**

19. Lease liabilities

	2023	2022
Balance at January 1	3,438,970	5,656,576
Adjustments during the year	-	(33,006)
Interest charged during the year	253,476	539,644
Paid during the year	(1,864,083)	(2,724,244)
Balance at December 31	**1,828,363**	**3,438,970**

The lease liabilities balances as of December 31 have been reclassified as follows:		
Lease liabilities - non-current portion	639,685	1,828,310
Lease liabilities - current portion	1,188,678	1,610,660
Total	**1,828,363**	**3,438,970**

Here is a statement of lease obligations maturity dates:

	2023	2022
Within a year	1,188,678	1,610,660
1 year to 5 years	639,685	1,828,310
	1,828,363	**3,438,970**

(All amounts in Saudi Riyals unless otherwise stated)

20. Long-term loan

The Company obtained a long-term loan agreement from Deutsche Bank for the purpose of financing the purchase of a production line from Krones, a German company. Under the agreement, the bank provided the company with a loan totaling 4,884,794 euros, divided into two parts: The first loan amounts to 4,675,000 euros, covering 85% of the production line's total cost of 5,500,000 euros. The second part is a loan of 209,794 euros, which serves as export insurance coverage provided by Hermes on behalf of the Federal Republic of Germany.

The movement on loan at the end of the year is as follows:

	2023	**2022**
Balance at January 1	16,600,525	20,834,846
Effect of currency differences	580,834	(1,293,697)
Paid during the year	(2,811,059)	(2,940,624)
Balance at 31 December	**14,370,300**	**16,600,525**

The long-term loan balances were reclassified as of December 31 as follows:		
Long-term loan - non-current portion	11,508,365	13,853,797
Long-term loan - current portion	2,861,935	2,746,728
Total	**14,370,300**	**16,600,525**

The maturity date of long-term loans is as follows:

	2023	**2022**
2023	-	2,746,730
2024	2,861,936	2,770,759
2025	2,877,091	2,770,759
2026	2,877,091	2,770,759
2027	2,877,091	2,770,759
2028	2,877,091	2,770,759
Balance at December 31	**14,370,300**	**16,600,525**

The loan includes specific covenants. Any breach of these covenants in the future may lead to renegotiation. Management continuously monitors these covenants, and in the event of a potential breach, management takes necessary actions to ensure compliance. In 2023, the Company did not breach any of these covenants.

21. Employees defined benefit obligations

	2023	**2022**
Balance at January 1	2,310,194	2,830,591
Add : Included in statement of profit or loss		
Cost of current service	361,716	477,664
Cost of interest	113,843	83,470
Add : Included in statement of other comprehensive income		
(Profits)/losses from re-measurement of employees' defined benefit obligations	381,322	(256,943)
Movement on cash:		
Paid amounts	(208,536)	(824,588)
Balance at December 31	**2,958,539**	**2,310,194**

Below are the key assumptions:

	2023	**2022**
Employee turnover rate (% annually)	10%	10%
The annual salary change rate (%)	3%	3%
Discount rate (%annual)	4.78%	4.5%
Retirement age	60 years old	60 years old

Notes to the financial statements for the year ended December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

18. Employees defined benefit obligations (Continued)

Sensitivity analysis of critical actuarial assumptions

Sensitivity analysis relies on changes in critical assumptions while holding all other assumptions constant.

	2023	2022
Discount rate +1%	(183,847)	(146,292)
Discount rate -1%	208,564	166,058
Long-term salary +1%	210,230	166,906
Long-term salary -1%	(188,549)	(149,661)

The above sensitivity analysis are based on altering one assumption at a time, keeping all other assumptions constant. In practice, it may not be entirely unrealistic to assume that some changes in certain assumptions are interrelated. When calculating the sensitivity of employees' defined benefits obligations to a significant actuarial assumption, the same method (present value of the employees' defined benefits obligations calculated on the basis of the estimated unit credit cost method at the end of the reporting period) is applied when calculating the end-of-service benefits for employees recognized in the statement of financial position.

Expected future cash outflows:
The table below illustrates the expected future cash payments from the end-of-service benefit plan:

2024	531,435
2025	310,236
2026	329,194
2027	280,087
2028	248,600
Years from 2029 to 2033	1,162,480
For years from 2034 onwards	1,697,682
	4,559,714

22. Related party transactions

22.1. Compensation to Senior Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise).

	2023	2022
Salaries, allowances and incentives	798,142	906,324
Total	**798,142**	**906,324**

23. Trade Payables

	2023	2022
Local product suppliers	11,686,708	10,221,964
Total	**11,686,708**	**10,221,964**

24. Accruals and other accounts payable

	2023	2022
Accrued expenses	179,904	379,376
VAT (note 24.1)	762,924	639,687
Total	**942,828**	**1,019,063**

24.1 Value Added Tax (VAT):

The Company has submitted monthly Value Added Tax (VAT) declarations for the fiscal year and has also paid all declarations to the Zakat, Tax, and Customs Authority.

(All amounts in Saudi Riyals unless otherwise stated)

25. Zakat provision

25.1. Calculation of zakat

	2023	2022
Adjustment of net profit		
Net profit before Zakat	9,761,560	7,102,894
(Gains) on disposals of property, plant and equipment	(160,495)	(39,000)
Withholding tax	16,616	-
Gain / (loss) exchange	497,194	(1,331,344)
Provision for expected credit loss	767,394	219,385
Fines	156,400	-
Gifts and donations	-	190
Provision provided for employees' defined benefits obligations	361,716	477,664
Net adjusted profit	**11,400,385**	**6,429,789**
Zakat base:		
Share capital	45,000,000	45,000,000
Statutory reserve	3,058,653	2,385,661
Retained earnings	1,271,001	5,714,070
Provisions carried forward	20,409,133	20,056,535
Provision for expected credit loss	613,724	394,339
Lease obligations	1,828,363	3,438,970
Long-term loan	13,789,466	16,600,525
Payable advanced payments to purchase property, plant and equipment	(2,427,719)	(354,426)
Property, plant and equipment	(68,912,381)	(77,704,480)
Right-of-use assets	(2,764,612)	(4,638,628)
Capital work in progress	(134,521)	(107,999)
Spare parts inventory	(2,180,479)	(1,831,041)
Intangible assets	(72,877)	(129,745)
Receivable deposits recovered	-	(590,550)
Total zakat base components without adjusted net profit	**9,477,751**	**8,233,231**
Total zakat base components without adjusted net profit for the period (base 354*365)	**9,772,257**	**8,489,066**
Zakat base	**21,172,642**	**14,918,855**
Zakat by 2.5% of the adjusted Zakat base	**529,316**	**372,971**

Zakat is calculated at a rate of 2.5% based on the Zakat base or the average net profit, whichever is greater. Since the Zakat base is greater than the calculated net profit, Zakat has been calculated based on the Zakat base.

25.2. Zakat provision balance

	2023	2022
Zakat provision January 1	372,971	195,395
Provided during the year	529,077	372,971
Paid during the year	(372,732)	(195,395)
Zakat provision December 31	**529,316**	**372,971**

25.3 Zakat status

Zakat, Tax and Customs Authority issued zakat assessments until the year of 2019, and all zakat differences have been paid.

The Company submitted its zakat declarations for the financial year ended December 31, 2022, and paid the zakat due according to the declaration, and obtained a certificate valid until April 30, 2024.

Notes to the financial statements for the year ended December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

26. Sales

	2023	2022
Water	74,448,479	72,678,952
Ice	12,980,011	11,867,469
	87,428,490	**84,546,421**

27. Cost of sales

	2023	2022
Cost of materials	33,388,360	35,642,702
Salaries, wages and equivalent	3,546,792	3,672,948
Employees' other benefits	61,425	128,433
Employees benefits	110,228	130,742
Telephone and post	100	2,713
Utilities	1,649,897	1,485,717
Maintenance and repair	820,301	744,478
Technical expenses	91,573	92,103
Fuel	174,884	152,756
Insurance	123,973	118,356
Depreciation of property, plant and equipment (note 6.2)	5,487,835	6,603,754
Amortization of Intangible Assets (note 8)	25,000	2,123
Governmental expenses	137,832	158,010
Transport and shipping	73,176	91,670
Rent	67,400	67,400
Other expenses	46,263	35,000
Total	**45,805,039**	**49,128,905**

28. Selling and marketing expenses

	2023	2022
Salaries, wages and related expenses	11,030,914	11,037,246
Employees' other benefits	754,170	747,547
Employees benefits	215,483	213,047
Bonuses and incentives	21,534	17,000
Telephone and post	124,125	127,660
Utilities	143,364	120,591
Advertising	48,275	123,966
Technical expenses	22,761	16,600
Maintenance and repair	1,961,508	2,039,857
Transport and shipping	2,215,347	1,769,955
Fuel	1,261,418	1,073,787
Insurance	443,417	375,990
Depreciation on property, plant and equipment (note 6.2)	2,010,851	1,680,906
Amortization of Intangible Assets (note 8)	31,868	32,500
depreciation of right of use asset (note 9)	1,558,435	1,370,119
Government expenses	589,361	273,939
Rent	204,385	165,525
Expected credit losses (note 12.1)	767,394	219,385
Other expenses	90,742	46,163
Total	**23,495,352**	**21,451,783**

(All amounts in Saudi Riyals unless otherwise stated)

29. General and administrative expenses

	2023	2022
Salaries, wages and related expenses	3,840,913	3,850,080
Employees' other benefits	17,549	25,942
Social insurance	781,237	744,003
Employees benefits	23,436	124,331
Safety and security	86,819	123,936
Maintenance and repair	96,996	196,452
Fines and penalties	156,400	255,825
Fuel	15,616	15,377
Utilities	144,468	175,911
Insurance	328,040	242,710
Depreciation on property, plant and equipment (note 6.2)	905,124	613,002
Government expenses	141,632	133,770
Bank fees	92,252	71,171
Consulting and professional fees	358,500	590,500
Withholding tax (note 29.1)	16,616	12,374
Other expenses	360,151	182,428
Total	**7,365,749**	**7,357,812**

29.1. The Company's management has agreed with Deutsche Bank International to bear all taxes resulting from the repayment and transfer of the amounts due from the loan.

30. Other (expenses) / income:

	2023	2022
Gains on disposal of property, plant and equipment	160,495	39,000
Exchange differences	(497,194)	1,331,344
Other income	75,100	29,282
Total	**(261,599)**	**1,399,626**

31. Finance charges

	2023	2022
Long-term loan finance interests	371,872	281,539
Car lease finance interests	223,530	500,702
Employees' benefits obligations finance interests	113,843	83,470
Offices and warehouses lease finance interests	29,946	38,942
	739,191	**904,653**

32. Earnings per share

Earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue and outstanding for the year.

Earnings per share are accounted for as follows:

	2023	2022
Net profit for the year	9,160,859	6,729,923
Weighted average number of ordinary shares	47,397,261	45,000,000
Basic earnings per share	**0.19**	**0.15**

33. Financial instruments risk management

Risks are an integral part of the company's activities and are managed through an ongoing process that consists of identifying, evaluating, and monitoring risks in accordance with established constraints and controls. The risk management process is essential for the company's ability to generate profits, and every employee within the company is responsible for managing the risks associated with their job or responsibilities. The company is exposed to credit risks, market risks, currency risks, commission rate risks, and liquidity risks.

Credit risk

Credit risks represent the possibility of counterparties not fulfilling their contractual obligations, resulting in financial losses for the company. The following table provides information about exposure to credit risks and the expected credit losses for trade receivables:

As of 31 December 2023	**0 - 90 days**	**91 - 180 days**	**181 - 270 days**	**270 - 360 days**	**More than 360 days**	**Total**
Expected loss rate	3.90%	3.90%	30.38%	52.98%	100%	**-**
Gross carrying amount	3,616,198	638,234	197,655	61,560	1,122,398	**5,636,045**
Loss allowance	141,145	24,911	60,048	32,616	1,122,398	**1,381,118**

As of 31 December 2022	**0 - 90 days**	**91 - 180 days**	**181 - 270 days**	**270 - 360 days**	**More than 360 days**	**Total**
Expected loss rate	2.18%	2.18%	19.82%	56.47%	100%	**-**
Gross carrying amount	3,625,753	643,976	135,464	76,030	451,064	**4,932,287**
Loss allowance	78,869	14,008	26,849	42,934	451,064	**613,724**

The Company is exposed to credit risks on its bank balances and trade receivables as follows:

	2023	**2022**
Bank deposit	15,000,000	-
Cash and cash equivalent	3,925,917	12,870,749
Trade receivables	4,254,928	4,318,564
	23,180,845	**17,189,313**

The carrying value of financial assets represents the maximum exposure to credit risk. The Company manages credit risks related to trade receivables by monitoring them in accordance with established policies and procedures. The company mitigates credit risks associated with trade receivables by continuously monitoring outstanding trade receivables.

Cash at banks are placed with banks with sound credit ratings. Other receivables are considered to have low credit risk; therefore, 12 months expected loss model was used for impairment assessment. Based on management's impairment assessment, there is no provision required in respect of these balances for all the periods presented except what has been disclosed.

Market risk:
Market risks are risks associated with the volatility of the fair value of future cash flows of a financial instrument due to changes in market prices. Market risks include three types of risks: Interest Rate Risk, Foreign Currency Risk, and Other Price Risks, such as commodity price risks.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in the foreign exchange rates during its normal business cycle. The company did not engage in any significant currency transactions other than the Saudi Riyal, Euro and US dollar throughout the year. Since the exchange rate of the Saudi Riyal is fixed against the US Dollar, balances in US Dollars do not pose significant currency risk.

Notes to the financial statements for the year ended December 31, 2023
(All amounts in Saudi Riyals unless otherwise stated)

33. Financial instruments risk management (continued)

Commission rate risk:

Commissions risks arise from potential changes and fluctuations in interest rates that affect future earnings or the fair values of financial instruments. The company is exposed to commissions risks on its obligations that incur commissions, such as loan balances. The company seeks to mitigate interest rate risks by monitoring potential fluctuations in interest rates and hedging these risks when necessary.

Liquidity risks

Liquidity risks refer to the company's inability to meet its financial obligations when they become due. Liquidity needs are monitored on a monthly basis, and management ensures that there are sufficient funds available to meet any obligations as they arise. The Company's current financial liabilities include the current portion of long-term loans, trade payables, accrued expenses, other current liabilities, and lease liabilities. It is anticipated that all of these financial obligations will be settled within 12 months from the date of the financial statements, and the Company expects to have sufficient funds to do so. Below is a statement of asset maturities and liabilities as of:

December 31, 2023	**From 3 months to 1 year**	**More than 1 year up to 10 years**	**No specific maturity dates**	**Total**
Assets				
Inventory	7,651,689	-	-	**7,651,689**
Trade receivables	4,254,928	-	-	**4,254,928**
Prepayments and other account receivables	6,015,795	-	-	**6,015,795**
Bank deposit	15,000,000			**15,000,000**
Cash and cash equivalent	3,925,917	-	-	**3,925,917**
Total	**36,848,329**	**-**	**-**	**36,848,329**
Liabilities				
Lease liabilities	1,188,678	639,685	-	**1,828,363**
Long-term loan	2,861,935	11,508,365	-	**14,370,300**
Employees' defined benefit obligations	-	-	2,958,539	**2,958,539**
Trade payables	11,686,708	-	-	**11,686,708**
Accrued expenses and other payables	942,828	-	-	**942,828**
Provision for zakat	529,316	-	-	**529,316**
Total	**17,209,465**	**12,148,050**	**2,958,539**	**32,316,054**

December 31, 2022	**From 3 months to 1 year**	**More than 1 year up to 10 years**	**No specific maturity dates**	**Total**
Assets				
Inventory	9,415,202	-	-	**9,415,202**
Trade receivables	4,318,564	-	-	**4,318,564**
Prepayments and other account receivables	2,915,449	-	-	**2,915,449**
Cash and cash equivalent	12,870,749	-	-	**12,870,749**
Total	**29,519,964**	**-**	**-**	**29,519,964**
Liabilities				
Lease liabilities	1,610,660	1,828,310	-	**3,438,970**
Long-term loan	2,746,728	13,853,797	-	**16,600,525**
Employees' defined benefit obligations	-	-	2,310,194	**2,310,194**
Trade payables	10,221,964	-	-	**10,221,964**
Accrued expenses and other payables	1,019,063	-	-	**1,019,063**
Provision for zakat	372,971	-	-	**372,971**
Total	**15,971,386**	**15,682,107**	**2,310,194**	**33,963,687**

(All amounts in Saudi Riyals unless otherwise stated)

33. Financial instruments risk management (continued)

Liquidity risks (continued)

Liquidity risk is managed by monitoring on a regular basis that sufficient funds and banking and other credit facilities are available to meet the Company's future commitments. Refer to note No. 20 for bank loans.

	December 31, 2023	December 31, 2022
Financial assets		
Other current assets	32,593,401	25,201,400
Trade receivables	4,254,928	4,318,564
Financial liabilities		
Long-term loan - current portion	2,861,935	2,746,728
Accounts payable	11,686,708	10,221,964
Accrued expenses and other payables	942,828	1,019,063

34. Segmental information

For the year ended December 31, 2023

	Water	Ice	Other	Total
Sales	74,549,510	12,878,980	-	**87,428,490**
Cost of sales	(41,142,194)	(4,662,845)	-	**(45,805,039)**
Total segment profit	**33,407,316**	**8,216,135**	-	**41,623,451**
Selling and marketing expenses	(17,855,162)	(5,640,190)	-	**(23,495,352)**
General and administrative expenses	-	-	(7,365,749)	**(7,365,749)**
Other income	-	-	(261,599)	**(261,599)**
Employees' benefits finance costs	-	-	(113,843)	**(113,843)**
Finance costs	-	-	(625,348)	**(625,348)**
Provision for zakat	-	-	(529,077)	**(529,077)**
Profit for the year from continuously operations	**15,552,154**	**2,575,945**	**(8,895,616)**	**9,232,483**
Non-continuously operations	-	-	(71,624)	**(71,624)**
Net profit the year	**15,552,154**	**2,575,945**	**(8,967,240)**	**9,160,859**
Segmental assets	99,682,361	9,050,359	-	**108,732,720**
Segmental liabilities	30,384,481	639,333	1,292,240	**32,316,054**

For the year ended December 31, 2022

	Water	Ice	Other	Total
Sales	72,678,952	11,867,469	-	**84,546,421**
Cost of sales	(44,795,920)	(4,332,985)	-	**(49,128,905)**
Total segment profit	**27,883,032**	**7,534,484**	-	**35,417,516**
Selling and marketing expenses	(16,268,582)	(5,183,201)	-	**(21,451,783)**
General and administrative expenses	-	-	(7,357,812)	**(7,357,812)**
Other income	-	-	1,399,626	**1,399,626**
Employees' benefits finance costs	-	-	(83,470)	**(83,470)**
Finance costs	-	-	(821,183)	**(821,183)**
Provision for zakat	-	-	(372,971)	**(372,971)**
Net profit the year	**11,614,450**	**2,351,283**	**(7,235,810)**	**6,729,923**
Segmental assets	101,306,540	10,794,277	-	**112,100,816**
Segmental liabilities	32,915,557	431,472	1,012,658	**33,963,687**

(All amounts in Saudi Riyals unless otherwise stated)

35. Comparative figures

Certain comparative figures have been reclassified to conform to the classification of the current year.

	As reported previously	Reclassification	2022
Statement of financial position			
Non-current assets			
Property, plant and equipment	77,704,480	(3,105,580)	74,598,900
Current assets			
Assets held for sale	-	3,105,580	3,105,580
Statement of income			
Employees' benefits obligations finance interest	83,470	(83,470)	-
Finance costs	821,183	83,470	904,653

36. Subsequent event

The Management believes there are no significant events as of the date of the financial position on December 31, 2023 and until the date of preparing these financial statements that may have a significant impact on the Company’s financial position reported.

37. Approval of financial statements

These financial statements for the year ended December 31, 2023 were approved for issuance by the Board of Directors on March 25, 2024 (corresponding to Ramadan 15, 1445H).