NAME: DC CONTRACTING CO. W.L.L.

AL JANABIYAH - Kingdom of Bahrain

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2019.

DC CONTRACTING CO. W.L.L.

Al Janabiyah - Kingdom of Bahrain

DC CONTRACTING CO. W.L.L.

Al Janabiyah - Kingdom of Bahrain

General Information

Commercial Registration Number	**68843-1**	
Principal Office Address	**Flat/Shop No. 114, Building 2377, Road 7536, Block 575, Al Janabiyah, Kingdom of Bahrain**	
Directors	**NAME**	**NATIONALITY**
	AHLAM ALI JUMA HUSAIN	**BAHRAINI**
	MOUNYA MAHMOOD AHMED ALKALLA	**BAHRAINI**
The Auditor	**R.Tulsian Global Co – Bahraini Partnership Company** **Office No. : 2276, 16th Floor, Building No. : 1565** **Road: 1722, Block: 317, Bahrain - Manama**	
The Bankers	**Khaleeji Commercial Bank**	

DIRECTOR'S REPORT

The Directors have pleasure in presenting their report and the audited financial statements for the period ended **December 31st, 2019**.

Principal Activities of the Entity:

The Entity is licensed by Ministry of Industry, Commerce and Tourism to engage in activities of Construction of buildings and General cleaning of buildings. The table below summarizes the results of 2019 and denoted In Bahrain Dinar (BHD).

YEAR	2019
Revenue	**456,607.00**
Gross Profit	**227,962.00**
Net Profit	**6,914.00**

Role of the Directors:

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Directors set the strategies and policies of the Entity. They monitor performance of the Entity's business, guide and supervise its management.

Events after Period End:

In the opinion of the Directors, no transaction or event of a material and unusual nature, favorable or unfavorable has arisen in the interval between the end of the financial period and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the entity.

Auditors:

M/s. R.Tulsian Global Co- Bahraini Partnership Company, Bahrain- Manama is appointed as the auditor for the period ending **31st December 2019**.

DC CONSTRUCTION MAINTENANCE CLEANING
C.R. 58443

Statement of Directors' Responsibilities:

The applicable requirements, requires the Directors to prepare the financial statements for each financial period which presents fairly in all material respects, the financial position of the entity and its financial performance for the period then ended.

The audited financial statements for the period under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on behalf by the authorized representative of the Entity.

AHLAM ALI JUMA HUSAIN	**MOUNYA MAHMOOD AHMED ALKALLA**
Director	**Director**

CONSTRUCTION
MAINTENANCE
CLEANING

INDEPENDENT AUDITOR'S REPORT

To,
The Director
DC Contracting Co. W.L.L.
Flat/Shop No. 114, Building 2377, Road 7536, Block 575
Al Janabiyah, Kingdom of Bahrain

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the accompanying financial statements of **DC Contracting Co. W.L.L.,** Al Janabiyah, Kingdom of Bahrain *(Hereinafter referred to as "Entity")* which comprise the statement of financial position as at **December 31, 2019**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of, in all material respects, the financial position of **DC Contracting Co. W.L.L.** as at the year, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those in charge with governance are responsible for overseeing the Entity's financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

We communicate with those charge with governance 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.

From the matters communicated with management, we determine if there are any matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We have determined that there are no key audit matters to communicate in our report.

Report on other Legal and Regulatory Requirements

Subject to the above, as required by Bahrain Commercial Companies Law, Decree No. 21 of 2001, we further confirm that,

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were considered necessary for the purposes of our audit.

DCC CONTRACTING CO. W.L.L. ***(Continued)***

2. Proper books of accounts have been maintained by the Entity.

3. During the financial period ended 31.12.2019, nothing has come to our attention which causes us to believe that the Entity has contravened any of the applicable provisions of the Bahrain Commercial Companies Law which would materially affect its activities or its financial position as of **December 31, 2019**.

For & Behalf of R Tulsian Global Co- Bahraini Partnership Company

Stulsian

Shashwat Tulsian
(Managing Partner)
Auditor Registration No.: 245
Place: Kingdom of Bahrain
Date: 1ST February 2020.

Rtulsian Global Co- Bahraini Partnership Company
CR 127655-1
Kingdom of Bahrain

D.C.CONTRACTING CO. W.L.L
AL JANABIYAH - BAHRAIN

Statement of Financial Position as at December 31, 2019
In Bahraini Dinar

Particulars	Notes	2019	2018
Assets			
Non-Current Assets			
Property, Plant & Equipments	4	705	177
Total Non Current Assets		705	177
Current Assets			
Trade & Others receivables	5	39,486	73,641
Due From Related Parties	6	237,926	216,154
Cash and bank balances	7	1,591	234
Total Current Assets		279,003	290,029
Total Assets		279,708	290,206
Equity and Liabilities			
Equity			
Share capital	8	100,000	100,000
Statutory Reserve	9	11,892	11,201
Shareholders' Current Account	10	11,821	5,598
Total Equity		123,713	116,799
Non Current Liabilities			
Term Loans	11	53,379	78,894
Employees Air Passage & Terminal Benefit	12	16,450	10,600
Total Non Current Liabilities		69,829	89,494
Current Liabilities			
Short Term Loan	13	26,352	27,125
Trade & Other Payables	14	59,814	56,788
Total Current Liabilities		86,166	83,913
Total Liabilities		155,995	173,407
Total Equity and Liabilities		279,708	290,206

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

The financial statements on pages 8-32 were approved on February 1, 2020 and signed on behalf of the Entity, by:

AHLAM ALI JUMA HUSAIN	MOUNYA MAHMOOD AHMED ALKALLA
Director	Director

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C.R. 89443

D.C.CONTRACTING CO. W.L.L
AL JANABIYAH - BAHRAIN

Statement of Profit or Loss and Other Comprehensive Income for the Period from January 1, 2019 to December 31, 2019

In Bahraini Dinar

Particulars	Notes	2019	2018
Sales Revenue	15	456,607	408,329
Direct Cost	16	(228,645)	(161,370)
Gross Profit / (Loss) During the Year		227,962	246,959
Other Income	17	1,159	6,192
Total Revenue		229,121	253,151
Finance Cost	18	(336)	(238)
General & Administration Expenses	19	(221,743)	(222,768)
Depreciation	4	(128)	(10,292)
Net Profit / (Loss) During the Year		6,914	19,853
Other Comprehensive Income		-	-
Total comprehensive (loss) for the period / year		6,914	19,853
Transfer to Statutory Reserve		(691)	(1,986)
Total Retained earnings during the year		6,223	17,867

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

The financial statements on pages 8-32 were approved on February 1, 2020 and signed on behalf of the Entity, by:

AHLAM ALI JUMA HUSAIN	MOUNYA MAHMOOD AHMED ALKALLA
Director	Director

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AL JANABIYAH - BAHRAIN

Statement of Changes in Equity for the Period from January 1,2019 to December 31, 2019
In Bahrain Dinar

Particulars	Share Capital	Statutory Reserve	Shareholders Current Account	Total Equity
Balance as at January 1, 2018	100,000	9,215	(42,585)	66,630
Invested during the year	-	-	-	-
Transfer to Statutory Reserve	-	1,986	(1,986)	-
Total Comprehensive Income for the period / year	-	-	19,853	19,853
Net movements	-	-	30,316	30,316
Balance as at December 31, 2018	100,000	11,201	5,598	**116,799**
Invested during the year	-	-	-	-
Transfer to Statutory Reserve	-	691	(691)	-
Total Comprehensive Income for the period / year	-	-	6,914	6,914
Net movements	-	-	-	-
Balance as at December 31, 2019	**100,000**	**11,892**	**11,821**	**123,713**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

D.C.CONTRACTING CO. W.L.L
AL JANABIYAH - BAHRAIN

Statement of Cash Flows for the Period from January 1,2019 to December 31, 2019
In Bahrain Dinar

Particulars	2019	2018
Cash Flows From Operating Activities:		
Net Profit / (Loss) During the Year	6,914	19,853
Depreciation on property, plant and equipment	128	10,292
Provision for Employee Terminal Benefits	5,850	901
Finance Cost	(336)	-
	12,556	31,046
Increase/Decrease in Current Assets		
Trade Receivables	34,155	(11,120)
Due From Related Parties	(21,772)	(145,360)
Increase/Decrease in Current Liabilities		
Due To Related Parties	-	(13,264)
Trade & Other Payables	3,026	31,886
Cash generated from operations	27,965	(106,812)
Net cash (used in) / from operating activities	27,965	(106,812)
Cash flows from investing activities		
Purchase of property, plant and equipment	(655)	(180)
Net cash (used in) / from investing activities	(655)	(180)
Cash flows from financing activities		
Movement in Shareholders' Account	-	30,316
Finance Cost	336	-
Term Loans	(26,288)	76,653
Net cash (used in) / from financing activities	(25,952)	106,969
Net (decrease) / increase in cash and cash equivalents	1,357	(23)
Cash and cash equivalents, beginning of the year	234	257
Cash and Cash Equivalents, End of the year	1,591	234
Cash and Cash Equivalents		
Cash in Hand	-	-
Cash at Bank	1,591	234
	1,591	234

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

Notes to the financial statements for the period from January 1, 2019 to December 31, 2019

1. Legal status and business activities

1.1. **DC Contracting Co. W.L.L.,** Al Janabiyah - Kingdom of Bahrain was registered on April 22, 2008 as a Company with Limited Liability and operates in the Kingdom of Bahrain under the Commercial Registration No. 68443-1 issued by the Ministry of Industry, Commerce and Tourism.

1.2. The Entity is licensed by Ministry of Industry, Commerce and Tourism to engage in activities of Construction of buildings & General cleaning of buildings.

1.3. The registered office of the Entity is located at Flat/Shop No. 114, Building 2377, Road 7536, Block 575, Al Janabiyah - Kingdom of Bahrain.

1.4. The management and control are vested with the Director, AHLAM ALI JUMA HUSAIN & MOUNYA MAHMOOD AHMED ALKALLA.

2. New and Amended Standards

2.1. New and revised IFRSs applied with no material effect on the financial statements.

2.2. The Entity has applied the following standards and amendments for their annual reporting period commencing January 1, 2019. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

2.3. Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

2.4. The following new accounting standards, improvements, interpretations and amendments have been issued, but are not mandatory and hence have not been early adopted by the Company in preparing the financial statements for the year ended December 31, 2019.

The Company intends to apply these standards from the application date as indicated below:

IAS 1	Presentation of Financial Statements	January 1, 2020
IAS 12	Income Taxes	January 1, 2019
IAS 19	Employee Benefits	January 1, 2019
IAS 23	Borrowing costs	January 1, 2019
IAS 28	Investments in Associates and Joint Ventures	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019
IFRS 9	Financial Instruments: Prepayment Features with Negative Compensation	January 1, 2019
IFRS 11	Joint Arrangements	January 1, 2019
IFRS 16	Leases	January 1, 2019
IFRS 3	Business Combinations	January 1, 2019
IFRS 9 and IFRS 17	Financial instruments and Insurance Contracts	January 1, 2019

3. Significant Accounting Policies

3.1. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Bahraini Commercial Companies Law, Decree No. 21 of 2001.

3.2. Basis of preparation

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below.

These financial statements are presented in Bahraini Dinars (BHD) which is the Entity functional and presentation currency. All values are rounded to the nearest Bahraini Dinar.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

3.3. Application of New and Revised International Financial Reporting Standards (IFRSs)

IFRS 9 Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities de-recognition of financial instruments, impairment of financial assets and hedge accounting.

From January 1, 2019, the Entity assesses on a forward-looking basis, the expected credit losses associated with its trade receivables and other financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Entity applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the trade receivables.

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires the Entity to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The adoption of IFRS 15 did not have any significant impact on the Entity's financial position and results of operations for the year ended December 31, 2019 nor on the opening retained earnings.

3.4. **Current/Non-current classification**

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realized or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

3.5. **Foreign currency**

The transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6. **Property, Plant and Equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment using the straight-line method over its useful lives as follows:

Depreciable Asset	Years
Furniture & Fixtures	5
Motor Vehicles	5
Machineries & Equipment	5

When part of an item of property, plant and equipment has different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

3.6. **Impairment of Tangible Assets**

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

3.7. **Financial Instruments**

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

3.8. **Financial Assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss ' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents" and "due from related parties" in the statement of financial position. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortized cost reduced by appropriate allowance for estimated doubtful debts.

Impairment of financial assets

Assets carried at amortized cost

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

De-Recognition of Financial Assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset.

3.9. **Financial Liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables, loans and borrowings, and due to related parties.

Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortized cost using effective interest method.

Derecognition of Financial Liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.10. Off Setting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

3.11. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.12. Provisions

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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 obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13. Revenue recognition

Revenue arises mainly from general trading and providing business consultancy and management. To determine whether to recognize revenue, the Entity follows a 5-step process:

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognizing revenue when performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the Entity satisfies performance obligations by transferring the promised goods or services to its customers.

The Entity recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as current liabilities in these financial statements. Similarly, if the Entity satisfies a performance obligation before it receives the consideration, the Entity recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Revenue from general trading and providing business consultancy and management for a fixed price is recognised when or as the Entity transfers control of the products to the customer or the service is rendered. Invoices for goods or services transferred are due upon delivery to the customers.

3.14. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Critical Judgments in applying Accounting Policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Under normal circumstances, the management is of the view that in line with the requirement of IFRS 15 - Revenue from Contracts with Customers, the Entity recognizes revenue to depict the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the Entity expects to be entitled in exchange for those goods or services.

Management has assessed the level of influence that the Entity has on its associate and determined that it has significant influence even though the shareholding is below or equal to 20% because of the board representation and contractual terms. Consequently, this investment has been classified as an associate.

Key sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Useful lives of Property and Equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Fair Value Measurement of Financial Instruments

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurements.

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AL JANABIYAH - BAHRAIN

Notes to the financial statements for the period from January 1, 2019 to December 31, 2019
In Bahraini Dinar

4 Property, Plant and Equipment

PARTICULARS	Machineries & Equipments	Office Furnitures & Fixtures	Motor Vehicles	Total
Cost				
As at January 2018	30,358	8,559	32,352	71,269
Additions during the year	180	-	-	180
As at December 31, 2018	30,538	8,559	32,352	71,449
Additions during the year	385	270	-	655
As at December 31, 2019	**30,923**	**8,829**	**32,352**	**72,104**
Accumulated depreciation				
As at January 2018	25,198	7,811	27,971	60,980
Charge for the year	5,163	748	4,381	10,292
As at December 31, 2018	30,361	8,559	32,352	71,272
Charge for the year	87	41	-	128
Eliminated on disposal during the year	-	-	-	-
As at December 31, 2019	**30,448**	**8,600**	**32,352**	**71,400**
Carrying value As at December 31, 2019	**475**	**230**	**-**	**705**
Carrying value As at December 31, 2018	177	-	-	177

Notes to the Financial Statements for the period from January 1,2019 to December 31, 2019

In Bahrain Dinar

Sr. No.	Particulars	2019	2018
5	**Trade & Others receivables**		
	Trade Receivables	38,686	71,841
	Advances	600	1,500
	Refundable Deposits	200	300
	TOTAL	**39,486**	**73,641**

Sr. No.	Particulars	2019	2018
6	**Due From Related Parties**		
	DD Electrical Workshop W.L.L.	179,043	163,276
	Mr. Hani Account	58,883	52,878
	TOTAL	**237,926**	**216,154**

Sr. No.	Particulars	2019	2018
7	**Cash and bank balances**		
	Cash in Hand	-	-
	Cash at Bank	1,591	234
	TOTAL	**1,591**	**234**

Sr. No.	Particulars	2019	2018
8	**Share capital**		

Authorised, issued and paid up capital of the Entity is 100000 BHD divided into 2000 shares of 50 BHD each fully paid.

The details of the shareholding as at reporting date are as follows:

Sr. No.	Name of Shareholders	Nationality	Percentage	No of shares	2019	2018
1	Mrs. Ahlam A J Hussain	BAHRAINI	50%	1,000	50,000	50,000
2	Mrs Mounya M A Alkalla	BAHRAINI	50%	1,000	50,000	50,000
	TOTAL		**100%**	**2,000**	**100,000**	**100,000**

Sr. No.	Particulars	2019	2018
9	**Statutory Reserve**		
	Balance at the beginning of the year	11,201	9,215
	Transfer to statutory reserves	691	1,986
	Balance at the End of the Year	**11,892**	**11,201**

Sr. No.	Particulars	2019	2018
10	**Shareholders' Current Account**		
	Balance at the Beginning of the Year	5,598	(42,585)
	Transfer to Statutory Reserve	(691)	(1,986)
	Total Comprehensive Income for the Period/Year	6,914	19,853
	Net Movements During the Year	-	30,316
	Balance at the End of the Year	**11,821**	**5,598**

Sr. No.	Particulars	2019	2018
11	**Term Loan**		
	Bahrain Credit Company - Loan	37,809	52,954
	NBB Bank Loan	13,600	22,362
	Vehicle Loan	1,970	3,578
	TOTAL	**53,379**	**78,894**

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Notes to the Financial Statements for the period from January 1,2019 to December 31, 2019

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Sr. No.	Particulars	2019	2018
12	**Employees Air Passage & Terminal Benefit**		
	Employees Air Passage & Terminal Benefit	16,450	10,600
	TOTAL	16,450	10,600

Sr. No.	Particulars	2019	2018
13	**Short Term Loan**		
	Bahrain Credit - Company Loan	15,144	15,144
	NBB bank Loan	9,600	9,600
	Vehicle Loan	1,608	2,381
	TOTAL	26,352	27,125

Sr. No.	Particulars	2019	2018
14	**Trade & Other Payables**		
	Trade Payables	52,846	30,411
	Provision for Leave Salary & Air Passage	256	15,445
	Accrued Expenses	5,553	10,932
	Other Payables	1,159	-
	TOTAL	59,814	56,788

Sr. No.	Particulars	2019	2018
15	**Sales Revenue**		
	Sales Revenue	456,607	408,329
	TOTAL	456,607	408,329

Sr. No.	Particulars	2019	2018
16	**Direct Cost**		
	Direct Material	12,361	8,339
	Direct Labour	216,284	153,031
	TOTAL	228,645	161,370

Sr. No.	Particulars	2019	2018
17	**Other Income**		
	Indirect Income	1,159	6,192
	TOTAL	1,159	6,192

Sr. No.	Particulars	2019	2018
18	**Finance Cost**		
	Finance Charges	336	238
	TOTAL	336	238

Sr. No.	Particulars	2019	2018
19	**General & Administration Expenses**		
	Staff Costs	166,733	163,042
	Rent & Utilities	36,480	40,475
	Vehicle Expenses	15,313	13,335
	Miscellaneous	3,217	5,916
	TOTAL	221,743	222,768

20. **Financial Instruments**

a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

Particulars	**As at December 31st 2019**		**As at December 31st 2018**	
Financial Assets	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Property, Plant & Equipments	**705.000**	**705.000**	**177.000**	**177.000**
Trade & Other Receivables	**39,486.000**	**39,486.000**	**73,641.000**	**73,641.000**
Due From Related Parties	**237,926.000**	**237,926.000**	**216,154.000**	**216,154.000**
Cash and bank Balances	**1,591.000**	**1,591.000**	**234.000**	**234.000**
TOTAL ASSETS	**279,708.000**	**279,708.000**	**290,206.000**	**290,206.000**
Financial Liabilities	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Term Loans	**53,379.000**	**53,379.000**	**78,894.000**	**78,894.000**
Employees Air Passage & Terminal Benefit	**16,450.000**	**16,450.000**	**10,600.000**	**10,600.000**
Short Term Loan	**26,352.000**	**26,352.000**	**27,125.000**	**27,125.000**
Trade & Other Payables	**59,814.000**	**59,814.000**	**56,788.000**	**56,788.000**
TOTAL LIABILITIES	**155,995.000**	**155,995.000**	**173,407.000**	**173,407.000**

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, trade receivables, due from related parties and certain other assets. Financial liabilities consist of trade payables, accruals, due to related parties and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

21. **Financial Risk Management Objectives**

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

a) Foreign Currency Risk Management

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and equity from shareholders through their current accounts or loans.

Liquidity and Interest Risk Tables:

The table below summarizes the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

PARTICULARS	Non-Interest Bearing			TOTAL
	On demand or less than 3 months	Within 1 year	More than 1 year	
Financial Assets				
Property, Plant & Equipments	--	--	705.000	705.000
Trade & Other Receivables	39,486.000	--	--	39,486.000
Due From Related Parties	237,926.000	--	--	237,926.000
Cash and bank Balances	1,591.000	--	--	1,591.000
TOTAL ASSETS	279,003.000	--	705.000	279,708.000
Financial Liabilities				
Term Loans	--	--	53,379.000	53,379.000
Employees Air Passage & Terminal Benefit	--	--	16,450.000	16,450.000
Short Term Loan	26,352.000	--	--	26,352.000
Trade & Other Payables	59,814.000	--	--	59,814.000
TOTAL LIABILITIES	86,166.000	--	69,829.000	155,995.000

c) *Credit Risk Management*

The financial statements on pages 08-30 were approved on 1st February, 2020 and signed on behalf of the Entity, by: AHLAM ALI JUMA HUSAIN & MOUNYA MAHMOOD AHMED ALKALLA.

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

22. Capital Risk Management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

23. Contingent Liabilities

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial statements as of reporting date.