

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month period ended 31 March 2022
Together with
the Independent Auditor's Review Report

AL MAWARID MANPOWER COMPANY
(A Saudi Closed Joint Stock Company)
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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 2022 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 2022;
- The condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022;
- The condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2022;
- The condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2022; 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 Standards 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 2022 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.

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 2022
(All amounts in Saudi Riyal unless otherwise stated)

	<i>Note</i>	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Assets			
Non-current assets			
Property and equipment	12	11,588,724	11,635,201
Intangible assets		1,746,250	1,786,656
Right of use assets		18,393,561	20,444,531
Used and unused visas and other non-current assets	13	43,103,994	41,444,235
Total non-current assets		74,832,529	75,310,623
Current assets			
Trade receivables	14	95,979,178	84,164,341
Prepayments and other current assets	15	139,726,619	136,164,976
Due from related parties	16	59,911,428	52,390,288
Investments at fair value through profit or loss	17	15,496,998	30,387,909
Cash and cash equivalents	18	45,526,684	26,627,152
Total current assets		356,640,907	329,734,666
Total assets		431,473,436	405,045,289
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	100,000,000	100,000,000
Statutory reserve		27,694,675	27,694,675
Contractual reserve		20,000,000	20,000,000
Retained earnings		99,055,600	85,329,447
Total equity		246,750,275	233,024,122
Liabilities			
Non-current liabilities			
Employees end of service benefits	10	28,527,487	27,584,798
Lease liabilities		6,474,552	7,295,091
Recruitment agents` guarantees		1,375,726	1,172,976
Total Non-current liabilities		36,377,765	36,052,865
Current Liabilities			
Trade payables and other current liabilities	20	120,066,498	108,483,866
Retained deposits		8,250,547	7,752,265
Lease liabilities		10,600,556	12,216,023
Due to related parties	16	855,838	728,187
Provision for Zakat	11	8,571,957	6,787,961
Total current liabilities		148,345,396	135,968,302
Total liabilities		184,723,161	172,021,167
Total equity and liabilities		431,473,436	405,045,289

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 2022
(All amounts in Saudi Riyal unless otherwise stated)

	<i>Note</i>	For the three-month period ended 31 March	
		2022 (Unaudited)	2021 (Unaudited)
Revenue	7	188,426,458	160,129,682
Cost of revenue	8	(164,417,947)	(135,043,662)
Gross profit		24,008,511	25,086,020
Selling and marketing expenses		(2,684,441)	(1,618,587)
General and administrative expenses		(6,516,608)	(5,268,392)
Impairment loss on trade receivables		(653,374)	(2,053,431)
Other income		566,932	275,033
Profit from operations before Zakat		14,721,020	16,420,643
Zakat expense		(1,783,996)	(1,838,310)
Profit for the period after Zakat		12,937,024	14,582,333
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss:			
Remeasurement gain (loss) on employees' end-of- service benefits		789,129	(562,598)
Total comprehensive income for the period		13,726,153	14,019,735
Earnings per share:			
Basic & diluted earning per share	9	1.29	1.46

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 IN EQUITY
For the three-month period ended 31 March 2022
(All amounts 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 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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,019,735</u>	<u>14,019,735</u>
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>
Balance at 1 January 2022 (audited)	100,000,000	27,694,675	20,000,000	85,329,447	233,024,122
Net profit for the period (unaudited)	-	-	-	12,937,024	12,937,024
Other comprehensive income for the period (unaudited)	-	-	-	789,129	789,129
Total comprehensive income for the period (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,726,153</u>	<u>13,726,153</u>
Balance at 31 March 2022 (unaudited)	<u>100,000,000</u>	<u>27,694,675</u>	<u>20,000,000</u>	<u>99,055,600</u>	<u>246,750,275</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 2022
(All amounts in Saudi Riyal unless otherwise stated)

	<i>Note</i>	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Cash flows from operating activities			
Net income before Zakat		14,721,020	16,420,643
Adjustments for non-cash items:			
Depreciation on property and equipment		333,823	441,355
(Gain) on disposal of property and equipment		(3,193)	-
Amortisation of intangibles assets		165,956	182,697
Depreciation on right of use assets		3,074,925	2,646,398
Finance costs - leases		237,103	299,788
Losses from disposal of right of use assets		-	75,859
Impairment loss on trade receivables	14	653,374	2,053,431
Gains on investments at FVTPL	17	(109,089)	(121,278)
Provision for Employees end of service benefits	10	3,328,111	2,386,138
		22,402,030	24,385,031
Changes in working capital:			
Used and unused visas and other non-current assets		(1,659,759)	(5,034,357)
Trade receivables		(12,468,211)	3,373,562
Prepayments and other current assets		(3,561,643)	(30,163,140)
Due from and to related parties		(7,393,489)	(3,388,574)
Recruitment agents guarantees		202,750	409,457
Trade payables and other current liabilities		11,582,632	10,730,772
Retained deposits		498,282	(854,219)
Employees end of service benefits paid	10	(1,596,293)	(1,644,776)
Interest paid		(237,103)	(299,788)
Zakat paid	11	-	(994,329)
Net cash flows generated from / (used in) operating activities		7,769,196	(3,480,361)
Cash flows from investing activities			
Acquisition of property and equipment		(289,845)	(202,517)
Proceed from sale of property and equipment		5,692	-
Acquisition of intangible assets		(125,550)	(231,914)
Acquisition of investments at FVTPL	17	(7,000,000)	(10,000,000)
Proceeds from sale of investments at FVTPL	17	22,000,000	25,097,902
Net cash flows generated from investing activities		14,590,297	14,663,471
Cash flows from financing activities			
Payment of lease liabilities		(3,459,961)	(2,803,199)
Net cash flows (used in) financing activities		(3,459,961)	(2,803,199)
Net change in cash and cash equivalents			
		18,899,532	8,379,911
Cash and cash equivalents at the beginning of the period		26,627,152	63,885,734
Cash and cash equivalents at the end of the period		45,526,684	72,265,645
Non-cash transactions:			
Write-off of debts and customer's settlements		-	4,069,952
Remeasurement of Employees end of service benefits		789,129	(562,598)
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 2022

(All amounts in Saudi Riyal unless otherwise stated)

1. GENERAL INFORMATION

AL-Mawarid Manpower Company is a Saudi Closed Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010343697 issued in 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	CR No.	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'ban 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)
Tabouk	3550143539	28 Rajab 1443H (corresponding to 1 March 2022)

The condensed consolidated interim financial statements for the three months ended 31 March 2022 include the financial position and results of the operations of the Company and its subsidiaries (all referred to as the "Group") as explained below:

<u>Subsidiary's name</u>	<u>Legal Entity</u>	<u>Share holding</u>	
		<u>2022</u>	<u>2021</u>
Musanid Al Marafiq for Maintenance and Cleaning (Formerly 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.

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 2022
(All amounts in Saudi Riyal unless otherwise stated)

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three-month period ended 31 March 2022 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 (“SOCPA”).

The condensed consolidated interim financial statements should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021 (“last annual consolidated 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 have been presented in Saudi Riyal (“SAR”), which is the Group’s functional and presentation currency.

3. USE OF JUDGMENT 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 2022
(All amounts in Saudi Riyal unless otherwise stated)

3. USE OF JUDGMENT 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 2021. With the exception of applying the amendments and interpretations in effect as of 1 January 2022, as mentioned in Note (5/a).

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

5. NEW STANDARDS OR AMENDMENTS EFFECTIVE IN 2022 AND SUBSEQUENT YEARS

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB on 20 March 2022.

a) New currently effective requirements:

Effective date	New Standards and Amendments
1 April 2021	COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to 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).

Management conducted a financial impact assessment and found that there was no impact on the condensed consolidated interim financial statements as at 31 March 2022.

b) New requirements that will be applied subsequently:

Effective date	New Standards and Amendments
1 January 2023	Classification of liabilities as current/non-current (Amendments to IAS 1).
	IFRS 17 Insurance contract
	Definition of accounting estimates (Amendments to IAS 8).
	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
	Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12).
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 evaluate the financial impact of the new standards and amendments and it expects that the new standards and amendments 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 2022

(All amounts in Saudi Riyal unless otherwise stated)

6. SEGMENTS 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 sectors:

- **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-months period ended 31 March 2022 (Unaudited)			
	Corporate Sector	Individuals Sector	Hourly Sector	Total
Revenue	121,361,662	40,164,010	26,900,786	188,426,458
Cost of revenue	(109,780,987)	(33,394,075)	(21,242,885)	(164,417,947)
Gross profit	<u>11,580,675</u>	<u>6,769,935</u>	<u>5,657,901</u>	<u>24,008,511</u>

	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 profit	<u>11,639,185</u>	<u>5,762,057</u>	<u>7,684,778</u>	<u>25,086,020</u>

Since the Group's activities 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 liabilities pertaining to business segments.

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Unallocated income / (expenses)		
Gross profit	24,008,511	25,086,020
Selling and marketing expenses	(2,684,441)	(1,618,587)
General and administrative expenses	(6,516,608)	(5,268,392)
Impairment loss on trade receivables	(653,374)	(2,053,431)
Other income	566,932	275,033
Profit from operations before Zakat	14,721,020	16,420,643
Zakat expense	(1,783,996)	(1,838,310)
Profit for the period after Zakat	<u>12,937,024</u>	<u>14,582,333</u>

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 2022**

(All amounts 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 2022 and 2021:

Type of Sector

	For the three month period ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Corporate	121,361,662	102,189,448
Individuals	40,164,010	32,459,796
Hourly “Hemma”	26,900,786	25,480,438
	188,426,458	160,129,682

Type of customers

	For the three month period ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Retail	67,064,796	57,940,234
Operation and Maintenance	22,684,181	24,714,254
Hospitality	26,222,515	23,295,740
Construction	26,739,406	18,566,047
Commercial and services	16,722,390	13,733,708
Healthcare	12,200,718	5,346,945
Transportation	6,612,593	7,383,993
Manufacturing	9,685,728	8,997,391
Other	494,131	151,370
	188,426,458	160,129,682

Duration of contracts

	For the three month period ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
More than 1 year	131,350,019	112,898,039
One year and less	57,076,439	47,231,643
	188,426,458	160,129,682

8. COST OF REVENUE

	For the three month period ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Labors’ salaries and benefits	122,448,627	106,715,753
Government and other direct costs	33,251,046	21,916,176
Depreciation on right of use assets	3,063,504	2,610,266
Utilities	1,092,465	820,574
Bank charges	822,463	751,621
Catering expenses	896,301	264,598
Accommodation	659,494	230,386
Depreciation and amortization	192,860	275,179
Finance cost of leases	236,536	299,313
Operating expenses	1,754,651	1,159,796
	164,417,947	135,043,662

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 2022**

(All amounts 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 profit for the period by the weighted average number of outstanding shares of 10 million shares for the period ended 31 March 2022 and 2021, as follows:

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Net profit for the period	12,937,024	14,582,333
Weighted average number of shares	10,000,000	10,000,000
Basic & diluted earnings per share from net income of the period	<u>1,29</u>	<u>1,46</u>

10. EMPLOYEES END OF SERVICES BENEFITS

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 end of service benefits during the period/ year ended 31 March 2022 and 31 December 2021:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	27,584,798	21,725,880
Included in profit or loss		
Current service cost	3,174,849	10,207,820
Interest expense	153,262	242,449
Payments and settlements	(1,596,293)	(6,634,250)
Included in other comprehensive income		
Remeasurement (gains) losses	(789,129)	2,042,899
Balance at end of period / year	<u>28,527,487</u>	<u>27,584,798</u>

11. PROVISION FOR ZAKAT

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

(b) Provision for Zakat

The movement in Zakat provision is as follows:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	6,787,961	6,624,919
Prior year differences	-	194,007
Amounts paid during the period / year	-	(6,625,936)
Provision for the period / year	1,783,996	6,594,971
Balance at end of period / year	<u>8,571,957</u>	<u>6,787,961</u>

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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 2021.

During 2021, the 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 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".

On 5 June 2022, the session set by the GSTC was attended by representatives of the Company and its tax advisor. The decision was issued at the end of the session approving some of the escalation items and rejecting others. The Company's management is waiting to receive the formal decision to object on the decision before the appellate committees. The Group's management believes that there will be no significant impact of this dispute on the Group. As of the date of issuance of these condensed consolidated interim financial statements, the final assessment for the years ended 31 December 2019, 2020, and 2021 has not been received.

The necessary provisions have been calculated for the items mentioned in the aforementioned Zakat assessments and approved by the Company, for the years for which the Zakat assessment has not yet been made.

The subsidiary company, Musanid Al Marafiq for Maintenance and Cleaning (formerly Musanid Almawarid for Operation and Maintenance Company) have 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 paid, and the rest of the amount was objected to, but the objection was rejected by ZATCA. Therefore, The Company escalates the grievance against the ZATCA's decision to GSTC. GSTC's decision was issued in support of ZATCA's assessment, based on the fact that the company did not submit the required documents, which is an incorrect reliance. An appeal was submitted to the decision, and the hearing setting is awaited by GSTC. The Group's management believes that there will be no significant impact of this dispute on the Group.

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

12. PROPERTY AND EQUIPMENT

As at 31 March 2022, the cost of property and equipment was SR 21,72 million (31 December 2021: SR 23,17 million), and the accumulated depreciation was SR 10,13 million (31 December 2021: SR 11,53 million).

As at 31 March 2022, the net book value of property and equipment was 11,59 million (31 December 2021: SR 11,63 million).

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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 2022 (Unaudited)	31 December 2021 (Audited)
At beginning of the period / year	27,784,000	25,342,000
Purchased visas during the period / year	13,220,000	22,894,000
Expired visas refunded during the period / year	(1,788,000)	(2,996,000)
Transferred to used visas during the period / year	(10,706,000)	(17,456,000)
Unused visas as at the end of the period / year (*)	28,510,000	27,784,000
Add: used visas balance - non-current portion (Note 15)	4,750,017	6,731,000
Less: unused visas balance - current portion (Note 15)	(10,694,000)	(10,206,000)
Used and unused visas as at the end of the period / year	22,566,017	24,309,000
Add: Recruitment fees – non-current portion	20,537,977	17,135,235
	43,103,994	41,444,235

(*) The unused visas were analyzed as follows:

Unused visas - current portion	10,694,000	10,206,000
Unused visas - non-current portion	17,816,000	17,578,000

14. TRADE RECEIVABLES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	125,152,463	112,684,252
Less: Allowance for expected credit losses	(29,173,285)	(28,519,911)
	95,979,178	84,164,341

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.

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	28,519,911	22,827,043
Provided during the period / year	653,374	8,716,746
Trade receivables written-off during the period / year	-	(3,023,878)
Balance at end of period / year	29,173,285	28,519,911

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.

The balance of trade receivables as at 31 March 2022 includes an amount of SR 22 million secured by bank guarantees, promissory notes and term cheques (31 December 2021: SR 22 million).

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15. PREPAYMENTS AND OTHER CURRENT ASSETS

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Due from Zakat, Tax and custom Authority *	43,468,656	45,623,027
Residency and work permit fees	24,413,650	35,333,145
Recruitment fees – current portion	32,952,946	24,616,216
Unused visas - current portion (Note 13)	10,694,000	10,206,000
Advances to suppliers	4,476,427	3,409,313
Used visas - current portion **	8,845,328	5,320,614
Advances to employees	3,335,681	4,315,444
Prepaid other expenses	2,592,033	2,557,028
Other	10,058,797	5,895,088
	140,837,518	137,275,875
Less: impairment of other current assets ***	(1,110,899)	(1,110,899)
	139,726,619	136,164,976

(*) 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.

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 2022 an amount of SR 5,302,305, 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.

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15. PREPAYMENTS AND OTHER CURRENT ASSETS (CONTINUED)

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

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 balance of visas during the period/ year is as follows:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	12,051,614	5,385,724
Used visas transferred during the period / year	10,919,132	17,900,512
Amortization during the period / year	(9,375,401)	(11,234,622)
Balance at end of period / year	<u>13,595,345</u>	<u>12,051,614</u>

The used visas were analyzed as follows:

Used visas - current portion	<u>8,845,328</u>	<u>5,320,614</u>
Used visas - non-current portion (Note 13)	<u>4,750,017</u>	<u>6,731,000</u>

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at beginning of the period / year	1,110,899	2,711,409
Other current assets written off during the period / year	-	(1,600,510)
Balance at end of period / year	<u>1,110,899</u>	<u>1,110,899</u>

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 periods ended 31 March 2022 and 2021:

a) Key management personnel compensation:

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Employees' salaries and other short-term benefits	1,945,871	1,791,099
Post-employment benefits	78,845	55,326
	<u>2,024,716</u>	<u>1,846,425</u>

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16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

b) Board of Directors' remuneration and allowances

	31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Board remunerations	325,000	325,000
Allowances and compensations for members of board committees	18,000	23,000
	343,000	348,000

c) Business transactions with related parties

The following table presents amounts of business transactions that carried out with related parties during three months periods ended 31 March 2022 and 2021.

Name of the related party	Nature of relationship	Nature of transactions	Amounts of transactions for the three months period ended 31 March	
			<u>2022</u> (Unaudited)	<u>2021</u> (Unaudited)
Mawaridkum Group Trading Company	A shareholder	Revenue against rendering labor services	15,130,936	16,997,136
		Cost of labor paid on behalf of shareholder	1,459,465	1,962,199
Al-Ayuni Investment and Contracting Company	A shareholder	Revenue against rendering labor services	10,276,424	4,619,640
		Cost of labor paid on behalf of shareholder	1,442,335	501,671
Khalda Group Trading Company	A shareholder	Revenue against rendering labor services	99,848	78,509
		Project management fees to the shareholder	43,005	59,035
Other related parties	Entities under common control	Revenue against rendering labor services	2,920,861	1,663,312
		Cost of labor paid on behalf of shareholder	605,304	240,129

d) Related party balances

The following table presents the balances due from / to related parties as at 31 March 2022 and 31 December 2021.

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Due from related parties		
Mawaridkum Group Trading Company	34,352,468	31,599,562
Al-Ayuni Investment and Contracting Company	22,216,629	17,765,186
Other related parties	3,342,331	3,025,540
	59,911,428	52,390,288
Due to related parties		
Khalda Group Trading Company	790,041	728,187
Other related parties	65,797	-
	855,838	728,187

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17. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Al Rajhi Commodities Mudaraba Fund - SAR	8,435,159	30,387,909
Al Rajhi Multi Asset Conservative Fund	7,061,839	-
	15,496,998	30,387,909

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

	Al Rajhi Commodities Mudaraba Fund - SAR	Al Rajhi Multi Asset Conservative Fund	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Balance at start of the period / year	30,387,909	-	30,387,909	45,097,903
Additions during the period / year	-	7,000,000	7,000,000	30,000,000
Disposal during the period / year	(22,000,000)	-	(22,000,000)	(45,097,903)
Fair value change	47,250	61,839	109,089	387,909
Balance at end of period / year	8,435,159	7,061,839	15,496,998	30,387,909

18. CASH AND CASH EQUIVALENTS

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Cash at banks	45,410,336	26,612,348
Cash in hand	116,348	14,804
	45,526,684	26,627,152

19. SHARE CAPITAL

As at 31 March 2022, the Company's share capital consists of 10 million shares (31 December 2021: 10 million shares) with a nominal value of SR 10 each.

20. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Accrued vacations and air tickets	38,046,554	38,652,747
Accrued salaries and bonuses	29,400,163	23,523,185
Contract liabilities	28,164,185	18,706,212
Trade payables	5,253,556	10,579,820
Financial consideration	256,396	256,396
Value Added Tax (VAT)	10,326,318	8,377,238
Commissions payable	1,016,448	1,405,518
Remunerations and allowances for members and committees of the Board of Directors	1,481,250	1,516,000
Accrued GOSI	1,326,276	1,269,608
Other	4,795,352	4,197,142
	120,066,498	108,483,866

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.

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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 39,66 million as at 31 March 2022 (31 December 2021: SR 45,4 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.

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 Group 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.

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22. RISK MANAGEMENT (CONTINUED)

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 2022, the exposure to credit risk for trade receivables is as follows:

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	125,152,463	112,684,252
Less: Allowance for expected credit losses	(29,173,285)	(28,519,911)
	95,979,178	84,164,341

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2022,

	Weighted- average loss rate	Total carrying value	Loss allowance
Current (not past due)	1.97%	65,094,903	1,285,329
Past due 1-30 days	3.45%	7,919,136	273,086
Past due 31-60 days	5.01%	2,236,425	112,023
Past due 61-90 days	6.82%	2,053,715	140,146
Past due 91-180 days	13.62%	3,366,634	458,574
Past due 181-360 days	30.62%	5,505,164	1,685,606
More than 360 days past due	61.76%	38,976,486	24,070,987
Specific loss allowance	--	--	1,147,534
		125,152,463	29,173,285

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

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Investments at FVTPL	15,496,998	30,387,909
Cash and cash equivalents	45,526,684	26,627,152
Due from related parties	59,911,428	52,390,288
Prepayments and other current assets	137,134,586	133,607,948
	258,069,696	243,013,297

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.

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22. RISK MANAGEMENT (CONTINUED)

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 2022, the Group has an unused bank financing facility of SR 26 million (31 December 2021: 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 2022 and 31 December 2021. These amounts are total and undiscounted and include contractual payments, excluding the effect of set-off agreements:

31 March 2022 (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	8,250,547	8,250,547	-	-	8,250,547
Trade payables and Contract liabilities	33,417,741	33,417,741	-	-	33,417,741
Lease liabilities	17,075,108	10,600,556	6,474,552	-	17,075,108
	58,743,396	52,268,844	6,474,552	-	58,743,396

31 December 2021 (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	7,752,265	7,752,265	-	-	7,752,265
Trade payables and Contract liabilities	29,286,032	29,286,032	-	-	29,286,032
Lease liabilities	19,511,114	12,216,023	7,295,091	-	19,511,114
	56,549,411	49,254,320	7,295,091	-	56,549,411

Fair value measurement of financial instruments

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date.

As the accompanying condensed consolidated interim financial statements have been prepared under the historical cost method, difference may arise between the book 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.

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22. RISK MANAGEMENT (CONTINUED)

a) Assets which are measured at fair value :

The following table presents the Group's financial instruments measured at fair value at 31 March 2022 and 31 December 2021:

<u>31 March 2022 (Unaudited)</u>	Level 1 SR	Level 2 SR	Level 3 SR	Total SR
Investments at FVTPL	15,496,998	-	-	15,496,998
<u>31 December 2021 (Audited)</u>				
Investments at FVTPL	30,387,909	-	-	30,387,909

There was no transfer between the levels of fair value hierarchy during the period.

b) Assets and liabilities which are not measured at fair value :

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

Financial assets

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Financial assets at amortised cost:		
Trade receivables	95,979,178	84,164,341
Cash and cash equivalents	45,526,684	26,627,152
Total financial assets at amortized cost	141,505,862	110,791,493

Financial Liabilities

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Financial liabilities at amortized cost:		
Retained deposits	8,250,547	7,752,265
Trade payables and contract liabilities	33,417,741	29,286,033
Total financial liabilities at amortized cost	41,668,288	37,038,298
Current portion of financial liabilities	41,668,288	37,038,298
Non-current portion of financial liabilities	-	-
Total Financial Liabilities	41,668,288	37,038,298

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.

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 2022
(All amounts in Saudi Riyal unless otherwise stated)

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 and SR 30 million from the retained earnings.

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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