

**TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017**

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
31 December 2017

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS' OF TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

Opinion

We have audited the financial statements of Tamwily International Company (a Saudi Closed Joint Stock Company) (the "Company"), which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes from 1 to 26.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as modified by Saudi Arabian Monetary Authority (SAMA) for accounting of zakat and income tax.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as 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 professional code of conduct and ethics, as 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 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 IFRSs as modified by SAMA for the accounting of zakat and income tax, the applicable requirements of the regulations for Companies in the Kingdom of Saudi Arabia and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Management is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as 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 ISAs as endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit.

INDEPENDENT AUDITORS' REPORT (continued)
TO THE SHAREHOLDERS OF TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

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

We also:

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

We communicate with 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.

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

Report on other legal and regulatory requirements

Based on the information that has been made available to us while performing our audit procedures, nothing has come to our attention that causes us to believe that the Company is not in compliance with the requirements of provisions of Companies' Law and Company's By-laws in so far as they affect the preparation and presentation of the financial statements.

for Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. 356

16 Jumada II 1439H
4 March 2018

Jeddah
17/40/AJ



TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	<i>Note</i>	2017 SR	2016 SR
Revenue	4	92,344,423	79,797,888
Direct cost	5	(60,957,380)	(76,699,132)
GROSS PROFIT		31,387,043	3,098,756
Other operating income	6	19,701,104	5,021,974
NET PROFIT		51,088,147	8,120,730
EXPENSES			
Selling and marketing	7	(6,606,532)	(13,545,770)
General and administrative	8	(46,042,854)	(60,977,810)
LOSS BEFORE PROVISION FOR IMPAIRMENT		(1,561,239)	(66,402,850)
Net movement in allowance for doubtful debts	11	(8,739,703)	(13,442,879)
Recovery of debts previously written off		11,897,764	16,766,361
NET PROFIT / (LOSS) FOR THE YEAR		1,596,822	(63,079,368)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		1,596,822	(63,079,368)

The attached notes 1 to 26 form part of these financial statements.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	<i>Note</i>	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
ASSETS			
Cash and bank balances	9	44,916,658	59,456,775
Prepayments and other assets	10	59,557,712	53,120,992
Due from related parties	16	1,586,442	5,961,654
Net investment in finance lease and instalment sales	11	207,253,089	387,231,122
Present value of margin deposits, net	12	31,318,071	20,772,826
Available-for-sale investment	13	892,850	-
Property and equipment	14	6,897,400	8,687,576
TOTAL ASSETS		352,422,222	535,230,945
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Accounts payable, accrued and other liabilities	15	36,606,418	68,441,513
Due to related parties	16	60,932,854	32,721,686
Short term loans	17	114,926,887	279,362,764
Net servicing liability	18	16,982,322	27,051,610
Employees' end of service benefits	19	5,042,769	6,219,222
TOTAL LIABILITIES		234,491,250	413,796,795
SHAREHOLDERS' EQUITY			
Share capital	20	100,000,000	100,000,000
Statutory reserve	21	10,731,602	10,571,920
Retained earnings		7,199,370	10,862,230
TOTAL SHAREHOLDERS' EQUITY		117,930,972	121,434,150
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		352,422,222	535,230,945

The attached notes 1 to 26 form part of these financial statements.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2017

	<i>Share capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
Balance as at 1 January 2016	100,000,000	10,571,920	81,441,598	192,013,518
Total comprehensive loss for the year	-	-	(63,079,368)	(63,079,368)
Zakat charge for the year (note 22)	-	-	(7,500,000)	(7,500,000)
Balance at 31 December 2016	100,000,000	10,571,920	10,862,230	121,434,150
Total comprehensive income for the year	-	-	1,596,822	1,596,822
Zakat charge for the year (note 22)	-	-	(5,100,000)	(5,100,000)
Transfer to statutory reserve	-	159,682	(159,682)	-
Balance at 31 December 2017	100,000,000	10,731,602	7,199,370	117,930,972

The attached notes 1 to 26 form part of these financial statements.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	<i>Note</i>	2017 SR	2016 SR
OPERATING ACTIVITIES			
Net Income /(loss) for the year		1,596,822	(63,079,368)
Adjustments for:			
Depreciation	14	2,782,074	2,822,818
Allowance for doubtful debts	11	8,739,703	13,442,879
Allowance for doubtful insurance claims receivables	10	-	4,000,000
Provision for employees' end of service benefits	19	795,713	1,974,452
Gain /(loss) on disposal of property and equipment	6	(25,349)	31,168
		13,888,963	(40,808,051)
Changes in operating assets and liabilities:			
Net investment in finance lease and instalment sales		171,238,330	(49,852,925)
Prepayments and other assets		(6,436,720)	(9,872,000)
Due from related parties		4,375,212	27,799,996
Net movement in short term bank loans		(164,435,877)	46,833,217
Accounts payable, accrued and other liabilities		(32,660,214)	8,006,526
Due to related parties		28,211,168	31,852,237
Net servicing liability		(10,069,288)	(1,961,765)
Present value of margin deposits		(10,545,245)	(20,772,826)
Cash used in operations		(6,433,671)	(8,775,591)
Zakat paid	22	(4,274,881)	(7,635,100)
Employees' end of service benefits paid	19	(1,972,166)	(2,981,298)
Net cash used in operating activities		(12,680,718)	(19,391,989)
INVESTING ACTIVITIES			
Purchase of property and equipment	14	(1,317,639)	(1,370,197)
Available-for-sale investment	13	(892,850)	-
Proceeds from disposal of property and equipment		351,090	46,600
Net cash used in investing activities		(1,859,399)	(1,323,597)
NET DECREASE IN BANK BALANCES AND CASH		(14,540,117)	(20,715,586)
Bank balances and cash at the beginning of the year		59,456,775	80,172,361
BANK BALANCES AND CASH AT THE END OF THE YEAR	9	44,916,658	59,456,775

The attached notes 1 to 26 form part of these financial statements.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2017

1 ACTIVITIES

Tamwily International Company (the "Company") is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 4030171226, issued on 8 Rajab 1428 H (corresponding to 22 July 2007).

The Company's head office is in Jeddah. The Company is engaged in the activities of sale of new and used motor vehicles under finance leases and instalment sales.

On 19 Safar 1436H (corresponding to 11 December 2014), the Company received a license from Saudi Arabian Monetary Authority (SAMA) to undertake activities of finance leasing and financing the retail, small and medium enterprises in the Kingdom of Saudi Arabia.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Basis of preparation

These financial statements are prepared under the historical cost convention using the accrual basis of accounting, except as indicated otherwise.

These financial statements have been presented in Saudi Riyal, which is the functional and presentation currency of the Company.

2.2 Statement of compliance

These financial statements have been prepared:

- i) In accordance with International Financial Reporting Standards (IFRSs) as modified by the Saudi Arabian Monetary Authority (SAMA) for accounting of zakat and income tax', which requires, adoption of all IFRSs as issued by the International Accounting Standards Board ("IASB") except for the application of International Accounting Standard (IAS) 12 - "Income Taxes" and IFRIC 21 - "Levies" so far as these relate to zakat and income tax.
- ii) In compliance with the requirement of the regulations for Companies in the Kingdom of Saudi Arabia and Company's By-laws.

Until 2016, the financial statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), the requirements of the regulations for Companies in the Kingdom of Saudi Arabia and Company's By-laws. This change in framework resulted in a change in accounting policy for zakat (as disclosed in note 3) and the effects of this change are disclosed in note 22 to these financial statements.

2.3 Significant accounting judgments, estimates and assumptions

The statement of financial position is presented in descending order of liquidity, as this presentation is more appropriate to the Company's operations.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 period, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.3 Significant accounting judgments, estimates and assumptions (continued)

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

Impairment of finance lease

An estimate of the collectible amount of receivables under finance lease is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates.

At the reporting date, outstanding finance lease receivable were SR 330,418,867 (31 December 2016: SR 552,731,132), and the allowance for doubtful debts relating to finance lease receivable amounts to SR 52,352,603 (31 December 2016: SR 46,261,509). Any difference between the amounts actually collected in future year and the amounts expected will be recognised in the statement of comprehensive income of those year.

Useful lives of property and equipment

The management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Determination of servicing liability

Under the securitisation and agency agreements, the Company has been appointed by the banks to service the receivables purchased by the banks. Assumptions used to calculate the servicing assets / liability are based on estimates of collection costs to be incurred by the Company over the life of the securitisation and agency agreements.

Determination of expected defaults and discounts

In order to calculate the net deferred consideration receivable under the securitisation and agency agreements, the Company uses assumptions to calculate the allowance for delinquent receivables and discounts based on historical trends which are updated periodically and on a change in circumstances which indicate that the historical rates may not be appropriate.

Determination of discount rate for present value calculations

Discount rate represents the current market assessment of the risks specific to the Company, taking into consideration the time value of money and the individual risks of the underlying assets. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the cost of financing provided by the banks under the securitisation and agency agreements. The beta factors are evaluated annually based on publicly available market data.

Actuarial valuation of employee benefits liabilities

The cost of the end-of-service and ex-gratia benefits ("employee benefits") under defined unfunded benefit plans is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. Due to the complexity of the valuation and its long-term nature, a defined unfunded benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed on an annual basis or more frequently, if required.

2.4 New and amended accounting standards and interpretations

Standards issued up to the date of issue of the Company's financial statements are listed below. The Company has adopted all the standards and amendments applicable as of the reporting date. For standards and amendments which are issued and not yet effective, the Company intends to adopt these standards and amendments from the application date.

**TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.4 New and amended accounting standards and interpretations (continued)

a) Amendments to existing standards

Amendments to IAS 7 Statement of Cash Flow, applicable for the annual periods beginning on or after 1 January 2017, require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

b) Standards issued but not yet effective

i) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 "Financial Instruments" which reflects all phases of the financial instruments project and replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting.

Classification and measurement

The classification and measurement of financial assets (except equity instruments and derivatives) will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL'). For equity instruments that are not held for trading, the entity may irrevocably elect to designate them as FVOCI, with no subsequent reclassification of gains or losses to the income statement. This election is made on an investment-by-investment basis.

The Company's financial assets comprises of cash and bank balances, net investment in finance lease, available-for-sale investment, due from related parties, employees' receivables and other receivables. The majority of financial assets that are classified as loans and receivables and are measured at amortised cost under IAS 39 are expected to be measured at amortised cost under IFRS 9 as well. However, certain financial assets that are currently classified as available for sale (AFS) will satisfy the conditions for classification as fair value through other comprehensive income (FVOCI) and resultantly the gains and losses on disposal and impairment loss, if any, will be charged directly to retained earnings.

The Company's financial liabilities primarily consist of due to related parties, short term loans, accounts payable and other liabilities. Under IFRS 9, the accounting for financial liabilities will largely remain similar to IAS 39.

Impairment

The Company will recognise impairment allowances based on a forward looking Expected Credit Loss (ECL) approach on financial assets that are not measured at FVTPL. These include net investment in finance lease, due from related parties, employees' receivables and other receivables which are measured at amortised cost. The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The above parameters are generally derived from internally developed statistical models, other historical data and are adjusted for forward looking information. The Company will categorise its financial assets into following three stages in accordance with IFRS 9 methodology:

- Stage 1: Performing assets: Financial asset(s) that have not significantly deteriorated in credit quality since origination. The impairment allowance will be recorded based on 12 months ECL.
- Stage 2: Underperforming assets: Financial asset(s) that have significantly deteriorated in credit quality since origination. This credit quality assessment is made by comparing the remaining lifetime PD as at reporting date with the remaining lifetime PD point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations). The impairment allowance will be recorded based on lifetime ECL.
- Stage 3: Impaired assets: For Financial asset(s) that are impaired, the Company will recognise the impairment allowance based on lifetime ECL.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.4 New and amended accounting standards and interpretations (continued)

i) IFRS 9 Financial Instruments (continued)

The Company will also consider the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs.

The forward-looking information will include the elements such as macroeconomic factors (e.g., inflation rates and oil prices) and economic forecasts obtained through external sources.

To evaluate a range of possible outcomes, the Company intends to formulate various scenarios. For each scenario, the Company will derive an ECL and apply a probability weighted approach to determine the impairment allowance in accordance with the accounting standards requirements.

Overall expected impact

The Company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of IFRS 9 on 1 January 2018:

- According to transitional provisions for initial application of IFRS 9, the Company is allowed to recognise any difference between previous carrying amount under IAS 39 and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in opening shareholders' equity.
- Based on the foregoing, the Company expects a net decrease of 15% to 20% in its total shareholders' equity as at the transition date, represented primarily by increase in impairment allowance for lease receivable at the transition date.

Classification

Based on management's assessment of business models and nature of financial instruments carried at the reporting date, it expects that the majority of financial assets that are classified as loans and receivables measured at amortised cost under IAS 39 are expected to be measured at amortised cost under IFRS 9 as well. Simultaneously, investments which were measured at their values continue to be measured on their fair values.

Disclosure

The new standard also introduces extended disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Caveat

The foregoing assessment above is a point in time estimate and is not a forecast. The actual effect of the implementation of IFRS 9 on the Company could vary significantly from this estimate. The Company continues to refine models, methodologies and controls, and monitor developments in regulatory rule-making in advance of IFRS 9 adoption.

ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 issued in May 2014, and amended in April 2016, provides a framework that replaces the existing revenue recognition model under IAS 18. Entities applying IFRS 15 would need to apply a five-step model to determine when to recognize revenue and at what amount. The model specifies that revenue should be recognized when an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is in the process of evaluating how the new revenue recognition model will impact its revenue generating arrangements.

iii) IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC -15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

2.4 New and amended accounting standards and interpretations (continued)

iii) IFRS 16 Leases (continued)

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Company is carrying impact assessment and will make more detailed assessments of the effect in the future to determine the impact.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are as follows:

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Company determines 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 as explained above.

Revenue recognition

Leasing revenue

Income from finance leases and instalment sales is recognized over the period of the lease contract using a periodic rate of return calculated under the sum of digits method, which approximates to the effective interest method.

As part of the periodic installments due from customers, the Company charges customers for insurance cover on the vehicles under lease contracts. Consequently, premiums are paid to the Insurers for the insurance cover for the vehicles under lease, pursuant to the agreement.

Interest on past due and impaired loans is recognised and reserved from income and recognized to the extent of the interest on overdue instalments collected. Penal charges and other fees are recognised when realised.

Income from securitisation and agency agreements

Income from securitisation and agency arrangements represents management fees due under the securitisation and agency agreements with certain banks and is recognised on accrual basis.

Other operating income

Other operating income comprises lease facilitation processing fee, contract fee income for lease initiation, customer credit assessment, vehicle registration and other fee income. It is recognised immediately upon execution of the agreements with the customers.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the marketing and sale of the Company's products / services. All other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs not specifically part of the operating activities of the Company. Allocations between general and administrative expenses and direct costs, when required, are made on a consistent basis.

Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash in bank and deposits with original maturity of three months or less.

Leases

Finance leases are those where the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. As lessee, the Company classifies its leases as operating leases and the rentals payments are charged to the statement of comprehensive income on a straight line basis.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Depreciable property and equipment other than land are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method.

The estimated useful lives of the principal classes of assets are as follows:

Leasehold improvements	4 years
Furniture, fixtures and office equipment	7 years
Motor vehicles	4 years
Software	7 years

Leasehold improvements are depreciated over a period of their useful lives as management believe that the lease term will be extended for further periods.

The carrying value of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the property and equipment are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of comprehensive income if those expense categories are consistent with the function of the impaired asset. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

Provisions

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

If the effect of the time value of money is material, provisions are discounted using a discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' end of service benefits

These represent end-of-service benefits under defined unfunded benefit plans. End-of-service benefits, as required by Saudi Arabia Labor Law, are required to be provided based on the employees' length of service.

The Company's net obligations in respect of defined unfunded benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs.

The discount rate used is the market yield on high quality corporate bonds at the reporting date that has maturity dates and the risk profile approximating the terms of the Company's obligation. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method to determine the Company's present value of the obligation, with actuarial valuations to be carried out every third year and updated for the following two years for material changes, if any. The defined benefit liability comprises the present value of defined benefit obligation as adjusted for any past service cost not yet recognised. Currently there are no past service costs. The full amount of actuarial gains and losses are recognized in statement of changes in shareholders' equity in the year in which they arise.

Onerous contracts

An onerous contract is one where the unavoidable costs of meeting the Company's contractual obligations exceed the expected economic benefits. If the Company has a contract that is onerous, it recognises the present obligation under the contract as a provision. The estimated future cash flows of the onerous contract are discounted at the Company's weighted average cost of capital ("WACC"). The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as a finance cost.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Zakat

The Company is subject to the Regulations of the General Authority of Zakat and Tax ("GAZT") in the Kingdom of Saudi Arabia. Zakat is provided on an accruals basis. The zakat charge is computed on the zakat base. Any difference in the estimate is recorded when the final assessment is approved at which time the provision is cleared.

As set out in note 2.2, the Company has amended its accounting policy relating to zakat and have started to charge zakat for the year directly to statement of changes in shareholder's equity with a corresponding liability recognized in the statement of financial position. Previously, the Company's policy was to charge the zakat for the period to the statement of comprehensive income with a corresponding liability recognized in the statement of financial position.

Financial instruments

i) Financial assets

Initial recognition and measurement

The Company determines the classification of its financial assets at initial recognition. 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, directly attributable transaction costs, if any.

Subsequent measurement

For purposes of subsequent measurement net investment in finance lease is mainly classified as loans and receivables and available-for-sale financial assets.

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

i) Financial assets (continued)

Subsequent measurement (continued)

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective yield rate (EYR) method, less any amounts written off and allowance for doubtful debts. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EYR.

b) Available-for-sale financial assets

Available-for-sale financial assets comprises investment in equity instruments that are not held for trading. Financial assets categorized as available-for-sale are subsequently measure at their fair values with the gain or loss recognized in other comprehensive income, except for impairment loss, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognized in the statement of comprehensive income. On derecognition, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity into statement of comprehensive income.

Derecognition of financial assets

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognised when:

- the contractual right to receive cash flows from the asset has expired; or
- the contractual right to receive cash flows from the asset has not expired, but the Company has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or
- the Company has transferred its contractual right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any resulting gains or losses on derecognition of financial assets are recognised at the time of derecognition of financial assets.

When the Company has transferred its contractual right to receive cash flows from an asset or has entered into a "pass through" arrangement, whereby it has assumed an obligation to pay cash flows from an asset in full without material delay to a third party, but has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Where the Company is appointed to service the derecognised financial assets for a fee (agency fee), the Company recognises either a net servicing asset or a net servicing liability for that servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the service, a net servicing liability for the servicing obligation is recognised at its fair value.

If the fee to be received is expected to be more than adequate compensation for the services to be provided, a servicing asset is recognised for the servicing right. Following initial recognition, net servicing assets, being intangible assets, are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Net servicing assets are amortised over their definite useful economic life (in conformity with the collection arrangements with the banks) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation of net servicing asset is charged to the statement of comprehensive income.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Impairment of financial assets carried at amortised cost

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective yield rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of comprehensive income. Assets together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of comprehensive income.

Net investment in finance lease and instalment sales is considered to be impaired when a payment is overdue by 30 days or more. Since the risk metrics for net investment in finance lease and instalment sales are based on a collective "pool" basis, rather than on individual financings, the allowances for doubtful debts are also computed on a "pool basis" using the "flow rate" methodology. The allowance coverage is 100% for such non-performing financings which reach the "write off point" (write-off points are set at 1 year past due). The carrying amount of the asset is adjusted through the use of an allowance for doubtful debts account and the amount of the adjustment is included in the statement of comprehensive income.

Impairment of available for sale financial assets

The Company assesses at each reporting date whether there is objective evidence that an available for sale investment or a group of investments is impaired.

In the case of equity investments, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in other comprehensive income.

ii) Financial liabilities

Initial recognition and measurement

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value plus, directly attributable transaction costs (where applicable) and thereafter stated at their amortized cost.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective yield method.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 comprehensive income.

iii) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)
NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

4 REVENUE

	2017 SR	2016 SR
Income from finance leases and instalment sales	43,743,385	51,243,911
Service fee from securitisation agreements	22,985,251	23,526,087
Net change in present value of assets and liabilities related to securitized receivables	26,544,329	17,527,035
Loss on derecognition of receivables (note 18)	(928,542)	(12,499,145)
	<u>92,344,423</u>	<u>79,797,888</u>

5 DIRECT COSTS

	2017 SR	2016 SR
Insurance cost	51,931,932	62,135,360
Finance cost	7,633,667	12,197,247
Other	1,391,781	2,366,525
	<u>60,957,380</u>	<u>76,699,132</u>

6 OTHER OPERATING INCOME

	2017 SR	2016 SR
Lease facilitation processing fee (note 16)	14,209,500	-
Contract fee income	4,414,765	5,053,142
Other income	1,051,490	-
Gain /(Loss) on disposal of property and equipment	25,349	(31,168)
	<u>19,701,104</u>	<u>5,021,974</u>

7 SELLING AND MARKETING EXPENSES

	2017 SR	2016 SR
Salaries and related costs	3,052,186	6,335,607
Salesmen's commission	2,719,067	4,269,843
Advertisement	617,986	1,996,734
Other	217,293	943,586
	<u>6,606,532</u>	<u>13,545,770</u>

8 GENERAL AND ADMINISTRATIVE EXPENSES

	2017 SR	2016 SR
Salaries and related costs	21,315,116	30,732,105
Collection cost	6,897,395	9,423,809
Expenses re-charged by a related party (note 16)	3,981,162	5,758,955
Rent	2,586,108	2,873,075
Depreciation	2,782,074	2,822,818
Vehicle repossession charges	22,759	1,841,729
Professional charges	729,210	1,338,250
Bank charges	1,512,888	1,237,162
Other	6,216,142	4,949,907
	<u>46,042,854</u>	<u>60,977,810</u>

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

9 CASH AND BANK BALANCES

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Cash in hand	392,160	329,247
Bank balances	44,524,498	59,127,528
	<u>44,916,658</u>	<u>59,456,775</u>

Certain bank accounts of the Company with balances amounting to SR 336,480 (2016: SR 1.6 million) are in the name of Mohammad Yousuf Naghi Motors Corporation, a related party. However, these bank accounts are beneficially utilized by the Company and, accordingly, are included in the statement of financial position of the Company under bank balances above.

10 PREPAYMENTS AND OTHER ASSETS

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Receivable from customers, net (note (a))	39,520,859	-
Insurance claims receivable - net (note (b))	10,089,615	25,489,157
Prepaid expenses	1,663,042	9,584,273
Staff advances	1,059,415	878,907
Advances to suppliers	-	921,990
Other receivables	7,224,781	6,633,909
Vehicles purchased for lease contracts	-	9,612,756
	<u>59,557,712</u>	<u>53,120,992</u>

a) It represents the shortage / (excess) of collections received against the securitized receivables from the customers than payment required to be made in accordance with the service agreements entered into with those bank.

b) It is net of provision against doubtful insurance claims receivable amounting to SR 4 million (2016: SR 4 million).

11 NET INVESTMENT IN FINANCE LEASE AND INSTALMENT SALES

The Company finances the sale of vehicles to its customers through finance leases and instalment sales. Under finance lease, the legal ownership of the vehicle is retained by the Company while under instalment sales legal ownership is transferred to the customer. As at 31 December 2017, finance leases represent 81% (2016:82%) of the total gross investments shown below:

As at 31 December 2017	<i>Current portion SR</i>	<i>Non-current portion SR</i>	<i>Total SR</i>
Gross investment in finance lease and instalment sales	158,633,314	171,785,553	330,418,867
Less: allowance for doubtful debts	(41,599,655)	(10,752,948)	(52,352,603)
Less: unearned finance income	(34,156,853)	(36,656,322)	(70,813,175)
Net investment in finance lease and instalment sales	<u>82,876,806</u>	<u>124,376,283</u>	<u>207,253,089</u>

TAMWILY INTERNATIONAL COMPANY
(A SAUDI CLOSED JOINT STOCK COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

11 NET INVESTMENT IN FINANCE LEASE AND INSTALMENT SALES (continued)

	<i>Current portion SR</i>	<i>Non-current portion SR</i>	<i>Total SR</i>
As at 31 December 2016			
Gross investment in finance lease and instalment sales	206,123,454	346,607,678	552,731,132
Less: allowance for doubtful debts	(37,403,777)	(8,857,732)	(46,261,509)
Less: unearned finance income	(54,446,269)	(64,792,232)	(119,238,501)
Net investment in finance lease and instalment sales	<u>114,273,408</u>	<u>272,957,714</u>	<u>387,231,122</u>

Gross investment in finance leases and instalment sales due is as follows:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Overdue balances	66,056,705	60,765,639
Due within 1 year	92,576,609	145,357,815
Due from 1-2 years	54,886,365	128,394,073
Due from 2-3 years	39,480,623	71,340,222
Due more than 3 years	77,418,565	146,873,383
	<u>330,418,867</u>	<u>552,731,132</u>

As at year end, the total balance due from delinquent customers is SR 158 million (31 December 2016: SR 187.9 million). This includes SR 66 million (31 December 2016: SR 60.8 million) which is overdue and SR 92 million (31 December 2016: SR 127.1 million) which is not yet due.

Overdue balances:	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
1 - 4 months	20,384,004	22,081,482
5 - 12 months	12,760,839	14,665,848
More than 12 months	32,911,862	24,018,309
	<u>66,056,705</u>	<u>60,765,639</u>

Not yet due balances relating to the overdue balances:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
1 - 4 months	54,784,405	96,230,950
5 - 12 months	23,209,693	21,794,510
More than 12 months	14,000,770	9,068,701
	<u>91,994,868</u>	<u>127,094,161</u>

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

11 NET INVESTMENT IN FINANCE LEASE AND INSTALMENT SALES (continued)

The movement in allowance for doubtful debts is given below:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
At the beginning of the year	46,261,509	64,107,116
Charge during the year	8,739,703	13,442,879
Release on sale of receivables	(2,648,609)	(1,769,141)
Amounts written off	-	(29,519,345)
At the end of the year	<u>52,352,603</u>	<u>46,261,509</u>

12 PRESENT VALUE OF MARGIN DEPOSITS, NET

The Company has placed these deposits in restricted bank accounts as security against receivables sold to the banks as required under certain securitization and agency agreements (note 18). The Company only remains liable to the banks in the event of default by the customers to the extent of margin deposits maintained with the banks under the agreements. The present value of these margin deposits and the provision for guarantee for expected default of the instalments sold to banks is as follows:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Present value of margin deposits	61,998,535	33,367,865
Less: present value of provision for guarantees	(30,680,464)	(12,595,039)
Present value of margin deposits, net	<u>31,318,071</u>	<u>20,772,826</u>

13 AVAILABLE-FOR-SALE INVESTMENT

It represents the capital contribution in the contacts registration company established under article 12 of the implementation regulations of the finance companies control law. It requires all finance companies operating in the Kingdom of Saudi Arabia to establish a joint stock company, after the approval of SAMA, for the purpose of establishing a database of finance lease contracts and enabling secure access to the data in the contracts register. The Company can only sell this investment with prior approval of SAMA.

The Company subscribed 2.38% of paid up capital amounting to SR 892,850 on 14 December 2017 (corresponding to 26 Rabi I 1439H). As the investee company has not yet started its commercial operations, management believe that the carrying amount approximate the fair value.

In accordance with the fair valuation hierarchy, the available-for-sale investment is considered as level 3.

**TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)

At 31 December 2017

14 PROPERTY AND EQUIPMENT

	<i>Leasehold improvements</i> SR	<i>Office equipment</i> SR	<i>Furniture and fixtures</i> SR	<i>Motor vehicles</i> SR	<i>Software</i> SR	<i>Total 31 December 2017</i> SR	<i>Total 31 December 2016</i> SR
Cost:							
At the beginning of the year	5,677,558	8,190,753	1,903,445	1,395,710	2,658,756	19,826,222	18,692,681
Additions	218,202	481,429	-	-	618,008	1,317,639	1,370,197
Disposals	-	(95,888)	(8,675)	(545,500)	-	(650,063)	(236,656)
At the end of the year	5,895,760	8,576,294	1,894,770	850,210	3,276,764	20,493,798	19,826,222
Depreciation:							
At the beginning of the year	3,305,502	4,245,814	1,229,606	788,275	1,569,449	11,138,646	8,474,716
Charge for the period	932,925	744,890	170,640	195,244	738,375	2,782,074	2,822,818
Disposals	-	(53,181)	(5,243)	(265,898)	-	(324,322)	(158,888)
At the end of the year	4,238,427	4,937,523	1,395,003	717,621	2,307,824	13,596,398	11,138,646
Net book amounts:							
At 31 December 2017	1,657,333	3,638,771	499,767	132,589	968,940	6,897,400	
At 31 December 2016	2,372,056	3,944,939	673,839	607,435	1,089,307		8,687,576

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

15 ACCOUNTS PAYABLE, ACCRUED AND OTHER LIABILITIES

	<i>31 December</i> <i>2017</i> <i>SR</i>	<i>31 December</i> <i>2016</i> <i>SR</i>
Trade payable	13,518,974	2,771,476
Accrued liabilities	7,111,384	14,188,044
Zakat payable (note 22)	6,593,072	5,767,953
Advances from customers	340,389	4,002,136
Excess collection payable to banks	-	3,380,121
Payable to assignment (note below)	127,768	21,419,205
Others	8,914,831	16,912,578
	<u>36,606,418</u>	<u>68,441,513</u>

In prior years, the Company sold its margin deposits to an entity. During the year ended 31 December 2017, certain margin deposits against finance lease receivables were released by the banks. As the right to these margin deposits were already assigned to the entity, the net amount released has been recorded as payable to the entity to the extent that it has not been paid in accordance with the assignment agreement with the entity.

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management. In the ordinary course of business, the Company purchases and pays for vehicles from a related party.

i) The following are the details of major related party transactions entered during the year:

<i>Related party</i>	<i>Nature of transactions</i>	<i>2017</i> <i>SR</i>	<i>2016</i> <i>SR</i>
Mohammed Yousuf Naghi Motors Corporation	Purchase of cars and allocation of common costs by the related party	168,261,063	486,692,480
	Advance against the purchase of cars	114,560,402	419,390,791
	Lease facilitation processing fee	14,209,500	-
	Support income from dealer for sales of vehicles at discounted finance rates	487,194	9,339,296
	Expenses re-charged	3,981,162	5,758,955
Manahil International Company	Purchase of cars	867,215	13,614,590
Arabian Trading Suppliers	Payable for services received	2,551,709	2,347,019
Hafil Hajj Transport Establishment	Installments settled in respect of car financing to related party's employees	780,799	1,185,954
United Yousuf Mohammad Naghi Co. Ltd.	Installments settled in respect of car financing to related party's employees	574,215	635,186
Arabian Food supplies	Installments settled in respect of car financing to related party's employees	623,025	451,970
Jiad International Holding Company	Installments settled in respect of car financing to related party's employees	11,681	31,032

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

ii) Due from related parties comprise the following:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Hafil Hajj Transport Establishment	1,187,820	4,710,673
United Yousuf Mohammad Naghi Co. Ltd.	200,000	497,725
Jiad International Holding Company	198,622	188,278
Manahil International Company	-	564,978
	<u>1,586,442</u>	<u>5,961,654</u>

iii) Due to related parties comprise the following:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Mohammed Yousuf Naghi Motors Corporation	60,693,610	32,334,996
Arabian Trading Supplies	237,007	386,690
Manahil International Company	2,237	-
	<u>60,932,854</u>	<u>32,721,686</u>

Key management compensation

For the year ended 31 December 2017, the Company incurred costs amounting to SR 3,011,949 (31 December 2016: SR 4,545,453), towards key management compensations.

17 SHORT TERM LOANS

This represents short term loans from banks to meet the Company's working capital requirements. These loans are secured by the guarantees from shareholder and carry commercial profit rate.

18 SECURITISATION AND AGENCY AGREEMENTS

The Company has a policy to sell its "net investment in finance lease and instalment sales" receivables. Upon sale, the Company derecognises these receivables from its books and recognises the difference as either gain or loss. In accordance with the service agreements, the Company continues to manage these off-balance receivables as a servicer against an agreed fee.

During the year, the Company entered into new securitisation agreements and sold its "net investment in finance lease and instalment sales" receivables with a carrying amount of SR 301.4 million (2016: 283 million) for SR 346 million (2016: SR 307.4 million) resulting in net loss of SR 0.93 million (2016: SR12.5 million):

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Investment in finance lease and instalment sales, net	(301,429,096)	(283,007,339)
Present value discount on margin deposits and provision for guarantees	(30,104,726)	(20,766,300)
Present value of net servicing liability	(15,302,506)	(16,127,249)
Amounts received from the bank	345,907,786	307,401,743
	<u>(928,542)</u>	<u>(12,499,145)</u>

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18 SECURITISATION AND AGENCY AGREEMENTS (continued)

The outstanding position of off-balance sheet finance lease receivables is SR 0.97 billion at 31 December 2017 (31 December 2016: SR 1.01 billion). The maturity analysis of the outstanding finance lease receivables is as follows:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Upto 12 months	554,451,280	512,653,458
More than 12 months	413,047,512	499,879,030
	<u>967,498,792</u>	<u>1,012,532,488</u>

Gross servicing asset and gross servicing liability is provided below:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Gross amount of servicing asset	37,330,560	45,724,230
Gross amount of servicing liability	(54,312,882)	(72,775,840)
Net servicing liability	<u>(16,982,322)</u>	<u>(27,051,610)</u>

Movement of gross servicing asset and gross servicing liability is as follows:

<i>2017</i>	<i>Servicing asset SR</i>	<i>Servicing liability SR</i>	<i>Net servicing liability SR</i>
At the beginning of the year	45,724,230	(72,775,840)	(27,051,610)
Additions on sale of receivables	11,384,984	(26,687,490)	(15,302,506)
Amortisation during the year	(19,678,346)	44,614,723	24,936,377
Released on repurchase of receivables	(100,308)	535,725	435,417
At the end of the year	<u>37,330,560</u>	<u>(54,312,882)</u>	<u>(16,982,322)</u>
<i>2016</i>	<i>Servicing asset SR</i>	<i>Servicing liability SR</i>	<i>Net servicing liability SR</i>
At the beginning of the year	56,083,769	(85,097,144)	(29,013,375)
Additions on sale of receivables	9,174,766	(25,302,015)	(16,127,249)
Amortisation during the year	(19,510,556)	37,390,411	17,879,855
Released on repurchase of receivables	(23,749)	232,908	209,159
At the end of the period	<u>45,724,230</u>	<u>(72,775,840)</u>	<u>(27,051,610)</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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19 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the employees' end of service benefits provision for the year was as follows:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
At the beginning of the year	6,219,222	7,226,068
Charge for the year	795,713	1,974,452
Benefits paid	(1,972,166)	(2,981,298)
At the end of the year	<u>5,042,769</u>	<u>6,219,222</u>

20 SHARE CAPITAL

	<i>No. of shares of SR 10 each</i>	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
Jiad International Holding Co for Commercial Development Limited	7,000,000	70,000,000	70,000,000
Mohammed Yousuf Naghi	1,500,000	15,000,000	15,000,000
Sanabel National Trade and Service	500,000	5,000,000	5,000,000
Tahir Mohammed Al Dabagh	500,000	5,000,000	5,000,000
Anis Abdul Jaleel Jamjoom	500,000	5,000,000	5,000,000
	<u>10,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

The Company is ultimately owned by Saudi shareholders.

21 STATUTORY RESERVE

As per the requirements of the regulations for Companies, the Company has established a statutory reserve by the appropriation of at least 10% of net income (after deducting any brought forward accumulated losses). The shareholders may resolve to discontinue such transfer when the reserve equals 30% of the share capital. This reserve is not available for dividend distribution.

22 ZAKAT

The movement in the zakat provision for the year is as follows:

	<i>31 December 2017 SR</i>	<i>31 December 2016 SR</i>
At the beginning of the year	5,767,953	5,903,053
Provided during the year	5,100,000	7,500,000
Paid during the year	(4,274,881)	(7,635,100)
At the end of the year	<u>6,593,072</u>	<u>5,767,953</u>

Status of assessments

During the year, Zakat assessments have been agreed with the General Authority for Zakat and Income Tax (GAZT) up to 25 November 2014 through payment of additional zakat amounting to SR 1.16 million for Aqsat International Trading Company Limited.

The assessments for the period from 26 November 2014 to 31 December 2015 and for the year ended 31 December 2016 have not yet been raised for Tamwily International Company.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
At 31 December 2017

22 ZAKAT (continued)

Change in accounting policy

As set out in note 2.2 and note 3, the Company has amended its accounting policy relating to charging of zakat in retained earnings. Previously, zakat was recognized in the interim statement of comprehensive income. The Company has accounted for this change in accounting policy retrospectively and the restatement impact of the above change is as follows:

	<i>For the year ended 31 December 2016</i>	
	<i>As previously reported</i>	<i>As restated</i>
	<i>SR</i>	<i>SR</i>
Net loss for the period before zakat	(63,079,368)	(63,079,368)
Zakat	(7,500,000)	-
Net loss for the period	<u>(70,579,368)</u>	<u>(63,079,368)</u>

The above change in accounting policy did not have an impact on the statement of financial position and statement of cash flows for any of the period presented.

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's significant financial liabilities include, accounts payable, due to related parties, short-term loans and other liabilities and are initially measured at fair value and thereafter stated at their amortized cost. Financial assets comprises of bank balances and cash, net investment in finance lease and instalment sales, due from related parties, deferred consideration receivable, employees' receivables, amount due from insurer and other receivables and are initially measured at fair value and thereafter stated at cost or amortized cost as reduced by allowance for doubtful receivables and impairment, if any.

The Company is exposed to interest rate risk, currency risk and credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Treasury Department that advises on the financial risks and the appropriate financial risk governance framework. The Treasury Department provides assurance to the senior management that the financial risk activities are governed by appropriate policies and procedures and that the financial risks are identified, measured and managed in accordance with the policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as equity price risk and commodity risk.

Currency risk

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies, in case the Company does not hedge its currency exposure by means of hedging instruments. All of the purchases and sales of the Company are made in Saudi Riyals. As the Company did not undertake significant transactions in currencies other than Saudi Riyals, during the year, the Company was not exposed to any significant currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. Before entering into securitisation and agency arrangements with banks, the Company is exposed to interest rate risk on its on balance sheet net investment in finance lease and installment sales and short term borrowings. The Company monitors the market interest rate movements and negotiates the terms of the agreement with bank and, if appropriate, the management decides to sell the receivables to the banks. With all other variables held constant, the sensitivity of Company's total comprehensive income to a +/- 10 basis point change in the profit rate on its short term loans is +/- SR 28,731 (2016: +/- SR 69,840).

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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market risk (continued)

Interest rate sensitivity of assets, liabilities and off statement of financial position items

The Company manages exposure to the effects of various risks associated with fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The table below summarises the Company's exposure to interest rate risks. Included are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

<i>31 December 2017</i>	<i>Interest bearing</i>		<i>Non-interest</i>	<i>Total</i>
	<i>Within 1 year</i>	<i>1 to 5 years</i>	<i>bearing</i>	
	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>	<i>SR'000</i>
Assets				
Cash and bank balances	-	-	44,917	44,917
Prepayments and other assets	-	-	59,558	59,558
Due from related parties	-	-	1,586	1,586
Net investment in finance lease and instalment sales	82,877	124,376	-	207,253
Present value of margin deposits, net	-	31,318	-	31,318
Available-for-sale investment	-	-	893	893
Property and equipment	-	-	6,897	6,897
Total assets	82,877	155,694	113,851	352,422
Liabilities				
Accounts payable, accrued and other liabilities	-	-	36,606	36,606
Due to related parties	-	-	60,933	60,933
Short term loans	114,927	-	-	114,927
Net servicing liability	8,192	8,790	-	16,982
Employees' end of service benefits	-	-	5,043	5,043
Total liabilities	123,119	8,790	102,582	234,491
Gap	(40,242)	146,904	11,269	117,931

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market risk (continued)

Interest rate sensitivity of assets, liabilities and off statement of financial position items (continued)

31 December 2016	Interest bearing		Non-interest bearing	Total
	Within 1 year	1 to 5 years		
	SR'000	SR'000	SR'000	SR'000
<i>Assets</i>				
Cash and bank balances	-	-	59,457	59,457
Prepayments and other assets	-	-	53,120	53,120
Due from related parties	-	-	5,962	5,962
Net investment in finance lease and instalment sales	114,273	272,958	-	387,231
Present value of margin deposits, net	4,599	16,174	-	20,773
Property and equipment	-	-	8,688	8,688
<i>Total assets</i>	<u>118,872</u>	<u>289,132</u>	<u>127,227</u>	<u>535,231</u>
<i>Liabilities</i>				
Accounts payable, accrued and other liabilities	-	-	68,441	68,441
Due to related parties	-	-	32,722	32,722
Short term loans	279,363	-	-	279,363
Net servicing liability	12,934	14,118	-	27,052
Employees' end of service benefits	-	-	6,219	6,219
<i>Total Liabilities</i>	<u>292,297</u>	<u>14,118</u>	<u>107,382</u>	<u>413,797</u>
<i>Gap</i>	<u>(173,425)</u>	<u>275,014</u>	<u>19,845</u>	<u>121,434</u>

Other price risk

The Company is not exposed to other price risk such as equity and commodity risk as the Company is neither involved in investment in trading securities nor the commodities.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its net funding requirements. This risk is managed through sale of receivables to different banks, availability of credit facilities from banks and one month credit period from related parties. However, if required, the amount due to related parties could be deferred for further period and additional resources could be obtained to discharge the liabilities as they fall due. The average credit period on purchases of vehicles from third parties is also up to one month. No interest is charged on the accounts payable. Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The Company's financial liabilities primarily consist of accounts payable, due to related parties, short-term loan and other liabilities. A significant portion of these financial liabilities are expected to be settled within 12 months from the reporting date and the Company expects to have adequate liquid funds to do so.

i) Analysis of financial liabilities by remaining contractual maturities

As at the statement of financial position date, all of the financial liabilities of the Company are having maturity dates of one year except for employees' end of service benefits and net servicing liability.

TAMWILY INTERNATIONAL COMPANY
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NOTES TO THE FINANCIAL STATEMENTS (continued)
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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Liquidity risk (continued)

ii) Maturity analysis of assets and liabilities

At 31 December 2017	<i>Within 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Non-fixed maturity</i>	<i>Total SR'000</i>
<i>Assets</i>					
Cash and bank balances	44,917	-	-	-	44,917
Prepayments and other assets	56,723	2,835	-	-	59,558
Due from related parties	1,586	-	-	-	1,586
Net investment in finance lease and instalment sales	42,047	40,830	124,376	-	207,253
Present value of margin deposits, net	-	-	31,318	-	31,318
Available-for-sale investment	-	-	-	893	893
Property and equipment	-	-	-	6,897	6,897
<i>Total assets</i>	145,273	43,665	155,694	7,790	352,422
<i>Liabilities</i>					
Accounts payable, accrued and other liabilities	34,767	1,839	-	-	36,606
Due to related parties	-	60,933	-	-	60,933
Short term loans	-	114,927	-	-	114,927
Net servicing liability	2,571	5,621	8,790	-	16,982
Employees' end of service benefits	-	-	-	5,043	5,043
<i>Total liabilities</i>	37,338	183,320	8,790	5,043	234,491
Liquidity gap	107,935	(139,655)	146,904	2,747	117,931
At 31 December 2016	<i>Within 3 months</i>	<i>3 to 12 months</i>	<i>1 to 5 years</i>	<i>Non-fixed maturity</i>	<i>Total SR'000</i>
<i>Assets</i>					
Cash and bank balances	59,457	-	-	-	59,457
Prepayments and other assets	35,443	17,677	-	-	53,120
Due from related parties	5,962	-	-	-	5,962
Net investment in finance lease and instalment sales	47,307	66,966	272,958	-	387,231
Present value of margin deposits, net	-	4,599	16,174	-	20,773
Property and equipment	-	-	-	8,688	8,688
<i>Total assets</i>	148,169	89,242	289,132	8,688	535,231
<i>Liabilities</i>					
Accounts payable, accrued and other liabilities	60,343	8,098	-	-	68,441
Due to related parties	-	32,722	-	-	32,722
Short term loans	279,363	-	-	-	279,363
Net servicing liability	3,542	9,392	14,118	-	27,052
Employees' end of service benefits	-	-	-	6,219	6,219
<i>Total liabilities</i>	343,248	50,212	14,118	6,219	413,797
Liquidity gap	(195,079)	39,030	275,014	2,469	121,434

TAMWILY INTERNATIONAL COMPANY
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23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk and concentration of credit risk

Credit risk arises from the possibility of asset impairment occurring because counter parties cannot meet their obligations in transactions involving financial instruments. The Company is exposed to credit risk on cash and bank balances, net investment in finance lease, due from related parties, employees' receivables and other receivables. The Company has established procedures to manage credit exposure including, credit approvals, credit limits, collateral and guarantee requirements. These procedures are based on the Company's internal guidelines.

Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular segment of customers.

The Company manages concentration of credit risk exposure through diversification of activities and sale of eligible receivable and future net investment in finance lease receivables to different banks through securitisation and agency agreements. However, the Company mitigates its credit risk through evaluation of credit worthiness through one of its related parties and by obtaining personal and bank guarantees. For certain types of customers, the maximum credit limits are defined. An allowance for doubtful finance lease is maintained at a level which, in the judgment of management, is adequate to provide for impairment losses on delinquent receivables.

All finance leases and instalments sales receivables are secured mainly through personal guarantees and yield a fixed rate of commission for each contract. The title of the vehicles sold under finance lease agreements is held in the name of the Company as collateral to be repossessed, in case of default by the customer.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The Company has arrangement with the banks which have adequate credit rating.

Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide adequate return to its shareholders through the optimization of the capital structure. The Company manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in objectives, policies or processes for managing capital during the period from 31 December 2016 to 31 December 2017.

The Company monitors capital on the basis of the regulatory requirements of Regulations for Companies and SAMA minimum capital requirements for financing companies.

	<i>31 December 2017</i>	<i>31 December 2016</i>
Capital adequacy ratio	1.76 times	3.19 times
(Net investment in finance lease divided by total shareholders' equity)		

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Company's financial assets consist of bank balances and cash, net investment in finance lease and instalment sales, due from related parties, staff advances and insurance claims receivable; and its financial liabilities consist of accounts payable, due to related parties, short-term loan and other liabilities. As of 31 December 2016 and 31 December 2017, there are no financial instruments which are carried at fair value.

The fair values of financial instruments are not materially different from their carrying values.

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25 COMPARATIVE FIGURES

Certain of the prior period figures have been reclassified where necessary to conform with the presentation in the current year.

26 BOARD OF DIRECTORS' APPROVAL

These financial statements were approved by the Board of Directors on 1 March 2018 (corresponding to 13 Jumada II 1439H).