

**DAR AL ARKAN**  
**REAL ESTATE DEVELOPMENT COMPANY**  
*Saudi Shareholding Company*  
**Riyadh – Kingdom of Saudi Arabia**

**AUDITORS' REPORT**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2005**

**DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY**  
***Saudi Shareholding Company***  
**Riyadh – Kingdom of Saudi Arabia**

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To :

THE SHAREHOLDERS

DAR AL ARKAN REAL ESTATE DEVELOPMENT

Saudi shareholding Company

Riyadh – Kingdom of Saudi Arabia

**Subject: Auditors' Report**

**SCOPE OF AUDIT:** We have audited the accompanying balance sheet of DAR AL ARKAN REAL ESTATE DEVELOPMENT - SAUDI SHAREHOLDING COMPANY – as at 31 December 2005 and the statements of income, shareholders' equity and cash flows for the year then ended together with the accompanying notes from (1) to (24) which form an integral part of these statements. These financial statements have been prepared in accordance with Article No. 123 of the Saudi Companies' Regulation, and submitted to us along with the entire information requested. We conducted our audit in accordance with generally accepted auditing standards, which included examination of the accounting records and other audit procedures as we deemed necessary to enable us in establishing a reasonable basis for expressing our opinion on the financial statements.

**CLEAN OPINION:** In our opinion, the financial statements referred to above taken as a whole:

- Present fairly, the financial position of DAR AL ARKAN REAL ESTATE DEVELOPMENT - SAUDI SHAREHOLDING COMPANY – as at 31 December 2005, and the results of its operations, and its cash flows for the year then ended, in the light of the presentation and disclosures of information contained in the financial statements and in conformity with the generally accepted accounting principles.
- Comply with the requirements of the Saudi Companies Regulation and the Company's Articles of Association in regard to the preparation and presentation of the financial statements .

**Date: 29 Rabia II 1427 H.**  
**27 May 2006 G.**

Signature:

Abdulqadir A. Al-Wohaib  
 (License No. 48)



**DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY**  
**Saudi Shareholding Company**  
**Riyadh – Kingdom of Saudi Arabia**

**BALANCE SHEET AS AT 31 DECEMBER 2005**

**EXHIBIT A**

	Note	2005 SR.	2004 SR
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	( 3 )	525,619,212	65,536,630
Accounts receivable, net	( 4 )	437,851,469	509,283,642
Projects under construction	( 6 )	7,592,910,724	3,725,359,955
Developed lands	( 5 )	1,795,668,274	1,250,360,291
Prepaid expenses and others	( 7 )	78,591,167	49,400,438
Short term investments	( 8 )	121,024,965	72,295,863
Total current assets		<u>10,551,665,811</u>	<u>5,672,236,819</u>
<b>Non-Current Assets</b>			
Long term investments	( 8 )	135,000,000	295,257,599
Fixed assets, net	( 9 )	133,524,637	80,351,898
Deferred charges, net	( 10 )	3,611,672	4,711,180
Intangible assets		--	114,241
Total non-current assets		<u>272,136,309</u>	<u>380,434,918</u>
<b>TOTAL ASSETS</b>		<u><b>10,823,802,120</b></u>	<u><b>6,052,671,737</b></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Notes payable		--	25,146,380
Projects' shareholders	( 11 )	83,826,071	429,945,908
Accounts payable	( 12 )	94,871,324	81,210,936
Accrued expenses and others	( 13 )	225,476,985	57,037,958
Total current liabilities		<u>404,174,380</u>	<u>593,341,182</u>
<b>Non-Current Liabilities</b>			
Provision for end-of-service benefits	( 14 )	1,902,056	813,832
Total non - current liabilities		<u>1,902,056</u>	<u>813,832</u>
<b>Shareholders' Equity</b>			
Capital	( 15 )	5,400,000,000	5,400,000,000
Statutory reserve	( 16 )	3,242,253,763	143,879,353
General reserve	( 17 )	--	1,041,025,641
Treasury stock	( 18 )	--	(2,418,302,445)
Retained earnings		1,775,471,921	1,291,914,174
Total shareholders' equity - Exhibit c		<u>10,417,725,684</u>	<u>5,458,516,723</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u><b>10,823,802,120</b></u>	<u><b>6,052,671,737</b></u>

**THE ACCOMPANYING NOTES FROM ( 1 ) TO ( 24 ) CONSTITUTE AN INTEGRAL  
PART OF THESE FINANCIAL STATEMENTS**

**DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY**  
**Saudi Shareholding Company**  
**Riyadh – Kingdom of Saudi Arabia**

**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**EXHIBIT B**

	<u>Note</u>	<u>2005</u> SR.	<u>2004</u> SR.
Revenues		4,196,817,392	2,483,561,469
Cost of revenues		(2,167,173,804)	(1,272,539,657)
<b>Gross income</b>	( 19 )	<b>2,029,643,588</b>	1,211,021,812
<b>Principal activities expenses :</b>			
Sales & marketing expenses	( 20 )	(15,205,879)	(13,018,848)
General and administrative expenses	( 21 )	(23,621,644)	(16,977,576)
Participation expenses		(121,514,216)	(60,896,991)
Depreciation of fixed assets		(13,253,161)	(1,662,442)
Amortization of deferred charges		(1,099,508)	(786,360)
<b>Net income from principal activities</b>		<b>1,854,949,180</b>	1,117,679,595
<b>Results of other activities :</b>			
Investment Profit		64,700,068	--
Other income / (expenses )		2,090,451	(33,360)
<b>Net income before Zakat</b>		<b>1,921,739,699</b>	1,117,646,235
Zakat for the year	( 22 )	(146,267,778)	(28,852,708)
<b>Net income for the year - Exhibit C</b>		<b>1,775,471,921</b>	1,088,793,527

***THE ACCOMPANYING NOTES FROM ( 1 ) TO ( 24 ) CONSTITUTE AN INTEGRAL  
PART OF THESE FINANCIAL STATEMENTS***

DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY

*Saudi Shareholding Company*

Riyadh – Kingdom of Saudi Arabia

STATEMENT OF SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2005

EXHIBIT C

	Capital SR.	Statutory Reserve SR.	General Reserve SR.	Treasury stock SR.	Retained Earnings SR.	Total SR.
Shareholders Equity as of 31 December 2003	70,000,000	35,000,000	--	--	312,000,000	417,000,000
Capital paid in	5,330,000,000	--	--	--	--	5,330,000,000
General Reserve	--	--	1,041,025,641	--	--	1,041,025,641
Statutory Reserve	--	108,879,353	--	--	(108,879,353)	--
Treasury stock	--	--	--	(2,418,302,445)	--	(2,418,302,445)
Net Income for the year 2004 – Exhibit B	--	--	--	--	1,088,793,527	1,088,793,527
Shareholders Equity as of 31 December 2004- Exhibit "A"	5,400,000,000	143,879,353	1,041,025,641	(2,418,302,445)	1,291,914,174	5,458,516,723
Share premium	--	--	1,933,333,259	--	--	1,933,333,259
Transfer from General reserve to statutory reserve	--	2,974,358,900	(2,974,358,900)	--	--	--
Profit on sale of treasury stock	--	124,015,510	--	--	--	124,015,510
Dividends	--	--	--	--	(1,291,914,174)	(1,291,914,174)
Treasury stock sold	--	--	--	2,418,302,445	--	2,418,302,445
Net Income for the year – Exhibit B	--	--	--	--	1,775,471,921	1,775,471,921
Shareholders Equity as of 31 December 2005- Exhibit "A"	5,400,000,000	3,242,253,763	--	--	1,775,471,921	10,417,725,684

*THE ACCOMPANYING NOTES FROM (1) TO (24) CONSTITUTE AN INTEGRAL  
PART OF THESE FINANCIAL STATEMENTS*

**DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY**  
**Saudi Shareholding Company**

**Riyadh – Kingdom of Saudi Arabia**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**EXHIBIT D**

	<u>2005</u>	<u>2004</u>
	SR	SR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year	1,775,471,921	1,088,793,527
<b>Adjustments for:</b>		
Depreciation of fixed assets	13,253,161	1,662,442
Amortization of deferred charges	1,099,508	--
Provision for end-of-service benefits	1,257,467	117,642
Loss on sale of fixed assets	--	33,360
Provision for doubtful accounts	3,750,421	--
<b>Changes in Operating Assets and Liabilities</b>		
Decrease / (Increase) in accounts receivable, net	67,681,752	(505,398,253)
(Increase) in developed lands	(545,307,983)	(1,250,360,291)
(Increase) in project under construction	(3,867,550,769)	(2,322,746,381)
(Increase) in prepaid expenses & others	(29,190,729)	(48,654,992)
(Decrease) in projects' shareholders	(346,119,837)	(19,464,138)
Increase in accounts payables	13,660,388	70,166,844
Increase in accrued expenses & others	168,439,027	31,292,833
End - of - service benefits paid	(169,243)	(326,557)
<b>Net cash (used in) operating activities</b>	<u>(2,743,724,916)</u>	<u>(2,954,557,407)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of fixed assets	(66,425,900)	(74,633,351)
Deferred charges	--	(4,711,180)
Intangible assets	114,241	(114,241)
Investments	111,528,497	(367,553,462)
Proceeds from sale of fixed assets	--	36,789
<b>Net cash from / (used in) investing activities</b>	<u>45,216,838</u>	<u>(446,975,445)</u>
<b>Cash Flows From Financing Activities</b>		
Notes payable	(25,146,380)	21,925,103
Partners' accounts	--	(543,512,928)
Capital	--	5,330,000,000
Statutory reserve	3,098,374,410	--
General reserve	(1,041,025,641)	1,041,025,641
Treasury stock	2,418,302,445	(2,418,302,445)
Dividends	(1,291,914,174)	--
<b>Net cash from financing activities</b>	<u>3,158,590,660</u>	<u>3,431,135,371</u>
<b>Increase in cash and cash equivalents</b>	460,082,582	29,602,519
Cash and cash equivalents, beginning of the year	65,536,630	35,934,111
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR - EXHIBIT A</b>	<u>525,619,212</u>	<u>65,536,630</u>

**THE ACCOMPANYING NOTES FROM ( 1 ) TO (24) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY**  
*Saudi Shareholding Company*  
**Riyadh – Kingdom of Saudi Arabia**

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**NOTES TO THE FINANCIAL STATEMENTS**

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**1- STATUS AND ACTIVITIES:**

DAR AL ARKAN REAL ESTATE DEVELOPMENT COMPANY – Saudi Shareholding Company (referred to hereinafter as the “**Company**”) operates under the Commercial Registration No. 1010160195 dated 16/4/1421H, issued in Riyadh .

The Company operates in the field of purchasing and possessing real estate and lands, constructing buildings for the purpose of investing thereof by renting or selling in favor of the company.

The Company operates in general construction of residential and commercial buildings (construction, maintenance, demolition and reconstruction ), wholesale and retail in sanitary materials, plumbing, electrical, paints, construction materials, office equipment and motor vehicles either in cash or by installment payments.

The legal status of the Company was changed from a limited liability by shares to shareholding company on 21/5/1426 H. corresponding to 28/6/2005 .

**2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles of the Kingdom of Saudi Arabia, The significant accounting policies applied in the preparation of these financial statements are as follows:

**a) Accounting Convention:**

These financial statements have been prepared under the historical cost convention using accrual basis and going concern concept.

**b) Cash and Cash Equivalents:**

For the purpose of preparing the cash flows statement, cash and cash equivalents include cash on hand and unrestricted current accounts with banks.

**c) Accounts Receivable:**

Accounts receivable are stated in the accompanying balance sheet at their estimated net realizable value after deducting the related provision for doubtful accounts ( if any ), The provision for doubtful accounts is estimated based on analysis of the collectible balances of the accounts receivable at the end of the year.



**d) Investments:**

This item represents investments in other companies' projects against determined percentage of the profit of these projects as per contracts.

**e) Fixed Assets:**

Fixed assets are stated at cost net of accumulated depreciation thereof up to the date of the financial statements. Depreciation is computed using the straight – line method over their estimated useful lives as per the following annual rates of depreciation:

Buildings	3%
Vehicles	25%
Furniture and fixtures	20-25%
Electrical appliances	20-25%
Leasehold improvements	5-20%
Prefabricated houses	25%
Tools	20%
Signboards	20%

**e) Deferred charges:**

The company amortizes deferred charges using the straight-line method over five years.

**g) Provision for End-of-Service Benefits:**

Provision for end-of-service benefits is calculated and provided for in accordance with Saudi Labor Regulation.

**f) Zakat Provision:**

Zakat is measured and recognized in the statement of income for each financial period pursuant to Zakat Regulation in the Kingdom of Saudi Arabia. The provision for Zakat is settled in the financial year in which the final assessment of Zakat is issued. Variances between the amount of provision for Zakat and the final assessment are recognized in the statement of income as changes in accounting estimates and included in the financial period on which the final assessment of Zakat is issued.

**g) Revenue Recognition:**

Revenue from rendering of services is generally recognized upon selling the projects and relinquishing their ownership which concurrently coincide with the issuance of sales contracts.

## **h) General, Administrative & Marketing Expenses:**

General, administrative and marketing expenses are measured and recognized as a period cost at the time when such expenses are incurred. Expenses benefiting more than one financial period are allocated over such periods using their historical cost.

## **I) Foreign Currency Transactions:**

Transactions in foreign currencies are converted into Saudi Riyals at rates of exchange ruling at the date of these transactions. Asset and liabilities at the balance sheet date are converted into Saudi Riyals at rates of exchange prevailing at the balance sheet date. Gains or losses resulting from the variation in exchange rates are taken currently to statement of income.

## **3- CASH AND CASH EQUIVALENTS:**

The details of this item are as follows:

	<u>2005</u> SR.	<u>2004</u> SR.
Cash on hand	326,516	297,361
Checking accounts with local banks in Saudi Riyals	525,292,696	65,239,269
<b>Total – Exhibit A</b>	<u>525,619,212</u>	<u>65,536,630</u>

## **4- ACCOUNTS RECEIVABLE, NET :**

The details of this item are as follows:

	<u>2005</u> SR.	<u>2004</u> SR.
Accounts receivable	441,601,890	509,283,642
Provision for doubtful accounts	(3,750,421)	--
<b>Accounts receivable, net – Exhibit A</b>	<u>437,851,469</u>	<u>509,283,642</u>

**5- PROJECTS UNDER CONSTRUCTION:**

The details of this item are as follows:

	<u>2005</u> SR.	<u>2004</u> SR.
Villas	2,290,658,951	1,023,278,956
Lands	5,302,251,773	2,702,080,999
<b>Total – Exhibit A</b>	<u>7,592,910,724</u>	<u>3,725,359,955</u>

**6- DEVELOPED LANDS:**

This item represents lands owned by the company developed for the purpose of resale.

**7- PREPAID EXPENSES & OTHERS:**

The details of this item are as follows:

	<u>2005</u> SR.	<u>2004</u> SR.
Prepaid expenses	1,376,582	1,038,765
Letters of credit & guarantees - note 23	250,000	422,499
Cheques under collection	--	9,044,683
Employees advances and imprests	3,031,613	2,102,985
Advance payments to contractors	62,441,498	36,791,506
Others	11,491,474	--
<b>Total – Exhibit A</b>	<u>78,591,167</u>	<u>49,400,438</u>

**8- INVESTMENTS:**

This item represents the company's participation in financing investment projects of other companies according to authenticated contracts for achieving gains on the share of those companies' profits through these projects during financial periods ranging from one year "short-term" and two years "long-tem".

**9- FIXED ASSETS, NET:**

The details of fixed assets costs, accumulated depreciation thereof and related net book value are as follows:

	Balance at 1/1/2005		Additions		Disposals		Balance at 31/12/2005		Accumulated Depreciation		Balance at 31/12/2005		Net Book Value	
	SR.		SR.		SR.		SR.		SR.		SR.		SR.	
Buildings	70,000,000		21,000,450		--		91,000,450		4,680,754		--	5,030,754	69,650,000	85,969,696
Vehicles	2,053,692		6,267,992		--		8,321,684		1,020,472		--	2,216,424	857,740	6,105,260
Furniture and fixtures	3,149,434		9,547,981		--		12,697,415		1,175,412		--	2,042,623	2,282,223	10,654,792
Electrical appliances	3,291,996		6,984,578		--		10,276,574		1,250,651		--	2,149,713	2,392,934	8,126,861
Leasehold improvements	5,263,745		6,450,500		--		11,714,245		1,452,145		--	2,079,173	4,636,717	9,635,072
Prefabricated houses	75,244		7,875,489		--		7,950,733		1,254,892		--	1,292,029	38,107	6,658,704
Tools	332,070		3,750,925		--		4,082,995		1,298,584		--	1,353,537	277,117	2,729,458
Signboards	283,015		4,547,985		--		4,831,000		1,120,251		--	1,186,206	217,060	3,644,794
<b>Total of Cost and Depreciation</b>	<b>84,449,196</b>		<b>66,425,900</b>		<b>--</b>		<b>150,875,096</b>		<b>13,253,161</b>		<b>--</b>	<b>17,350,459</b>	<b>80,351,898</b>	<b>133,524,637</b>

Net book value - Exhibit A

**10- DEFERRED CHARGES, NET:**

Deferred charges are stated at net amount after deducting the provision for amortization as follows:

	<u>2005</u>	<u>2004</u>
	SR.	SR.
Deferred charges	5,497,540	5,497,540
Amortization	(1,885,868)	(786,360)
<b>Deferred charges, net - Exhibit A</b>	<u>3,611,672</u>	<u>4,711,180</u>

**11- PROJECTS' SHAREHOLDERS:**

This item represents the amount of participation by shareholders for the purpose of projects' development.

**12 – ACCOUNTS PAYABLE:**

The details of this item are as follows:

	<u>2005</u>	<u>2004</u>
	SR.	SR.
Suppliers	6,065,322	26,664,182
Contractors	88,806,002	54,546,754
<b>Total – Exhibit A</b>	<u>94,871,324</u>	<u>81,210,936</u>

**13- ACCRUED EXPENSES AND OTHERS:**

The details of this item are as follows:

	<u>2005</u>	<u>2004</u>
	SR.	SR.
Accrued expenses	3,736,646	3,600,236
Zakat provision – note (22/c)	175,120,486	28,852,708
Advances from customers	42,298,175	20,342,815
Others	4,321,678	4,242,199
<b>Total – Exhibit A</b>	<u>225,476,985</u>	<u>57,037,958</u>

#### 14- PROVISION FOR END-OF-SERVICE BENEFITS:

The details of this account are as follows:

	<u>2005</u>	<u>2004</u>
	SR.	SR.
Balance, beginning of the year	813,832	696,190
Allocated to expenses	1,257,467	444,199
Settlement during the year	(169,243)	(326,557)
<b>Balance , end of the year – Exhibit A</b>	<b><u>1,902,056</u></b>	<b><u>813,832</u></b>

#### 15- CAPITAL:

The Company's capital is SR. 5,400,000,000 divided to 108,000,000 equal shares of SR 50 each and all are ordinary shares.

#### 16- PROFITS & RESERVES:

The company distributes the annual net profit after deducting the general expenses and costs as follows:

- Zakat duties deductions.
- According to the article (176) of the Companies' Regulation, the Company retains 10% of net income against statutory reserve. The deductions can be stopped by the company when this reserve reaches one half of the capital.
- Initial payment to the shareholders equals 5% of paid up capital from the remaining profit.
- 10% of net profit devoted as a reward to the board of directors and the remaining to the shareholders as an additional share of profit.

#### 17- GENERAL RESERVE:

The share premium of ordinary shares issued during the year, and the general reserve was transferred to statutory reserve .

#### 18- TREASURY STOCK:

This item represents 12,401,551 shares transferred from previous year at SR 205 each, resulted in a profit of SR 124,015,510 that was added to the statutory reserve.

**19- GROSS INCOME:**

Description	Revenues	Cost	Gross Income	
			2005	2004
	SR.	SR.	SR.	SR.
Lands	3,190,785,177	1,631,589,322	1,559,195,855	956,841,312
Villas	1,006,032,215	535,584,482	470,447,733	254,180,500
<b>Total</b>	<b>4,196,817,392</b>	<b>2,167,173,804</b>		
<b>Gross income-Exhibit "B"</b>			<b>2,029,643,588</b>	<b>1,211,021,812</b>

**20- Sales And Marketing Expenses:**

The details of this item are as follows:

	2005	2004
	SR.	SR.
Salaries and wages	3,450,548	3,112,501
Incentives and bonuses	1,510,254	1,365,250
Meetings and exhibitions	2,562,833	492,071
Advertising	7,550,462	8,049,026
Others	131,782	--
<b>Total – Exhibit B</b>	<b>15,205,879</b>	<b>13,018,848</b>

**21- GENERAL AND ADMINISTRATIVE EXPENSES:**

The details of this item are as follows:

	2005	2004
	SR.	SR.
Salaries and wages	11,289,658	10,372,945
Incentives and bonuses	950,423	735,796
Subscription fees	740,214	629,264
Printings & stationery	850,148	706,812
Social insurance	730,405	564,543
Repairs and maintenance	340,103	258,611
End of service benefits	1,257,467	444,199
Fuel	450,657	244,014
Insurance	954,875	723,892
Consulting and training	550,547	284,398
Provision for doubtful accounts	3,750,421	--
Cleaning and entertainment	230,257	370,527
Water, electricity and telephone	650,874	480,908
Miscellaneous	875,595	1,161,667
<b>Total – Exhibit B</b>	<b>23,621,644</b>	<b>16,977,576</b>

## 22- ZAKAT:

a) The component elements of Zakat base are as follows :

	<u>2005</u> SR.	<u>2004</u> SR.
<b>Funds subject to Zakat</b>		
Capital and reserve, beginning of the year	5,543,879,353	105,000,000
General reserve at beginning of the year	1,041,025,641	--
Provisions at beginning of the year	29,497,297	696,190
Adjusted net income – Note (22/B)	1,932,358,517	1,117,763,877
Net retained earnings, beginning of the year	--	312,000,000
<b>Total funds subjects to Zakat</b>	<b>8,546,760,808</b>	<b>1,535,460,067</b>
<b>Deductible funds</b>		
Fixed assets, net	139,135,567	80,351,898
Long-term investments	135,000,000	295,257,599
Deferred expenses and intangible assets	3,611,672	4,825,421
Treasury stock	2,418,302,445	--
<b>Total deductible funds</b>	<b>2,696,049,684</b>	<b>380,434,918</b>
<b>Zakat base</b>	<b>5,850,711,124</b>	<b>1,155,025,149</b>
Zakat for the current year	146,267,778	28,875,629
Computation difference	--	(22,921)
<b>Zakat– Exhibit B</b>	<b>146,267,778</b>	<b>28,852,708</b>

b) Adjusted net income :

	<u>2005</u> SR.	<u>2004</u> SR.
Net income – Exhibit B	1,921,739,699	1,117,646,235
Provisions	5,007,888	117,642
Fixed assets computation Differences	5,610,930	--
<b>Adjusted net income – Note 22/A</b>	<b>1,932,358,517</b>	<b>1,117,763,877</b>

c) The details of the provision for Zakat during the year are as follows :

	<u>2005</u> SR.	<u>2004</u> SR.
Provision Balance, beginning of the year	28,852,708	23,703,849
Settlements during the year	--	(23,703,849)
Provision for Zakat for current year	146,267,778	28,852,708
<b>Zakat provision- note (13)</b>	<b>175,120,486</b>	<b>28,852,708</b>



**23- CONTINGENT LIABILITIES:**

As of the date of the balance sheet, the company is liable for an amount of SR. 1,000,000 against letters of credit and bank guarantees. The bank retained an amount of SR. 250,000 as margin thereon – note no. (7).

**24- GENERAL:**

- a) The comparative figures have been reclassified to conform to the current year's presentation.
- b) The figures in the financial statements are rounded to the nearest Saudi Ryial.