

Saleh Abdullah Al Barrak Sons Trading, Industry & Contracting Co

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Financial Statements For the year

Ended December 31, 2024

Independent Auditor's Report

Saleh Abdullah Al Barrak Sons Trading, Industry & Contracting Co
AL-BARRAK TRAVEL AND TOURIST AGENCY
LIMITED LIABILITY COMPANY

for the year ended December 31, 2024

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Independent Auditor's Report

To the Partners of

Saleh Abdullah Al Barak Sons Trading, Industry & Contracting Co

Al-Barrak Travel And Tourist Agency

AL-AHSA – Kingdom of Saudi Arabia

Report on the audit of the financial statement

Opinion

We have audited the financial statements of **Saleh Abdullah Al Barrak Sons Trading, Industry & Contracting Company**, (the "Entity"), which includes the statement of financial position as on December 31, 2024, the statement of Profit or Loss and Other Comprehensive Income, the statement of changes in equity, and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs") endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Auditors and Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the professional code of conduct and that are 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 its requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note (2-4) attached to the financial statements, which indicates that the entity incurred a net loss of SAR (250,283) during the year ended December 31, 2024, exceeding half of its capital as mentioned in the referenced note. These events or conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Report on the audit of the financial statement (continued)

Al-Barrak Travel And Tourist Agency (continued)

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 standard for small and medium – sized entities (IFRS for SMEs) endorsed in the kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi organization for certified public accountants (SOCPA) and the provisions of Companies' Law 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

In preparing the financial statements, management is responsible for assessing the company 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 realistic alternative but to do so.

Those charged with governance are responsible for overseeing the branch 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 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.

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, 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 branch internal control.

Report on the audit of the financial statement (continued)

Al-Barrak Travel And Tourist Agency (continued)

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

- 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 branch 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 branch 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 charged 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.

AL-AHSA : 26 Ramadan , 1446 AH

26 March , 2025 AD



EDRAK GLOBEL
Chartered Acc, & Auditors

Salman A. Althumayri
Certified Public Accountant
License No. (741)

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Statement of financial position

December 31, 2024

(In Saudi Riyals)

	(Notes)	December 31, 2024	December 31, 2023
Assets			
Non-current assets			
Property, plant and equipment (Net)	5	130,067	177,341
Intangible assets (Net)	6	8,700	12,300
Total non-current assets		138,767	189,641
Current assets			
Trade receivables (Net)	7	688,410	490,662
Prepayments and other debit balances	8	1,108,325	1,861,039
Cash and cash equivalents	9	89,360	192,534
Total current assets		1,886,095	2,544,235
Total assets		2,024,862	2,733,876
Owner's Equity and Liabilities			
Owner's Equity			
Capital	10	350,000	350,000
General Reserve	11	28,331	28,331
(Accumulated loss) Retained earning		(250,283)	(97,869)
Total owner's equity		128,048	280,462
Non-current liabilities			
End of service benefits	12	286,874	301,326
Due to Related Parties	13	558,828	1,651,623
Non Current portion of long term loans	14	468,796	-
Total non - current liabilities		1,314,498	1,952,949
Current liabilities			
Due to airlines Co & Travel agencies		260,326	284,257
Accrued expenses and other credit balance	15	173,807	188,794
Zakat provision	16	18,225	27,414
Current portion of long term loans	14	129,958	-
Total Current Liabilities		582,316	500,465
TOTAL Liabilities		1,896,814	2,453,414
Total Owner's Equity and liabilities		2,024,862	2,733,876

"The accompanying notes from page (1) to (21) form an integral part of these"

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Statement of profit or loss and other comprehensive income

For The Year Ended December 31, 2024

(In Saudi Riyals)

	(Notes)	December 31, 2024	December 31, 2023
Revenues	17	1,008,206	1,133,420
Cost of revenue	18	(1,245,590)	(1,203,875)
Gross (loss) Profit		(237,384)	(70,455)
Provisions no Longer		25,850	-
Finance Cost		(20,524)	-
(loss) Profit before Zakat		(232,058)	(70,455)
Zakat expense	16	(18,225)	(27,414)
Net (loss) Profit for the year		(250,283)	(97,869)
Other comprehensive income		-	-
Net (loss) Profit		(250,283)	(97,869)

"The accompanying notes from page (1) to (21) form an integral part of these"

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Statement of changes in owner's Equity

For The Year Ended December 31, 2024

(In Saudi Riyals)

	Capital	General Reserve	Statutory Reserve	(Accumulated loss) Retained earning	Total
Balance at of January 01, 2023	350,000	-	28,331	143,545	521,876
Net (loss) for the year	-	-	-	(97,869)	(97,869)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(97,869)	(97,869)
Transfer from Retained earning to Related Parties	-	-	-	(143,545)	(143,545)
Transfer from statutory Reserve to general Reserve	-	28,331	(28,331)	-	-
Balance at December 31, 2023	350,000	28,331	-	(97,869)	280,462
Net Profit of the year	-	-	-	(250,283)	(250,283)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(250,283)	(250,283)
Transfer from Retained earning to Related Parties	-	-	-	97,869	97,869
Balance at December 31, 2024	350,000	28,331	-	(250,283)	128,048

"The accompanying notes from page (1) to (21) form an integral part of these"

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Cash flows statement**For The Year Ended December 31, 2024**

(In Saudi Riyals)

	December 31, 2024	December 31, 2023
<u>Cash Flows From operating activities</u>		
(loss) Profit before Zakat	(232,058)	(70,455)
<u>Adjustments</u>		
Depreciation of property, plant and equipment	30,852	39,833
Amortization of intangible assets	3,600	4,017
Employee benefit exp	35,798	36,047
<u>Change of assets and liability</u>		
Trade receivables	(197,748)	93,200
Prepayments and other debit balances	752,714	25,367
Due to airlines co, travel agencies	(23,931)	(23,892)
Accrued expenses and other payables	(14,987)	(57,728)
Cash provided by (used in) Operating activities	354,240	46,389
Provision for service benefit used	(50,250)	(8,167)
Provision for Zakat Paid	(27,414)	(31,893)
Net Cash provided by (used in) operating activities	276,576	6,329
<u>Cash flows from investing activities</u>		
Payments for the purchase property, plant and equipment	(68,725)	(800)
Net cash (used in) Investing activities	(68,725)	(800)
<u>Cash flows from financing activities</u>		
Net transactions with Related Parties	(909,779)	(39,642)
Collections from Loans	630,000	-
Payments for the loan interest	(31,246)	-
Net cash (used in) provided by financing activities	(311,025)	(39,642)
Change of Cash and cash equivalents	(103,174)	(34,113)
Cash and cash equivalents at the beginning of the year	192,534	226,647
Cash and cash equivalents at the end of the year	89,360	192,534
<u>Non Cash Transaction</u>		
Transfer from (Retained earning) Accumulated loss to Related Parties	97,869	(143,545)
Disposal of Decoration & Land and Building	85,147	902,000

"The accompanying notes from page (1) to (21) form an integral part of these"

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

1 - General

Al-Barrak Travel and Tourism Agency were established by His Excellency Saleh bin Abdullah bin Abdulaziz Al-Barrak under the letter of the General Authority for Tourism and National Heritage No. 73102065 dated 23/10/1445 AH and under Commercial Register No. 2251062642 dated 14/10/1436 AH, issued by the Commercial Registration Office in Hofuf City and under the license of opening No 3909460707

Its activity represents tourism and travel agencies Activities of airline agencies.

It has branches registered with the following commercial registries:

- * Sub Commercial Register No. 2252010775 dated 18/05/1407 AH, issued by the Commercial Registration Office in Mubarak - Hofuf City and under the opening license number 73102066 dated 25/07/2017.
- * Sub Commercial Register No. 2251035984 dated 11/10/1428 AH, issued by the Commercial Registration Office in Hofuf City and under the opening license number 73102055 dated 24/10/1439 AH, And a commercial activity license Al-Ahsa Municipality - Hofuf Municipality No. 3909471099.

2 - THE BASICS OF PREPARATION

2-1 Statement of compliance with IFRS for small and medium enterprises

The Accompanying Financial Statements Have Been Prepared in Accordance with The International Financial Reporting Standard for Small and Medium - Sized Entities (IFRS For SMEs) As Endorsed in The Kingdom of Saudi Arabia and Other Standards and Pronouncements That Are Issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

2-2 Measurement Basis

The financial statements have been prepared using the measurement bases specified by the International Financial Reporting Standard for Small and Medium Enterprises approved by the Saudi Organization for Auditors and Accountants for each type of assets, liabilities, revenues and expenses. The company presents the statement of financial position on a current and non-current basis. These financial statements have been prepared on the historical cost basis. Except for financial investments at fair value, investment properties which are measured on a fair value basis.

The preparation of financial statements in accordance with IFRS for Small and Medium Enterprises requires the use of some significant accounting estimates. It also requires management to use its estimates in applying accounting policies. Those areas that require a high or more complex degree of estimation, or that require important assumptions and estimates.

2-3 Functional and presentation currency

The Financial Statements Are Prepared in Saudi Riyals Which Is the Functional Currency of The Company.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

2 - THE BASICS OF PREPARATION (continued)**2-4 Going concern**

The Company incurred a net loss of SAR (250,283) during the year ended December 31, 2024, exceeding half of its capital. In compliance with the requirements of the Saudi Companies Law, the partners have decided to continue the Company's operations and provide the necessary funds to meet obligations as they fall due, as well as to continue offering the required financial support to the Company, including any requirements arising from the current liquidity shortfall when needed. Accordingly, the accompanying financial statements have been prepared under the going concern assumption. However, the decision has not yet been published in the official gazette.

3 - SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Preparing the financial statements requires management to use estimates and assumptions that affect the application of policies and the apparent values of assets, liabilities, revenues and expenses contained in the financial statements. Determining estimates requires management to make decisions that are based on past experience, current experience and expectations of future conditions, and all other available information. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. The adjustments that result from the revision of accounting estimates are reflected in the revision period and future periods affected by these adjustments.

The most important items of the financial statements that require the use of expectations and assumptions by management are related to the following :

3-1 Useful life of property, plant and equipment

The management estimates the useful lives of property, plant and equipment for the purpose of calculating depreciation based on the expected use of these assets. The management reviews the value and the remaining useful lives annually and the future depreciation expense is adjusted if the management believes that the useful lives differ from previous estimates.

3-2 Recoverable value

Management estimates the asset's recoverable amount to determine whether there has been any impairment loss.

3-3 Recognition and measurement of provisions and contingencies

Key assumptions about the likelihood and magnitude of resource flow to and from the entity.

3-4 Trade receivables

The Entity assesses its trade receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, the Entity makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES

4-1 Classification of current vs. non-current

The company presents assets and liabilities in the statement of financial position on a current/non-current basis.

An asset is considered current when:

- Expected to be realized or intended to be sold or used, during the normal operating cycle, or
- It is held primarily for the purpose of trading, or
- Expected to be realized within twelve months after the reporting date, or
- It is cash, or cash equivalent, unless it is subject to restrictions on its exchange or use to settle any liabilities for a period of not less than twelve months after the reporting date.

All other assets are classified as "non-current".

Obligations are considered current when:

- Expected to be settled during the normal operating cycle, or
- If it is held primarily for trading purposes, or
- It is payable within twelve months after the reporting date, or
- When there is no unconditional right to defer the payment of obligations for a period of not less than twelve months after the reporting date.

All other liabilities are classified as "non-current".

4-2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash with banks and highly liquid investments that are subject to an insignificant risk of change in value and that mature within three months or less from the date of their inception, if any, that are available to the Company without any restrictions.

4-3 Trade receivables

Trade receivables are initially recorded at the transaction price unless the arrangement, in fact, constitutes a financing transaction. If the arrangement constitutes a financing transaction, the item is measured at the present value of future payments discounted at the market interest rate for a similar debt instrument. The amortized cost is subsequently measured using the real interest rate method. An allowance for impairment of trade receivables is created when there is objective evidence that the entity will not be able to collect the due amount. This allowance is measured for each customer individually in accordance with the contractual terms. Bad debts are written off against the related provisions, and the resulting provisions are charged to the statement of profit or loss and other comprehensive income.

At the end of each period, the carrying amount of trade receivables is reviewed to determine whether there is objective evidence that the amounts are not recoverable, in which case an impairment loss is recognized immediately in profit or loss. Any amounts recovered later from the amounts previously written off are credited against general and administrative expenses in the income statement.

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)**4-4 Properties, plant and equipment**

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment. The cost of an asset includes all costs related to the acquisition of the asset and any other direct costs necessary to place the asset in the location and condition necessary for it to be intended for use for its intended purpose.

The cost of self-built assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the asset to a condition for its intended use and the costs of dismantling and removing the items and repairing the site on which they are located.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses resulting from the disposal of an item of property and equipment are determined by comparing the proceeds of disposal with the book value of the property and equipment, and are recognized on a net basis, in profit or loss.

The cost of replacing part of an item of property and equipment is recognized in the book value of the item if the recognition criteria are met in the financial statements. As for other maintenance and repair costs, they are recognized as an expense in the statement of profit or loss and other comprehensive income when incurred.

Subsequent expenditure is capitalized only when it increases future economic benefits and can be measured reliably. Borrowing costs, which are recognized as an expense in profit and loss when incurred, are not capitalized.

Depreciation is the systematic distribution of the depreciable amount of an asset over its estimated useful life. The depreciable amount of an asset is the cost of the asset less its residual value.

When there are indications that the remaining value of the asset or its useful life has changed since the most recent annual report date, the previous estimates are reviewed and the need to amend the remaining value, depreciation method or useful life is taken into account and this change is treated as a change in an accounting estimate.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each item of property and equipment as follows:

Description	Number of years	Description	Number of years
Vehicles	4	Furniture	4 -10
		Decoration	10-5

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)

4-5 Intangible Assets

Recognition

An entity recognizes an intangible asset only if:

- a) It is likely that expected future economic benefits that can be attributed to the asset will flow to the entity.
- b) The cost or value of the asset can be measured reliably.
- c) The asset is not the result of an expense incurred internally on an intangible item

An entity evaluates the likelihood of expected future economic benefits using reasonable, supportable assumptions that represent management's best estimate of the economic conditions that will exist over the useful life of the asset. An entity uses judgment to evaluate the degree of certainty associated with the flow of future economic benefits attributable to the use of the asset on the basis of the evidence available at the time of initial confirmation, with greater weight given to external evidence.

Initial measurement

An entity initially measures an intangible asset at cost. The cost of an intangible asset acquired separately includes:

- a) Its purchase price, including import duties and non-refundable purchase taxes, after subtracting trade rebates and refunds.
- b) Any cost that can be directly attributed to preparing the asset for its intended use.

Measurement after Recognition

An entity measures intangible assets at cost less any accumulated amortization and any accumulated impairment losses.

computer programs

Purchased computer software is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortized over its useful life of **five years** using the straight-line method. If there is an indication of a significant change in the useful life or residual value of that intangible asset, the amortization is adjusted prospectively to reflect the new expectations.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)**4-6 Financial Instruments**

The entity accounts for all its financial instruments in accordance with Sections 11 and 12 of the International Financial Reporting Standard for Small and Medium Enterprises adopted in the Kingdom of Saudi Arabia and other standards and issuances approved by the Saudi Organization for Auditors and Accountants.

Financial assets and liabilities are recognized when an entity becomes a party to the contractual provisions of a financial instrument. When a financial asset or financial liability is initially recognised, it is measured at the transaction price (including transaction costs excluding the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement, in effect, constitutes a financing transaction for the entity (For a financial liability) or the counterparty (for a financial asset) If the arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of future payments discounted at the market interest rate for a similar debt instrument.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs that would be incurred by the entity on sale or other disposal:

- a) Debt instruments are measured at amortized cost using the real interest method if they meet the necessary conditions for this proof. Debt instruments classified as current assets or current liabilities are measured at the undiscounted amount of cash or other cash consideration expected to be paid or received (i.e. net of impairment) unless the arrangement, in fact, constitutes a financing transaction.
- b) Loan receipt commitments that meet the conditions for this recognition are measured at cost (which may be zero) less impairment.
- c) Investments in non-convertible preferred shares and non-returnable common or preferred shares - if any - are measured as follows:
 - If the shares are traded on a public market or their fair value can otherwise be measured reliably without undue cost or effort, the investment should be measured at fair value with changes recognized in profit or loss.
 - All other such investments are measured at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, substantially all of the risks and rewards of ownership of the financial asset are transferred to another party, or the entity, although it has retained some significant risks and rewards of ownership, has transferred control of the asset to another party. Another The other party has the practical ability to sell the entire asset to an unrelated third party and is able to exercise that ability individually without the need to impose additional restrictions on the transfer process.

A financial liability (or part of a financial liability) is derecognised only when it is extinguished, that is, when the obligation specified in the contract is fulfilled, canceled or expires.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)**4-7 Trade Payables**

Trade payables include the balances and receivables of suppliers for goods or services rendered to the company over which it has obtained control. Amounts payable are initially recognized at the transaction price did not make up arrangement, in a reality, treatment finance, so was the order make up treatment finance, is done Measure the item by value current for future payments discounted rate Benefit market for tool Similar religion. It is subsequently measured at cost depleted using method interest rate Real.

4-8 Provisions and Contingent Liabilities

A provision is recognized in the statement of financial position when the company has a present legal or constructive obligation as a result of past events that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured using the best estimate of the amount required to settle the obligation at the reporting date. If the effect of the time value of money is of relative importance, it must be that is being amount allotted he the value current for the expected amount that is being wanted to settle Commitment to a discount rate that reflects current market assessments of the time value of money and the risks specific to that obligation.

And when Complete Measure allotted at present value for the amount Expected that is being wanted to settle commitment, it Must Proof the reduction in a Discount On that it Cost finance in Period in which it arises.

Contingent assets and liabilities are not recognized, and the contingent liability is disclosed unless an outflow of resources is highly probable. Possible. A contingent asset is disclosed when it is probable that future economic benefits will flow to the company.

4-9 Zakat

The Entity is subject to Zakat in accordance with the regulations of the General Authority of Zakat and Tax ("ZATCA") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed.

4-10 Employee benefits**Short-term employee benefits**

Short-term employee benefit obligations are recognized when the related service is provided. A liability is measured as the undiscounted amount expected to be paid for short-term employee benefits under short-term cash bonuses or profit-sharing plans in exchange for that service, when the entity has a present legal or constructive obligation as a result of past events and can be estimated reliably.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)**4-10 Employee benefits (Continued)****End of service benefits for employees**

Post-employment benefits at the facility include monthly contributions to the General Organization for Social Insurance and the end-of-service bonus program in accordance with the requirements of regulations in the Kingdom of Saudi Arabia.

Monthly contributions to the General Organization for Social Insurance (an independent entity) are classified as a defined contributions programme. The establishment recognizes its share of fixed contributions to the General Organization for Social Insurance each month as expenses. The establishment does not have any legal or legal obligation to pay any other subscriptions, and its only obligation is to pay the contributions as they are due. Employee benefit obligations are paid in accordance with the Saudi Labor Law.

End-of-service benefits are due to all employees working in accordance with the terms and conditions of the work system followed in the facility upon the end of their service contracts. The end-of-service benefit obligation, which represents a defined benefit plan under the Saudi Labor Law, is measured according to the undiscounted amount of employee benefits as at the end of the reporting period. This is because the future service of employees cannot be estimated without undue cost or effort.

4-11 General reserve

According to article of association and the partners' decision, 20% of the annual net profits are set aside annually to form the company's general reserve, and it may be stopped when the general reserve reaches 30% of the capital..

4-12 Revenue recognition**Revenue Measurement**

Revenue is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account any trade rebates, quick settlement rebates and volume rebates that the company allows.

When the inflow of cash or cash equivalents is deferred and the agreement includes, in substance, a financing transaction, the fair value of the consideration is the present value of all future receipts, which is determined using an implicit interest rate. The financing process arises, for example, when the entity grants credit to the customer without interest, or the entity may accept from the customer a note receivable at an interest rate lower than the market rate as compensation for the service sold.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

4 - SUMMARY OF SIGNIFICANT ACCOUNTS POLICIES (Continued)

4-12 Revenue recognition (Continued)

Revenue from services

When the output from a transaction involving the provision of services can be estimated reliably, the Company recognizes revenue by referring to the percentage of completion of the transaction at the end of the reporting period. The output of a particular transaction can be estimated reliably when all of the following conditions are met:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- The costs incurred in the transaction can be measured as costs necessary to complete transaction in a way can count on her.

4-13 Expenses

Expenses are recognized in the income statement when a decrease in economic benefits arises during the reporting period in the form of outflows, a decrease in assets, or the assumption of liabilities, which leads to a decrease in equity, other than the decrease related to distributions made to owners.

For the purposes of preparing the income statement, expenses are presented using a classification based on the expense function, where the expenses are grouped according to their nature as part of the cost of revenue or as part of administrative activities, or distribution activities, if any.

Management follows a regular basis for allocating common expenses among the main functions of these expenses.

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

5 - Property, plant and equipment (Net)

	Vehicles	Furniture	Decoration	Balance
<u>Cost</u>				
Balance on January 1, 2024	201,270	150,472	180,299	532,041
Additions	-	-	68,725	68,725
Disposals	-	-	(133,503)	(133,503)
December 31, 2024	201,270	150,472	115,521	467,263
<u>Accumulated depreciation</u>				
Balance on January 1, 2024	201,266	96,974	56,460	354,700
Additions	-	12,369	18,483	30,852
Disposals	-	-	(48,356)	(48,356)
December 31, 2024	201,266	109,343	26,587	337,196
<u>Net book value as at</u>				
December 31, 2024	4	41,129	88,934	130,067
December 31, 2023	4	53,498	123,839	177,341
- Allocation of depreciation expense as follows:				
	December 31, 2024	December 31, 2023		
Cost Operation	30,852	39,833		
	30,852	39,833		

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

6 - Intangible assets (Net)

	December 31, 2024	December 31, 2023
<u>Cost:</u>		
Balance at the beginning of the year	18,000	43,000
Disposal	-	(25,000)
Balance at the end of the year	18,000	18,000
<u>Accumulated amortization:</u>		
Balance at the beginning of the year	(5,700)	(26,683)
Amortization	(3,600)	(4,017)
Disposal	-	25,000
Balance at the end of the year	(9,300)	(5,700)
Net carrying amount	8,700	12,300

7 - Trade receivables (Net)

	December 31, 2024	December 31, 2023
Trade Receivable	459,817	357,230
Related Party-Trade Receivable	424,923	355,612
* Movement of Impairment of Trade Receivable	(196,330)	(222,180)
	688,410	490,662

*** Movement of Expected Credit loss Provision**

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	222,180	222,180
Provisions no longer	(25,850)	-
	196,330	222,180

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

8 - Prepayments and other debit balances

	December 31, 2024	December 31, 2023
* Bank Gruante of letters (L / Gs Margin)	750,000	1,493,000
Prepaid insurance	275,500	275,500
Advance payments to travel and tourist agency Co.	130,980	129,030
prepaid expense	48,087	52,624
Staff advances	32,321	32,782
Other debit balance	68,139	74,805
Expected Credit loss Provision	(196,702)	(196,702)
	1,108,325	1,861,039

*** L / Gs Margin**

L / Gs Value	Margin Ratio	L / GS margin	Bank Issuing	Type of Letter	L / Gs Value	Beneficiary	L / Gs Expiry Date
500,000	100%	500,000			MD1912000012	IATA	29/10/2025
50,000	100%	50,000			MD1602000004	PIA	31/03/2025
50,000	100%	50,000			MD2305900034	YBA KANOO	31/03/2026
50,000	100%	50,000	ALINMA BANK	FINAL	MD1902000023	YBA KANOO	31/03/2025
50,000	100%	50,000			MD2102500017	YBA KANOO	22/02/2024
50,000	100%	50,000			MD1720500033	Ielaf TRAVEL	08/08/2024
750,000	-	750,000					

9 - Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on Banks	53,940	149,539
Cash on hand	35,420	42,995
	89,360	192,534

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

10 - Capital

The company's capital amounted to SR 350,000 divided into 35,000 shares of equal value, the value of each share being SR 10 distributed among the partners as follows:

Partner Name	Number of shares	Amount / Share	Percentages	Total of amount
Ms. Naima Abdul Rahman Abdullah Al-Barrak	4,382	10	12.52%	43,820
Ms. Hala Saleh Abdullah Al-Barrak	3,402	10	9.72%	34,020
Mr. Mansour Saleh Abdullah Al-Barrak	6,804	10	19.44%	68,040
Mr. Abdul Aziz Saleh Abdullah Al-Barrak	6,804	10	19.44%	68,040
Ms. Sarah Saleh Abdullah Al-Barrak	3,402	10	9.72%	34,020
Ms. Dana Saleh Abdullah Al-Barrak	3,402	10	9.72%	34,020
Mr. Majid Saleh Abdullah Al-Barrak	6,804	10	19.44%	68,040
	35,000	-	100%	350,000

11- General Reserve

According to article of association and Partners Minute, an amount equivalent to not less than 20% of the Net profit shall be deducted to form the General Reserve.

12 - End of service benefits

Employee benefits are represented in the end-of-service reward only, as the planned credit unit was not used to measure the end-of-service reward obligation due to management's assessment of the presence of unjustified effort and cost, as the end-of-service reward obligation and the cost incurred under the Saudi labor system were measured according to the undiscounted amount of the entitlement. Employees as of December 31, 2024.

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	301,326	273,446
provision for the year	35,798	36,047
Used during the year	(50,250)	(8,167)
	286,874	301,326

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

13 - Due to Related Parties

The related parties are the partners in the facility, Key senior management staff in the facility and the facilities owned or managed by these entities, as well as the facilities that exercise joint control or substantial influence over these entities. The following is a summary of the most important transactions that took place between the facility and related parties during the year:

The nature and volume of transactions

The nature and volume of dealings with related parties during the year ending December 31, 2024 G are as follows:

Description	Type of relation	Nature of transaction	Transaction	
			December 31, 2024	December 31, 2023
Mrs. Naima Abdul Rahman	Partner	Finance	384,500	396,188
Abdullah Al-Barrak		Withdrawal	32,930	325,468
Mrs. Hala Saleh Abdullah Al-Barrak	Partner	Finance	116,011	24,601
		Withdrawal	9,088	97,471
Mrs. Sarah Saleh Abdullah Al-Barrak	Partner	Finance	117,561	24,601
		Withdrawal	9,088	97,471
Mrs. Dana Saleh Abdullah Al-Barrak	Partner	Finance	116,011	24,601
		Withdrawal	9,088	97,471
Mr. Mansour Saleh Abdullah Al-Barrak	Partner	Finance	232,020	249,202
		Withdrawal	18,210	439,868
Mr. Abdulaziz Saleh Abdullah Al-Barrak	Partner	Finance	-	11,604
		Withdrawal	-	323,854
Mr. Majed Saleh Abdullah Al-Barrak	Partner	Finance	234,021	49,202
		Withdrawal	28,925	196,493
Al-Barrak Company for Security, Safety and Solar Energy Systems	Trade receivables	Finance	8,955	19,660
		Withdrawal	13,111	10,120
Barak Glass Factory	Trade receivables	Finanace	131,665	89,220
		Wtihdrawal	129,165	103,365
Barak Elevator Factory	Trade receivables	Finance	-	12,360
		Withdrawal	-	2,360
Al-Barrak Factory for Doors and Garages	Trade receivables	Fianance	191,680	190,000
		Withdrawal	238,180	205,340
Gas Factory	Trade receivables	Fianance	-	-
		Withdrawal	21,155	-

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

13 - Due to Related Parties (continue)

The following is a summary of balances with related parties appearing in the statement of financial position:

a) Due to related parties:

	December 31, 2024	December 31, 2023
Mrs. Naima Abdul Rahman Abdullah Al-Barrak	173,516	525,086
Mrs. Hala Saleh Abdullah Al-Barrak	63,670	170,593
Mrs. Sarah Saleh Abdullah Al-Barrak	66,460	174,933
Mrs. Dana Saleh Abdullah Al-Barrak	70,930	177,853
Mr. Mansour Saleh Abdullah Al-Barrak	71,779	285,589
Mr. Majed Saleh Abdullah Al-Barrak	112,473	317,569
	558,828	1,651,623

b) With in Trade receivables

	December 31, 2024	December 31, 2023
Al-Barrak Company for Security, Safety and Solar Energy Systems	20,641	16,485
Barak Glass Factory	28,330	30,830
Barak Elevator Factory	13,362	13,362
Al-Barrak Factory for Doors and Garages	341,435	294,935
Gas Factory	21,155	-
	424,923	355,612

14 - The Loans and Bank Facilities

The company obtained a bank facility from Alinma Bank to finance the client through Murabaha, secured by guarantor liability (Gharam) It has been classified as follows:

	December 31, 2024	December 31, 2023
Current portion of long term loans	129,958	-
Non Current portion of long term loans	468,796	-
	598,754	-

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

15 - Accrued expenses and other credit balance

	(Notes)	December 31, 2024	December 31, 2023
Accrued expenses	15-1	56,494	60,318
Value added tax		26,373	34,853
Other credit balance		90,940	93,623
		173,807	188,794

15-1 Accrued expenses

	December 31, 2024	December 31, 2023
Vacation allowance	21,192	33,103
Accrued Expense Rent	8,822	-
Other	26,480	27,215
	56,494	60,318

16 - Zakat provision

	December 31, 2024	December 31, 2023
Adjusted net income	-	(34,408)
Additions	843,868	1,286,541
Deduction	(138,767)	(189,641)
Zakat base	705,101	1,062,492

Zakat occurred by 2.5% of the net adjusted income and 2.57768% from the zakat base after deduction from adjusted net income.

Zakat movements as follows,

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	27,414	31,893
Provided during the year	18,225	27,414
(Used) during the year	(27,414)	(31,893)
	18,225	27,414

Zakat position

the company have submit the zakat return until the year end 31 December 2023 AD and obtained to the zakat certificate valid to date 30 April 2025 AD , the company not receive any zakat assessment until that date

AL-BARRAK TRAVEL AND TOURIST AGENCY

LIMITED LIABILITY COMPANY

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

17 - Revenues

	December 31, 2024	December 31, 2023
Tickets sales commissions	814,002	927,084
Touristic travel commissions	12,976	20,387
Income from reservation	181,228	185,949
	1,008,206	1,133,420

18 - Cost of revenue

	December 31, 2024	December 31, 2023
Salaries and equivalents	555,339	542,590
Vacation allowance and Employee benefit	71,916	67,292
Rents	145,752	145,482
Electricity & water expenses	18,370	21,686
Telephone , Fax & Postage	51,697	38,241
Stationary & printing	10,760	8,536
Depreciation of Fixed Assetes	30,852	39,833
Amortization of Intangible Assetes	3,600	4,017
Subscription and fees government	134,918	132,731
Bank charges	29,243	32,734
Maintenance & repairing expenses	24,147	27,601
Travel & transportation expenses	25,211	29,436
Social and Medical Insurance	105,378	72,243
Miscellaneous expense	38,407	41,453
	1,245,590	1,203,875

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

18 - Financial instruments, fair value and risk management**Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an arm's length transaction. considered as Administration that Value Fair values of other debit balances, other credit balances approximate their book values. Management does not believe that the fair values of the company's financial assets and liabilities are materially different from their carrying values.

Risk Management

The Company is exposed to the following risks as a result of its use of financial instruments:

- liquidity risk
- credit risk
- foreign exchange risk
- Commission rate risk

This note provides information about the Company's exposure to each of the above risks, the Company's objectives, policies and methods for measuring and managing risk and the Company's management of capital.

Liquidity Risk

Liquidity risk is represented by the company's inability to meet its obligations related to financial liabilities as they become due. Liquidity needs are monitored periodically and management ensures that sufficient funds are available to meet any commitments as they become due. Accordingly, the company is not exposed to significant liquidity risks.

The company's financial liabilities consist of receivables to related parties and other receivables. Practically all of these financial liabilities are expected to be settled within 12 months from the date of the statement of financial position and the Company's management expects to have sufficient funds to do so.

Credit Risk

Credit risk is represented in the failure of one of the parties to a financial instrument to fulfill its obligation and causing the company to incur a financial loss. The company's financial instruments that may be exposed to credit risk mainly include cash in banks and other debit balances.

The company deposits its funds in reliable financial banks with high credit capacity, and the company has a policy regarding the amount of funds deposited in each bank, and the management does not expect the existence of significant credit risks resulting from this. Also, the management does not expect to be exposed to significant credit risks from the accounts receivable due to its dealings with clients with high financial solvency and credit capacity. The management also monitors the outstanding debit balances periodically.

Notes to the Financial Statements For the year Ended December 31, 2024

(All amounts are in Saudi Riyals unless otherwise noted)

18 - Financial instruments, fair value and risk management (Continued)

Foreign Currency

Currency risk results from changes and fluctuations in the value of financial instruments as a result of changes in foreign exchange rates.

The company did not carry out any transactions of relative importance in currencies other than the Saudi riyal and the US dollar. Since the exchange rate of the Saudi riyal is fixed against the US dollar, balances in US dollars do not represent a significant currency risk. The Company's management monitors the fluctuations in currency rates and believes that the currency risk is immaterial.

Commission Rate Risk

Commission rate risk arises from the potential changes and fluctuations in interest rates that would affect future profit or the fair values of financial instruments. The Company has no significant assets or liabilities that are subject to changes in commission rates. The Company's management believes that the interest rate risk is immaterial.

19 - Contingent liabilities

Alinma Bank issued letters of guarantee as of December 31, 2024, in the amount of 750,000 Saudi riyals (2023: 1,493,000 Saudi riyals). These letters of guarantee was issued with 100% cash margin amount 750,000 Saudi riyals (2023: 1,493,000 Saudi riyals ,These letters of guarantee was issued with 100% cash margin), Included in the Prepayments and other receivables account.

20 - Reclassification of year

Certain comparative figures been reclassified to conform with the presentation for the current year.

21 - Approval of the financial statements

The financial statements have approved by the company's shareholder on Ramadan 19 , 1446 AH corresponding to Mar 19 , 2025 AD