

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month period ended 31 March 2021
Together with
Independent Auditor's review report

ALMAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
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For the three-month period ended 31 March 2021

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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Al Mawarid Manpower Company

Introduction

We have reviewed the accompanying 31 March 2021 condensed consolidated interim financial statements of **Al Mawarid Manpower Company** ("the Company") and its subsidiaries (together referred to as "the Group") which comprises:

- The condensed consolidated interim statement of financial position as at 31 March 2021;
- The condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2021;
- The condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2021;
- The condensed consolidated interim statement of Cash flows for the three-month period ended 31 March 2021; and
- The notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 Interim Financial Reporting that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2021 condensed consolidated interim financial statements of **Al Mawarid Manpower Company** ("the Company") and its subsidiaries (together referred to as "the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Emphasis of Matter

We draw attention to Note (1) to the condensed consolidated interim financial statements, which describes the basis of accounting. The condensed consolidated interim financial statements have been prepared to obtain information and to be used by the Company's management. As a result, these consolidated interim condensed financial statements of Al Mawarid Manpower Company ("the Group") may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements (continued)

To the Shareholders of Al Mawarid Manpower Company

Other matter

We draw attention to the fact that we have not audited or reviewed the condensed consolidated interim financial statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2020, or any related notes, and accordingly, we do not express an opinion or conclusion on them.

KPMG Professional Services

Kholoud Adnan Mousa Altumbakti
License No: 421

Riyadh: On 27 Dhul Qadah 1443H
Corresponding to: 26 June 2022



AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Assets			
Non-current assets			
Property and equipment	12	12,321,006	12,559,844
Intangible assets		1,361,526	1,312,309
Right of use assets		22,040,143	25,450,410
Used and unused visas and other non-current assets	13	25,568,393	20,534,036
Total non-current assets		61,291,068	59,856,599
Current assets			
Trade receivables	14	75,333,007	80,760,000
Prepayments and other current assets	15	114,898,310	84,735,170
Due from related parties	16	37,240,897	33,606,602
Investments at fair value through profit or loss	17	30,121,279	45,097,903
Cash and cash equivalents	18	72,265,645	63,885,734
Total current assets		329,859,138	308,085,409
Total assets		391,150,206	367,942,008
EQUITY AND LIABILITIES			
Equity			
Share capital	20	100,000,000	100,000,000
Statutory reserve		22,136,746	22,136,746
Contractual reserve		7,714,817	7,714,817
Retained earnings		83,574,240	69,554,505
Total equity		213,425,803	199,406,068
Liabilities			
Non-current liabilities			
Employees end of service benefits	10	23,029,840	21,725,880
Lease liabilities		11,773,861	13,907,506
Recruitment agents` guarantees		2,145,555	1,736,098
Total Non-current liabilities		36,949,256	37,369,484
Current Liabilities			
Trade payables and other current liabilities	19	114,912,490	104,181,718
Retained deposits		7,850,997	8,705,216
Lease liabilities		9,572,879	10,930,443
Due to related parties	16	969,881	724,160
Provision for Zakat	11	7,468,900	6,624,919
Total current liabilities		140,775,147	131,166,456
Total liabilities		177,724,403	168,535,940
Total equity and liabilities		391,150,206	367,942,008

The accompanying notes from (1) through (24) form an integral part of these condensed consolidated interim financial statements

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<i>Note</i>	For the three-month period ended 31 March	
		2021 (Unaudited)	2020 (Unaudited)
Revenue	7	160,129,682	196,689,413
Cost of revenue	8	(135,043,662)	(175,358,172)
Gross profit		25,086,020	21,331,241
Selling and marketing expenses		(1,618,587)	(2,254,345)
General and administrative expenses		(5,268,392)	(4,911,461)
Impairment loss on trade receivables		(2,053,431)	(1,878,053)
Other income		275,033	198,044
Profit from operations before Zakat		16,420,643	12,485,426
Zakat expense		(1,838,310)	(1,311,377)
Profit for the period after Zakat		14,582,333	11,174,049
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement (losses)/ gains on employees' benefits liabilities		(562,598)	813,763
Total comprehensive income for the period		14,019,735	11,987,812
Earnings per share:			
Basic & diluted earning per share	9	1,46	1,12

The accompanying notes from (1) through (24) form an integral part of these condensed consolidated interim financial statements

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Contractual reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2020 (Audited)	100,000,000	17,567,913	-	52,726,381	170,294,294
Net profit for the period (unaudited)	-	-	-	11,174,049	11,174,049
Other comprehensive income for the period (unaudited)	-	-	-	813,763	813,763
Total comprehensive income for the period (unaudited)	-	-	-	11,987,812	11,987,812
Balance at 31 March 2020 (Unaudited)	<u>100,000,000</u>	<u>17,567,913</u>	<u>-</u>	<u>64,714,193</u>	<u>182,282,106</u>
Balance at 1 January 2021 (Audited)	100,000,000	22,136,746	7,714,817	69,554,505	199,406,068
Net profit for the period (unaudited)	-	-	-	14,582,333	14,582,333
Other comprehensive loss for the period (unaudited)	-	-	-	(562,598)	(562,598)
Total comprehensive income for the period (unaudited)	-	-	-	14,019,735	14,019,735
Balance at 31 March 2021 (unaudited)	<u>100,000,000</u>	<u>22,136,746</u>	<u>7,714,817</u>	<u>83,574,240</u>	<u>213,425,803</u>

The accompanying notes from (1) through (24) form an integral part of these condensed consolidated interim financial statements

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

	<u>Note</u>	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Cash flows from operating activities			
Net income before Zakat		16,420,643	12,485,426
Adjustments for non-cash items:			
Depreciation on property and equipment		441,355	451,877
Amortisation of intangibles assets		182,697	138,963
Depreciation on right-of-use of assets		2,646,398	2,145,035
Finance costs - leases		299,788	380,201
Loss / (Gain) from disposal of right of use assets		75,859	(1,899)
Impairment loss on trade and other receivables	14	2,053,431	1,878,053
Gains on investments at FVTPL		(121,278)	(90,490)
Provision for employees' benefits liabilities	10	2,386,138	2,945,657
		24,385,031	20,332,823
Changes in working capital:			
Used and unused visas and other non-current assets		(5,034,357)	232,157
License guarantee letter		-	5,000,000
Trade receivables		3,373,562	5,678,886
Prepayments and other current assets		(30,163,140)	(5,983,183)
Due from / to related parties		(3,388,574)	(7,429,425)
Recruitment agents guarantees		409,457	183,940
Trade payables and other current liabilities		10,730,772	10,285,839
Retained deposits		(854,219)	(2,385,065)
Employees' end of services benefits paid	10	(1,644,776)	(1,736,007)
Interest paid		(299,788)	(380,201)
Zakat paid	11	(994,329)	-
Net Cash flows (used in)/generated from operating activities		(3,480,361)	23,799,764
Cash flows from investing activities			
Acquisition of property and equipment		(202,517)	(191,565)
Acquisition of intangible assets		(231,914)	(87,255)
Acquisition of investments at FVTPL		(10,000,000)	-
Proceeds from sale of investments at FVTPL		25,097,902	-
Net Cash flows generated from/ (used in) investing activities		14,663,471	(278,820)
Cash flows from financing activities			
Payment of lease liabilities		(2,803,199)	(299,899)
Net Cash flows (used in) financing activities		(2,803,199)	(299,899)
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		63,885,734	26,951,427
Cash and cash equivalents at the end of the period		72,265,645	50,172,472
Non-cash transactions:			
Write-off of debts, customer's settlements and other current assets	14-15	4,069,952	-
Remeasurement of employees' end of service benefits	10	(562,598)	813,763
Additions of right-of-use assets under lease liabilities		-	1,023,955

The accompanying notes from (1) through (24) form an integral part of these condensed consolidated interim financial statements

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

1. GENERAL INFORMATION

AL-Mawarid Manpower Company (formerly known as AL-Mawarid Recruitment Company), as the Company's name has been modified during the year 2020, is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010343697 issued in the city of Riyadh on 12 Sha'aban 1433H (corresponding to 2 July 2012).

The principal activities of the Company and its subsidiaries (the "Group") are to provide the activities of recruitment services for domestic workers and temporary employment agencies for domestic services and expatriate labor services. under a license Ministry of Labor No. (6 /UMM) dated 5 Muharram 1434H (corresponding to 19 November 2012), in addition to providing a Saudi Manpower service.

The headquarter of the Group is located in Riyadh, Al-Rawda District, P.O, Box 120058, Riyadh 11679, Kingdom of Saudi Arabia.

The accompanying condensed consolidated interim financial statements include the branches of the Group listed below which operate under the following sub-commercial registrations:

Branch	Commercial registration number	Date
Riyadh - domestic workers	1010369956	7 Jumada' I 1434H (corresponding 8 April 2013)
Riyadh - expatriate workers	1010369960	25 Jumada' I 1434H (corresponding 6 April 2013)
Khobar	2051060639	2 Sha'aban 1436H (corresponding to 20 May 2015)
Buraidah	1131056623	21 Rabi' II 1437H (corresponding to 31 January 2016)
Al Jubail	2055024837	20 Jumada' I 1437H (corresponding to 29 February 2016)
Hail	3350044313	3 Dhul-Hijjah 1437H (corresponding to 4 September 2016)
Jeddah	4030292526	22 Rabi' I 1438H (corresponding to 21 December 2016)
Riyadh - Al Taawun	1010466766	29 Rabi' I 1438H (corresponding to 28 December 2016)
Dammam	2050111318	3 Rabi' II 1438H (corresponding to 21 December 2017)
Al Madinah Al Monawarah	4650081885	3 Rabi' II 1438H (corresponding to 21 December 2017)
Riyadh - Al Rawda	1010638704	26 Shawwal 1441H (corresponding to 17 June 2020)
Onayzah	1128184335	26 Shawwal 1441H (corresponding to 17 June 2020)
Abha	5850129737	22 Rabi' II 1442H (corresponding to 7 December 2020)

The condensed consolidated interim financial statements for the three months ended 31 March 2021 include the financial position and results of the operations of the Company and its subsidiaries (all referred to as the "Group") as explained below:

Subsidiary's name	Legal Entity	Percentage holding	
		2021	2020
Musanid Almawarid for Operation and Maintenance Company	(A single Member Limited Liability Company)	100%	100%
Sawaid Manpower Company	(A single Member Limited Liability Company)	100%	100%

According to the Company's by-laws, the financial year of the Company begins on 1st January and ends on 31st December of each Gregorian year, The financial year of the subsidiaries begins on 1st January and ends on 31st December of each Gregorian year.

The Company prepares the condensed consolidated interim financial statements only for the use of the management to know the business result for the quarterly periods. As a result, the condensed consolidated interim financial statements of the Company may not be suitable for any other purpose.

These financial statements are the first set of condensed consolidated interim financial statements of the Group, Accordingly. the comparative figures are neither reviewed nor audited for the three month period ended 31 March 2020.

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three-month period ended 31 March 2021 have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting” as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The condensed consolidated interim financial statements should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020 (“last annual financial statements”). These condensed consolidated interim financial statements do not include all of information and disclosures required to prepare a full set of financial statements prepared under IFRS. However, selected accounting policies and explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group’s financial position and performance since the latest annual financial statements.

These condensed consolidated interim financial statements have been approved for issuance by the Board of Directors on 24 Dhu al-Qidah 1443H (corresponding to 23 June 2022).

a) Basis of measurement

These condensed consolidated interim financial statements have been prepared on historical cost basis except for employees’ benefits obligations that are measured at the present value of future obligations using the projected unit credit method and the financial investments that are measured at the fair value. Further, condensed consolidated interim financial statements have been prepared using the accrual basis of accounting and the going concern concept.

b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (“SAR”), which is the functional and presentational currency of the Group.

3. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, costs, assets and liabilities, Actual results may differ from these estimates.

The significant estimates made by the management when applying the Group’s accounting policies and the significant sources of uncertainties of the estimates were similar to those shown in the Group’s last annual consolidated financial statements.

FAIR VALUE MEASUREMENT

A number of the Group’s accounting policies require the measurement of fair values for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable input and adjustments to the evaluation. If third party information, such as broker quotes or pricing services, is used to measure fair values. then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1, which are observable inputs for an asset or liability, either directly (such as prices) or indirectly (derived from prices).
- Level 3: Inputs for assets or liabilities not based on observable market data (unobservable inputs).

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

3. USE OF JUDGMENTS AND ESTIMATES (CONTINUED)
FAIR VALUE MEASUREMENT (CONTINUED)

If the inputs used to measure the fair value of the assets and liabilities fall within different levels in the fair value hierarchy, then the fair value is categorized as a whole using the lowest level of the fair value hierarchy inputs that are significant to the measurement as a whole.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used when preparing these condensed consolidated interim financial statements are in line with what is stated in the notes to the consolidated financial statements of the Group for the year ended 31 December 2020, except for the adoption of amendments and interpretations as at 1 January 2021.

The principal accounting policies have been consistently applied to all periods presented in these condensed consolidated interim financial statements.

5. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB on 31 August 2020.

a. New currently effective requirements:

Effective date	New Standards and Amendments
1 January 2020	Amendments to References to Conceptual Framework in IFRS Standards.
	Definition of Material (Amendments to IAS 1 and IAS 8).
	Definition of a Business (Amendments to IFRS 3).
	(Interest Rate Benchmark Reform) Amendments to IFRS 9, IAS 39 and IFRS 7
1 June 2020	COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).

Management conducted a financial impact assessment and found that there was no impact on the condensed consolidated interim financial statements as at 31 March 2021.

b. New requirements that will be applied subsequently:

Effective date	New Standards and Amendments
1 January 2021	(Interest Rate Benchmark Reform) - second phase Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
1 January 2022	Onerous Contracts – Cost of Fulfilling a Contract (amendments to IAS 37).
	Annual improvements to IFRSs (2018 - 2020).
	Property, Plant and Equipment: Proceeds before intended use (Amendments to IAS 16).
	Reference to conceptual framework (amendments to IFRS 3).
1 January 2023	Classification of liabilities as current/non-current (Amendments to IAS 1).
	IFRS 17 Insurance contract
Available for optional adoption/effective date deferred indefinitely	Sale or contribution of assets between the investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28).

Management will assess the financial impact of the new standards and amendments, and it expects that they will not have an impact on the Group's financial statements.

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2021

(All amounts are expressed in Saudi Riyal unless otherwise stated)

6. SEGMENTAL INFORMATION

The operating segment is a component of the Group that:

- Performs activities from which revenue can be realized and expenses may be incurred.
- The results of its operations are constantly analyzed by management in order to make decisions regarding resource allocation and performance evaluation. and
- For which financial information is available.

The group has the following three strategic divisions, which are its reported segments. These segments provide services to different kinds of customer segments and are managed through different strategies. The following summary describes the operations of each reportable segment:

- **Corporate sector:** This sector relates to providing an expatriate and Saudi manpower services to companies, whose contracts are for two years.
- **Individual's sector:** This sector relates to providing domestic labor services to individuals' clients ranging from the duration of their contracts ranges from month to two years.
- **Hourly sector:** This sector relates to the cleaning services provided to individuals' clients by hour/visit, mostly each cleaning visit is four hours.

	For the three-month period ended 31 March 2021 (unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	102,189,448	32,459,796	25,480,438	160,129,682
cost of revenue	(90,550,263)	(26,697,739)	(17,795,660)	(135,043,662)
Gross Income	11,639,185	5,762,057	7,684,778	25,086,020

	For the three-month period ended 31 March 2020 (unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	137,744,043	39,126,265	19,819,105	196,689,413
Cost of revenue	(122,655,325)	(33,744,091)	(18,958,756)	(175,358,172)
Gross income	15,088,718	5,382,174	860,349	21,331,241

Since the Group's activity depend on manpower services and have no direct connection to the Group's assets and liabilities. Therefore, it is not possible and impractical to disclose information pertaining to total assets and total liabilities pertaining to business segments.

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Unallocated income / (expenses)		
Gross Income	25,086,020	21,331,241
Selling and marketing expenses	(1,618,587)	(2,254,345)
General and administrative expenses	(5,268,392)	(4,911,461)
Impairment loss on trade receivables	(2,053,431)	(1,878,053)
Other income	275,033	198,044
Profit from operations before Zakat	16,420,643	12,485,426
Zakat expense	(1,838,310)	(1,311,377)
Profit for the period after Zakat	14,582,333	11,174,049

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three-month period ended 31 March 2021

(All amounts are expressed in Saudi Riyal unless otherwise stated)

7. REVENUE

In the following tables, revenues are disaggregated by type of sector, customer and duration of contracts during the three months periods ended 31 March 2021 and 2020:

Type of Sector

	For the three-month period ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Corporate Sector	102,189,448	137,744,043
Individuals Sector	32,459,796	39,126,265
Hourly Sector	25,480,438	19,819,105
	160,129,682	196,689,413

Type of customers

	For the three-month period ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Retail	57,940,234	58,945,370
Operation and Maintenance	24,714,254	34,254,717
Hospitality	23,295,740	26,123,572
Construction	18,566,047	41,108,880
Commercial and services	13,733,708	14,901,382
Health care	5,346,945	5,531,996
Transportation	7,383,993	7,599,363
Manufacturing	8,997,391	8,094,663
Other	151,370	129,470
	160,129,682	196,689,413

Duration of contracts

	For the three-month period ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
More than one year	112,898,039	155,050,412
One year and less	47,231,643	41,639,001
	160,129,682	196,689,413

8. COST OF REVENUE

	For the three-month period ended 31 March	
	2021	2020
	(Unaudited)	(Unaudited)
Employees' salaries and benefits	106,715,753	136,065,389
Government and other direct costs	21,916,176	32,584,290
Depreciation on right of-use of assets	2,610,266	2,139,541
Utilities	820,574	766,788
Bank charges	751,621	423,463
Catering expenses	264,598	363,157
Accommodation costs	230,386	510,729
Depreciation and amortization	275,179	292,934
Finance cost of leases	299,313	379,445
Operating expenses	1,159,796	1,832,436
	135,043,662	175,358,172

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three-month period ended 31 March 2021
(All amounts are expressed in Saudi Riyal unless otherwise stated)

9. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are computed by dividing the net income for the period by the weighted average number of outstanding shares of 10 million shares during the period ended 31 March 2021 and 2020, as follows:

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Net income for the period	14,582,333	11,174,049
Weighted average number of shares	10,000,000	10,000,000
Basic & diluted earnings per share from net income of the period	1,46	1,12

10. EMPLOYEES' BENEFITS LIABILITIES

The Group operates a defined benefit plan in line with the Labor Law requirement in the Kingdom of Saudi Arabia.

The amounts paid at the end of service under the plan are calculated on the basis of the employees' last salaries and allowances and the number of their accumulated years of service as on the date of the end of their services. as outlined in the labor law in force in the Kingdom of Saudi Arabia.

Employees' end-of-service benefit plans are unfunded. Benefits payment liabilities are met when due.

The below table outlines the movement of employees' benefits liabilities during the period/ year ended 31 March 2021 and 31 December 2020:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance at beginning of the period / year	21,725,880	18,607,908
Included in profit or loss		
Current service cost	2,330,257	11,247,705
Interest expense	55,881	524,231
Payments and settlements	(1,644,776)	(5,398,913)
Included in other comprehensive income		
Losses (gains) from re-measurement	562,598	(3,255,051)
Balance at the end of period / year	23,029,840	21,725,880

11. PROVISION FOR ZAKAT

a) The Group's consolidated Zakat liabilities consist of Zakat that has been calculated on the basis of the separate financial statements of each individual company.

b) Provision for Zakat

The movement in Zakat provision is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance at the beginning of the period / year	6,624,919	4,369,816
Prior year differences	-	29,984
Amounts paid during the period / year	(994,329)	(4,398,713)
Provision for the period / year	1,838,310	5,627,321
	7,468,900	5,628,408
Zakat assessment differences	-	996,511
Balance at the end of the period/year	7,468,900	6,624,919

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11. PROVISION FOR ZAKAT (CONTINUED)

c) Status of final assessments

The Company and its subsidiaries filed Zakat returns to the Zakat, Tax and Customs Authority "ZATCA", and obtained a Zakat certificate until the end of the fiscal year ended 31 December 2019.

During 2021, the Parent Company received the final assessments for the years 2015 to 2018 with Zakat differences totaling SR 2,069,020, An amount of SR 994,329 has been approved and paid by the Parent Company, and it objected to the rest of the claim, ZATCA accepted certain items for an amount of SR 502,467 and rejected the objection to other items for a total amount of SR 572,224 and accordingly the Group escalated the dispute to the General Secretariat of the Tax Committees "GSTC". As of the date of these consolidated financial statements, no hearing has been scheduled by the General Secretariat of Zakat, Tax and Customs Committee, the management believes that there will be no significant impact of this dispute on the Group. The final assessment for the years ended 31 December 2019, 2020 has not been received.

Also, the subsidiary company, Musanid Almarwarid for Operation and Maintenance company has received the final zakat assessment for the year 2018 with zakat differences of SR 72,780 and an amount of SR 2,182 was approved, and the rest of the amount was objected to. ZATCA rejected the objection submitted by the Company in full and accordingly the Group escalated the dispute to the General Secretariat of Tax Committees (GSTC). As at the date of these condensed consolidated interim financial statements, no hearing has been scheduled by the General Secretariat of Zakat, Tax and Customs Committee, the management believes that there will be no significant impact of this dispute on the Group. The final assessments for the years ended 31 December 2019 and 2020 have not been received.

The subsidiary company, Sawaid Recruitment Company has not received any Zakat assessment from ZATCA, knowing that the first Zakat return submitted by the subsidiary is for the year 2020.

12. PROPERTY AND EQUIPMENT

The total cost of property and equipment as at 31 March 2021 amounted to SR 23.81 million (31 December 2020: SR 23.61 million) and the accumulated depreciation amounted to SR 11.49 million (31 December 2020: SR 11.05 million).

As at 31 March 2021, the net value of property and equipment amounted to 12.32 million (31 December 2020: SR 12.56 million).

13. USED AND UNUSED VISAS AND OTHER NON-CURRENT ASSETS

The unused visas represent the value of the visas paid to ministry of labor and have not been used until the date of condensed consolidated interim statement of financial position.

The amounts of the visas are transferred to the used visas upon the arrival of the recruited manpower to the territory of the Kingdom of Saudi Arabia.

The movement of the visa balance during the period/ year is as follows:

	31 March 2021	31 December 2020
	(Unaudited)	(Audited)
At beginning of the period / year	25,342,000	19,706,000
Purchased visas during the period / year	8,282,000	12,486,000
Expired visas refunded during the period / year	(34,000)	(986,000)
Transferred to used visas	(3,146,000)	(5,864,000)
Unused visas as at the end of the period / year (*)	30,444,000	25,342,000
Add: used visas balance - non-current portion (Note 15)	1,309,792	1,377,000
Less: unused visas balance - current portion (Note 15)	(9,493,750)	(8,424,000)
Used and unused visas as at the end of the period / year	22,260,042	18,295,000
Add: Recruitment fees – non-current portion	3,308,351	2,239,036
	25,568,393	20,534,036

(*) The unused visas were analyzed as follows:

Unused visas - current portion	9,493,750	8,424,000
Unused visas - non-current portion	20,950,250	16,918,000

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14. TRADE RECEIVABLES

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Trade receivables	97,189,603	103,587,043
Less: Allowance for expected credit losses	(21,856,596)	(22,827,043)
	75,333,007	80,760,000

The Group applies the simplified approach in IFRS 9 to measure the expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

The balance of trade receivables as at 31 March 2021 includes an amount of SR 21 million secured by bank guarantees, promissory notes and term cheques (31 December 2020: SR 20 million).

Movement in impairment of accounts receivable balances during the period / year is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance at beginning of the period / year	22,827,043	14,991,144
Provided During the Year	2,053,431	7,835,899
Trade receivables written-off during the year	(3,023,878)	-
Balance at end of period / year	21,856,596	22,827,043

Trade receivables are written-off when there is no reasonable expectation of recovery. Indications that there are no reasonable expectations of collection include, among other things, the debtor's failure to agree on a payment plan with the Group and the failure to make contractual payments.

15. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Due from Zakat, Tax and custom Authority*	48,113,410	21,955,089
Residency and work permit fees	32,687,108	29,015,897
Recruitment fees – current portion	11,477,787	13,514,147
Unused visas - current portion (Note 13)	9,493,750	8,424,000
Advances to suppliers	4,279,908	5,057,609
Used visas - current portion **	4,449,905	4,008,724
Employees' advances	1,047,363	1,236,591
Prepaid other expenses	1,184,263	1,735,908
Other	3,830,151	2,498,614
	116,563,645	87,446,579
Less: impairment of other current assets ***	(1,665,335)	(2,711,409)
	114,898,310	84,735,170

(*) Due from Zakat, Tax and custom Authority

During the month of December 2020, the Zakat, Tax and Customs Authority (ZATCA) re-evaluated the VAT returns submitted by the company for the periods from May 2018 to December 2019 with a VAT difference of SR 21,955,089. The dispute mainly relates to recalculation of VAT on salaries and government fees for the workers whose services are sourced to the Group's customers. In violation of the Law, the implementing regulations and the guideline for applying the VAT on employee benefits. The Company's management paid the total tax differences to benefit from the ZATCA's initiative to exempt from the fines that existed at that time, and submitted objections to all mentioned periods to the ZATCA with all evidence and supporting documents on which the Company relied in the application. including the correspondence with the ZATCA in particular, which supported the validity of the VAT returns submitted by the company.

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15. PREPAID EXPENSES AND OTHER CURRENT ASSETS (CONTINUED)

(*) Due from Zakat, Tax and custom Authority (continued)

In March 2021, the Company received ZATCA's decision to reject the objections submitted for the above-mentioned tax differences. so the Company's management took a decision to amend the VAT returns for the periods from January 2020 to February 2021 and pay the tax differences that resulted in totaling SR 26,489,954 to take advantage of the initiative to exempt from fines in order to spare the company any risks that may result when the dispute is finally resolved. noting that the company paid fines for the months of December 2020 and January 2021. for being outside the scope of the ZATCA's initiative to exempt from fines, with a total amount of SR 325,918.

The Company filed a grievance against the ZATCA's decision with the General Secretariat of the Tax Committees (GSTC) and issued debit notes to its customers and related parties to VAT differences related to the workers seconded to them for all the periods referred to above for a total amount of SR 48,445,043 so that they can deduct the amounts that it belongs to them in their VAT returns, and the Company has also changed the method of calculating the VAT to include the salaries of seconded workers and any other items included in the invoices as of March 2021 until the dispute is finally settled and ZATCA is notified of that.

Certain clients have paid the VAT differences related to the workers seconded to them and working under their management totaling up to 31 March 2021 an amount of SR 331,633 while others have requested to postpone the payment until the dispute is finally settled by the GSTC. relying on the validity of the invoices received from the Company for the mentioned periods and that they were correct in accordance with the Law. VAT regulations and guidelines for implementing VAT.

On October 28, 2021, the session set by the GSTC was attended by representatives of the Company and its tax advisor. After hearing the two parties to the dispute, the GSTC's decision at the end of the session was in the interest of the Company. as the ZATCA's decision to re-evaluate the returns submitted by the Company was cancelled.

On 12 January, 1 February and 6 February of 2022, the company have been received formal decisions from GSTC for all cases filed before it (20 months), ZATCA appealed the GSTC's decisions.

and on 13 February, and 1 March 2022, the Company received notifications from GSTC regarding ZATCA's appeal and gave the Company a period of 45 working days to submit a memorandum of response to the ZATCA's appeal. The Company has already submitted a memorandum of response in mid-April 2022.

On the date of issuing these condensed consolidated interim financial statements. the Company is waiting for a hearing setting by the GSTC, and the management believes that this dispute will not have any negative impact on the Group.

(**) The movement of the visa balance during the period/ year is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance at beginning of the period / year	5,385,724	12,480,071
Used visas transferred during the period / year	3,274,301	5,916,418
Amortization during the period / year	(2,900,328)	(13,010,765)
Balance at end of period / year	5,759,697	5,385,724
The used visas were analyzed as follows:		
Used visas - current portion	4,449,905	4,008,724
Used visas - non-current portion (Note 13)	1,309,792	1,377,000

(***) The movement in the impairment of prepaid expenses and other current assets during the period / year is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance at beginning of the period / year	2,711,409	2,711,409
Receivables written-off during the period / year	(1,046,074)	-
Balance at end of period / year	1,665,335	2,711,409

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16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent key management personnel, members of the board of directors, shareholders of the Group and their associates. Related parties also include business entities in which some members of the board of directors or key management personnel have an interest (other related parties). Transactions with related parties are carried out in accordance with the terms and conditions approved by the Group's management or the Board of Directors.

The following are the most significant transactions with related parties carried out by the Group for the three-month period ended 31 March 2021 and 2020:

a) Key management personnel compensation:

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Employees' salaries and other short-term benefits	1,791,099	1,512,168
Post-employment benefits	55,326	51,305
	1,846,425	1,563,473

b) Board of Directors' remuneration and allowances

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Board remunerations	325,000	275,000
Allowances and compensations for members of board committees	23,000	13,750
	348,000	288,750

c) Business transactions with related parties

The following table presents amounts of business transactions that carried out with related parties during three months period ended 31 March 2021 and 2020.

Name of the related party	Nature of relationship	Nature of transactions	Amounts of transactions for the period ended 31 March	
			2021 (Unaudited)	2020 (Unaudited)
Mawaridkum Group Trading Company	A shareholder	Revenue against rendering labor services	16,997,136	24,019,635
		Cost of labor paid on behalf of shareholder	1,962,199	1,811,912
Al-Ayuni Investment and Contracting Company	A shareholder	Revenue against rendering labor services	4,619,640	5,844,860
		Cost of labor paid on behalf of shareholder	501,671	1,394,613
Khalda Group Trading Company	A shareholder	Revenue against rendering labor services	78,509	60,970
		Cost of labor paid on behalf of shareholder	-	17,500
		Project management fees to the shareholder	59,035	147,382
Other related parties	Entities under common control	Revenue against rendering labor services	1,663,312	1,894,594
		Cost of labor paid on behalf of other related parties	240,129	791,147

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16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

d) Related party balances

The following table presents the balances due from / to related parties as at 31 March 2021 and 31 December 2020:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Due from related parties		
Mawaridkum Group Trading Company	20,592,171	21,047,766
Al-Ayuni Investment and Contracting Company	15,106,399	11,969,481
Other related parties	1,542,327	589,355
	37,240,897	33,606,602
Due to related parties		
Khalda Group Trading Company	893,622	724,160
Other related parties	76,259	-
	969,881	724,160

17. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Al Rajhi Commodities Fund SR	30,121,279	45,097,903
	30,121,279	45,097,903

The movement in the investments in FVTPL during the period / year is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Balance on 1 January	45,097,903	16,018,708
Additions during the period / year	10,000,000	46,116,611
Disposal during the period / year	(25,097,902)	(17,354,299)
Fair value change	121,278	316,883
Balance at end of the period / year	30,121,279	45,097,903

18. CASH AND CASH EQUIVALENTS

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Cash at banks	71,927,027	63,763,508
Cash in hand	338,618	122,226
	72,265,645	63,885,734

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19. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Accrued vacations and air tickets	37,262,320	36,276,924
Accrued salaries and bonuses	25,917,228	21,727,714
Contract liabilities	26,786,427	21,486,810
Trade payables	6,715,555	8,798,026
Financial consideration	4,983,894	4,983,894
Value Added Tax (VAT)	5,762,401	4,071,571
Commissions payable	1,333,698	1,853,234
Remunerations and allowances for members and committees of the Board of Directors	1,557,000	1,362,000
Accrued GOSI	847,143	890,899
Claims provision	35,708	478,708
Other	3,711,116	2,251,938
	114,912,490	104,181,718

Trade payables are unsecured and are normally paid within 30 days of recognition. The carrying value of trade payables and other current liabilities approximates their fair value, due to their short-term nature.

20. SHARE CAPITAL

As at 31 March 2021, the Company's share capital consists of 10 million shares (2020: 10 million shares) with a nominal value of SR 10 each.

21. CONTINGENT LIABILITIES AND COMMITMENTS

The employees' entitlements, which represent the obligation of employees' benefits and leave and travel tickets allowances, which are borne by some customers on behalf of the Group in accordance with the terms of the contracts entered into with them upon the expiry of the workers' contracts amounted to SR 45.2 million as at 31 March 2021 (31 December 2020: SR 44.5 million).

A commercial bank under the facility agreement signed with it has issued a guarantee letter on behalf of the Group in favor of the Ministry of Human Resources and Social Development, which is a guarantee letter to issue the Company's license in the amount of SR 10 million.

22. RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Risk management is carried out by the senior management under policies approved by the Board of Directors. Senior management identifies and evaluates, when appropriate, financial risks in close co-operation with the Group's operating units.

Financial assets and liabilities are offset and reported net in the condensed consolidated interim financial statements when the Group has a legally enforceable right to set off the recognized amounts and when the Group intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Market risk

Market risk is the risk that changes in market prices such as selling prices of products, profit rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Currency risk

Currency risk is the risk that a financial instrument will fluctuate due to changes in foreign exchange rates. The Group transactions are primarily denominated in Saudi Riyals. The management believes that the currency risk is immaterial, as the exchange rate of the USD is fixed against the SAR. therefore, the currency exchange risk is immaterial.

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22. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group manages interest rate risk by regularly monitoring the interest rate levels of its interest-bearing financial instruments. The Group is not exposed to significant interest sensitivity risk.

Credit risk

Credit risk is the risk that a party will not be able to meet its obligations to a financial instrument, causing financial losses to the other party. The Group does not believe that there are significant risks from balances due from related parties.

Financial assets that are subject to credit risk are limited to cash and cash equivalents, trade receivables and other current assets.

The cash and cash equivalents of the Company are deposited in public accounts with local banks with good credit ratings.

The Group only deals with high credit ratings financial institutions to limit the Group's exposure to credit risk. The Group has put in place an approval process so that credit limits are applied to customers.

The management also continuously monitors exposure to credit risks towards customers and creates a provision against doubtful balances which is based on customer profile and previous payment dates. Existing customers' receivables are monitored on a regular basis.

At 31 March 2021, the exposure to credit risk for trade receivables was as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Trade receivables	97,189,603	103,587,043
Less: Allowance for expected credit losses	(21,856,596)	(22,827,043)
	75,333,007	80,760,000

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2021.

	Weighted- average loss rate	Total carrying value	Loss allowance
Current (not past due)	1,73%	45,668,725	788,983
1-30 Days past due	2,27%	4,175,525	94,797
31-60 Days past due	2,92%	2,320,704	67,693
61-90 Days past due	4,41%	2,060,959	90,991
91-180 Days past due	10,69%	4,834,168	516,776
181-360 Days past due	26,49%	11,185,643	2,962,709
More than 360 Days past due	63,81%	26,943,879	17,193,847
Specific loss allowance	--	-	140,800
		97,189,603	21,856,596

The total maximum exposure to credit risk in the Group as at the reporting date is as follows:

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Investments at FVTPL	30,121,279	45,097,903
Cash and cash equivalents	72,265,645	63,885,734
Due from related parties	37,240,897	33,606,602
Prepayments and other current assets	113,714,047	82,999,262
	253,341,868	225,589,501

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22. RISK MANAGEMENT (CONTINUED)

Commission rate risk

It is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows.

The Group's commission rate risk arises principally from loans and investments at fair value through profit or loss which are at floating commission rates and are subject to re-pricing on a regular basis, The management monitors these changes in commission rates.

The Group periodically analyzes the commission rate risk, taking into account any rescheduling of loans. It also calculates the financial impact on profits and losses by increasing/decreasing the commission rate by a certain percentage. This analysis is performed on liabilities that bear commission.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from the inability to sell a financial asset quickly and for an amount close to its fair value.

Liquidity risk is managed by monitoring it periodically to ensure the availability of sufficient funds through available banking facilities to meet any future liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations as and when they fall due under normal and abnormal conditions without incurring unacceptable losses or risking damage to the Group's reputation.

For this purpose, the Group has maintained credit limits with various commercial banks in order to meet its liquidity requirements, As at 31 March 2021. the Group has an unused bank financing facility of SR 26 million (31 December 2020: SR 26 million) to manage short and long-term liquidity requirements.

The following are the contractual maturities of the remaining financial liabilities as at 31 March 2021 and 31 December 2020. These amounts are total and undiscounted and include contractual payments, excluding the effect of set-off agreements:

31 March 2021 (Unaudited)

Financial Liabilities	Carrying amount	Contractual Cash flows			Total
		Less than 1 Year	More than 1 to 3 Year	More than 3 to 5 Year	
Retained deposits	7,850,997	7,850,997	-	-	7,850,997
Trade payables and Contract liabilities	33,501,982	33,501,982	-	-	33,501,982
Lease liabilities	21,346,740	9,572,879	11,773,861	-	21,346,740
	62,699,719	50,925,858	11,773,861	-	62,699,719

31 December 2020 (Audited)

Financial Liabilities	Carrying amount	Contractual Cash flows			Total
		Less than 1 Year	More than 1 to 3 Year	More than 3 to 5 Year	
Retained deposits	8,705,216	8,705,216	--	--	8,705,216
Trade payables and Contract liabilities	30,284,836	30,284,836	--	--	30,284,836
Lease liabilities	24,837,949	10,930,443	13,907,506	--	24,837,949
	63,828,001	49,920,495	13,907,506	--	63,828,001

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22. RISK MANAGEMENT (CONTINUED)

Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the accompanying condensed consolidated interim financial statements are prepared under the historical cost method, differences may arise between the carrying values and the fair value estimates.

Management believes that the fair value of the Group's financial assets and liabilities are not materially different from their carrying values.

a) Assets measured at fair value:

The following table presents the Group's financial instruments measured at fair value at 31 March 2021 and 31 December 2020:

<u>31 March 2021 (Unaudited)</u>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Investments at FVTPL	30,121,279	-	-	30,121,279
<u>31 December 2020 (audited)</u>				
Investments at FVTPL	45,097,903	-	-	45,097,903

There were no transfers between the levels of fair value hierarchies during the period.

b) Assets and liabilities not measured at fair value

The following are the financial assets and financial liabilities that are not measured at fair value as the carrying amount reasonably approximates the fair value.

Financial assets

	<u>31 March 2021 (Unaudited)</u>	<u>31 December 2020 (Audited)</u>
Financial assets at amortised cost:		
Trade receivables	75,333,007	80,760,000
Cash and cash equivalents	72,265,645	63,885,734
Total financial assets at amortized cost	<u>147,598,652</u>	<u>144,645,734</u>

Financial Liabilities

	<u>31 March 2021 (Unaudited)</u>	<u>31 December 2020 (Audited)</u>
Financial liabilities at amortized cost:		
Retained deposits	7,850,997	8,705,216
Trade payables and contract liabilities	33,501,982	30,284,836
Total financial liabilities at amortized cost	<u>41,352,979</u>	<u>38,990,052</u>
Current portion of financial liabilities	41,352,979	38,990,052
Non-current portion of financial liabilities	-	-
Total Financial Liability	<u>41,352,979</u>	<u>38,990,052</u>

Capital management risk

When managing capital, the Group aims to ensure the Group's ability to continue as a going concern in order to be able to continue providing returns to shareholders and maintain a strong core capital to support the sustainable development of its business.

The Group manages its capital structure by monitoring returns on net assets and makes adjustments to them in light of changes that arise from economic conditions.

For the purpose of maintaining or adjusting the capital structure, the Group may adjust the amount of dividends paid to shareholders or may issue new shares.

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23. SUBSEQUENT EVENTS

- Dividends distribution

The General Assembly, in its meeting held on 30 May 2022, approved to pay cash dividends to the shareholders for the year ended 31 December 2021 in the amount of SR 20 million, representing SR 2 per share, to be paid in two equal payments in July and November 2022.

- Share capital increase

The General Assembly, in its meeting held on 30 May 2022, approved to increase the capital of Al Mawarid Manpower Company from SR 100 million to SR 150 million, an increase of SR 50 million through the transfer of SR 20 million from the contractual reserve account and SR 30 million from the retained earnings account.

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements financial have been approved for issuance by the Board of Directors on 24 Dhu al-Qidah 1443H (corresponding to 23 June 2022).