



RSM

شركة آر إس إم المحاسبون المتحدون للإستشارات المهنية
RSM Allied Accountants Professional Services Co.

**MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023
AND INDEPENDENT AUDITOR'S REPORT ON REVIEW**

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

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Independent Auditor's report on review of condensed interim financial statements

**To the Shareholders of
Maharah For Human Resources Company
(A Saudi Joint Stock Company)**

Introduction:

We have reviewed the accompanying condensed interim consolidated statement of financial position of Maharah For Human Resources Company ("the company") and its subsidiaries (collectively referred to as "the Group") as of March 31, 2023, and the related condensed interim consolidated statements of comprehensive income and changes in equity and cash flows for the three months period then ended, and other explanatory notes. Management is responsible for preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim consolidated 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" 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 International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia and consequently doesn't 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 condensed interim consolidated financial statements is not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Other matter:

The Group condensed interim consolidated financial statement for the three months period ended March 31, 2022 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on Shawwal 23, 1443H (corresponding May 24, 2022).

RSM Allied Accountants Professional Services Company
Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Kingdom of Saudi Arabia

Shawwal 21, 1444 H (Corresponding to May 11, 2023)



MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2023
(Saudi Riyal)

	Notes	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		108,146,619	83,573,675
Accounts receivable	4	241,834,455	243,976,861
Contracts assets	4	116,780,715	104,501,426
Prepayments and other current assets		189,671,942	219,240,988
Available visas		27,058,000	24,856,000
Total current assets		683,491,731	676,148,950
Non-current assets			
Property, plant and equipment		123,311,072	125,535,761
Right-of-use assets		38,481,408	43,024,421
Intangible assets		7,748,442	7,872,996
Investment properties		37,675,361	37,799,578
Financial assets at fair value through profit or loss	6	10,066,667	25,099,306
Financial assets at fair value through other comprehensive income	7	13,985,656	13,985,656
Investment in an associate	8	800,675,444	793,332,675
Other non-current assets		18,920,755	26,070,772
Total non-current assets		1,050,864,805	1,072,721,165
Total assets		1,734,356,536	1,748,870,115
LIABILITIES			
Current liabilities			
Accounts payable, accruals, and other current liabilities		219,228,202	223,901,524
Contract liabilities		123,942,894	134,013,235
Retained deposits		101,072,480	99,141,138
Zakat provision	9	17,745,030	15,745,030
Total current liabilities		461,988,606	472,800,927
Non-current liabilities			
Long Term Loans	10	562,607,710	562,607,710
Employees' defined benefits liabilities		86,340,981	83,877,102
Lease liabilities		26,447,319	31,219,113
Total non-current liabilities		675,396,010	677,703,925
Total liabilities		1,137,384,616	1,150,504,852
EQUITY			
Share capital	11	375,000,000	375,000,000
Statutory reserve		97,416,675	97,416,675
Other reserves		(16,924,184)	(16,924,184)
Retained earnings		142,593,536	143,618,633
Equity attributable to the shareholders of the parent Company		598,086,027	599,111,124
Non-controlling interests	1	(1,114,107)	(745,861)
Total equity		596,971,920	598,365,263
Total liabilities and equity		1,734,356,536	1,748,870,115

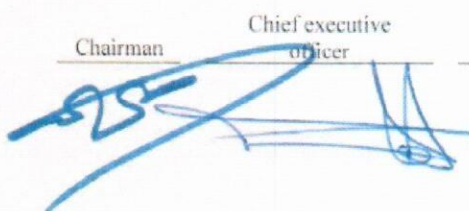
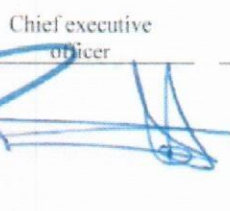
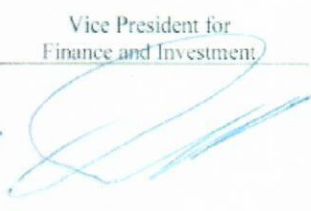
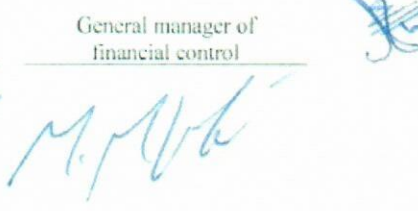
Chairman Chief executive officer Vice President for Finance and Investment General manager of financial control



The accompanying notes are an integral part of these condensed interim consolidated financial statements

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023
(Saudi Riyal)**


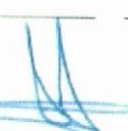
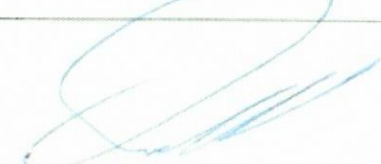
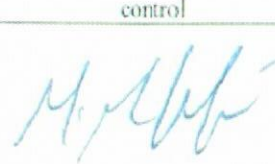
	Notes	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
Revenues		463,080,499	381,275,255
Cost of revenues		(406,334,344)	(332,249,389)
Gross Profit		56,746,155	49,025,866
General and administrative expenses		(21,544,710)	(22,610,738)
Selling and Marketing expenses		(4,081,285)	(3,357,689)
Expected credit losses	4	(961,435)	(115,993)
Operating profit		30,158,725	22,941,446
Finance costs		(10,451,354)	(154,900)
Other income		2,669,773	1,518,355
Share in results of an associate companies	8	15,098,323	(80,185)
Net gain on financial assets at FVTPL	6	631,190	4,367,604
Profit for the period before zakat		38,106,657	28,592,320
Zakat	9	(2,000,000)	(4,145,999)
Profit for the period		36,106,657	24,446,321
Profit for the period attributable to:			
Shareholders of the Parent Company		36,474,903	24,818,899
Non-controlling interests		(368,246)	(372,578)
		36,106,657	24,446,321
Basic and diluted earnings per share:			
Net income per share attributable to Shareholders of the Parent Company	13	0.97	0.66
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		36,106,657	24,446,321
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company		36,474,903	24,818,899
Non-controlling interests		(368,246)	(372,578)
		36,106,657	24,446,321

Chairman	Chief executive officer	Vice President for Finance and Investment	General manager of financial control
			

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023
(Saudi Riyal)

		Equity attributable to the Shareholders of the Parent Company						
	Note	Share capital	Statutory reserve	Other Reserves	Retained earnings	Total	Non-controlling interests	Total equity
<u>For the three months period ended March 31, 2023</u>								
Balance as at January 1, 2023 (Audited)		375,000,000	97,416,675	(16,924,184)	143,618,633	599,111,124	(745,861)	598,365,263
Profit for the period		-	-	-	36,474,903	36,474,903	(368,246)	36,106,657
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	36,474,903	36,474,903	(368,246)	36,106,657
Dividends	12	-	-	-	(37,500,000)	(37,500,000)	-	(37,500,000)
Balance as at March 31, 2023		<u>375,000,000</u>	<u>97,416,675</u>	<u>(16,924,184)</u>	<u>142,593,536</u>	<u>598,086,027</u>	<u>(1,114,107)</u>	<u>596,971,920</u>
<u>For the three months period ended March 31, 2022</u>								
Balance as at January 1, 2022 (Audited)		375,000,000	82,005,235	(11,357,161)	126,790,673	572,438,747	(1,486,891)	570,951,856
Profit for the period		-	-	-	24,818,899	24,818,899	(372,578)	24,446,321
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	24,818,899	24,818,899	(372,578)	24,446,321
Movement on Non-Controlling interests		-	-	-	-	-	(129,626)	(129,626)
Dividends	12	-	-	-	(75,000,000)	(75,000,000)	-	(75,000,000)
Balance as at March 31, 2022		<u>375,000,000</u>	<u>82,005,235</u>	<u>(11,357,161)</u>	<u>76,609,572</u>	<u>522,257,646</u>	<u>(1,989,095)</u>	<u>520,268,551</u>



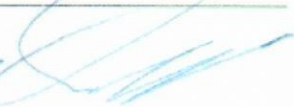

Chairman	Chief executive officer	Vice President for Finance and Investment	General manager of financial control
			

The accompanying notes are an integral part of these condensed interim consolidated financial statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023
(Saudi Riyal)

	March 31, 2023	March 31, 2022
<u>OPERATING ACTIVITIES:</u>		
Profit for the period before zakat	38,106,657	28,592,320
<u>Adjustments for non-cash items:</u>		
Employees' defined benefits liabilities charged	6,742,362	5,451,530
Depreciation of property, plant and equipment	3,357,717	3,340,675
Depreciation of investment properties	124,217	-
Depreciation of right-of-use assets	3,573,620	3,243,452
Amortization of intangible assets	124,554	175,766
Expected credit losses on account receivables	957,807	152,196
Expected credit losses on contract assets	3,628	(36,203)
Share in results of an associate companies	(15,098,323)	80,185
Net gain on financial assets at FVTPL	(631,190)	(4,367,604)
Finance costs	10,451,354	154,900
Gains from Murabaha time deposits	(278,008)	(310,615)
Reversal of accrued salaries no longer payable	-	(353,629)
(Gain) Loss on disposal of property, plant and equipment	(129,540)	4,381
	47,304,855	36,127,354
<u>Changes in working capital:</u>		
Accounts receivable	1,184,599	12,166,924
Contracts assets	(12,282,917)	(8,248,799)
Prepayments and other current assets	36,782,196	(8,710,588)
Available visas	(2,202,000)	(780,000)
Retained deposits	1,931,342	4,740,211
Accounts payable, accruals and other current liabilities	(4,019,856)	4,057,784
Contracts liabilities	(10,070,341)	13,711,653
Cash generated from operations	58,627,878	53,064,539
Employees' defined benefits liabilities paid	(4,958,483)	(3,533,061)
Zakat paid	-	(379,431)
Net cash flows from operating activities	53,669,395	49,152,047
<u>INVESTING ACTIVITIES:</u>		
Purchase of property, plant and equipment	(1,277,073)	(3,613,088)
Proceed from murabaha time deposit	278,008	19,926,393
Proceeds from disposal financial assets at FVTPL	15,663,829	-
Additions to intangible assets	-	(23,583)
Proceeds from disposal of property, plant and equipment	273,585	11,739
Dividend received	7,755,554	-
Net cash flows from investing activities	22,693,903	16,301,461
<u>FINANCING ACTIVITIES:</u>		
Finance costs paid	(10,103,845)	-
Dividends paid	(37,500,000)	(75,000,000)
Payment of lease liabilities	(4,186,509)	(3,716,503)
Net cash flows used in financing activities	(51,790,354)	(78,716,503)
Net changes in cash and cash equivalents	24,572,944	(13,262,995)
Cash and cash equivalents at January 1,	83,573,675	89,418,996
Cash and cash equivalents at March 31,	108,146,619	76,156,001
<u>Non – Cash transaction</u>		
Additions right-of-use assets and lease liabilities	2,328,875	3,091,143
Goodwill arising on acquisition	-	819,550

Chairman	Chief executive officer	Vice President for Finance and Investment	General manager of financial control
			

The accompanying notes are an integral part of these condensed interim consolidated financial statements

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2023**

1 GROUP ACTIVITIES AND INFORMATION

Maharah for Human Resources Company (the "Company" or "Parent Company") is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration numbered 1010364538 and dated 7 Rabi Thani 1434H (corresponding to February 17, 2013). The registered office is located at Al Olaya Road, Al Yasmeen District, Riyadh, KSA

The Company and its subsidiaries (collectively, with the Company referred to as the "Group") are engaged in providing recruitment services, financial services, logistics services and support for public and private sectors.

The following are the subsidiaries of the Company included in these condensed interim consolidated financial statements:

Name of subsidiary	Commercial Registration	Country of incorporation	Direct ownership (%)	
			March 31, 2023	December 31, 2022
Established Growth Avenue Company ("GAC")	1010722193	KSA	100%	100%
TPH Center for Domestic Workers	729497	UAE	96%	96%

GAC

On 14 Dhu Al-Qidah 1442H (corresponding to June 24, 2021), the Group established GAC with 100% ownership. GAC is a limited liability Company registered in Riyadh, KSA under commercial registration numbered 1010722193 and dated 14 Dhu al-Qadah 1442H (corresponding to June 24, 2021). GAC is licensed in providing financial services.

Subsidiaries owned by GAC

Name of subsidiary	Commercial Registration	Country of incorporation	Direct and indirect ownership (%)	
			March 31, 2023	December 31, 2022
Spectra Support Services Company ("Spectra")	1010393045	KSA	90%	90%
Arabian Shifa Medical company	1010928711	KSA	85%	85%
NABD for Logistics Services ("NABD")	1010733797	KSA	100%	100%
Professional Development Training Company	1010753744	KSA	100%	100%
Operations Sustainability Company Limited	1010849985	KSA	100%	100%

TPH Center for Domestic Workers

On 25 Ramadan 1443H (corresponding to April 26, 2022), the partners in the TPH Center for Domestic Workers reached an agreement to restructure the shares by acquiring Maharah Company for a direct share of 96% instead of an indirect share of 59.5% in TPH Company. TPH is a limited liability Company registered in the United Arab Emirates under commercial registration numbered 729497 and dated 25 Jumad Alawal 1436H (corresponding to 16 March 2015). TPH is licensed in providing building cleaning services and residential property core services.

Subsidiaries owned by TPH

Name of subsidiary	Commercial Registration	Country of incorporation	Direct and indirect ownership (%)	
			March 31, 2023	December 31, 2022
The Perfect Help LLC	729497	UAE	100%	100%
TPH Public Health Pest Control Services	1338526	UAE	100%	100%
MPL Building maintenance LLC	1344621	UAE	100%	100%
Yalla Fix It One Person Company LLC	1341927	UAE	100%	100%
Musaned Cleaning Services Company ("Musaned")	1304819	UAE	100%	100%

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

1 GROUP ACTIVITIES AND INFORMATION (CONTINUED)

The following are subsidiaries that have non-controlling interest in relation to the parent company who prepare the consolidated financial statements.

Name of Subsidiary	Country of incorporation	Proportion of ownership interests held by NCI		Proportion of voting rights by NCI	
		March 31	December 31	March 31	December 31
		2023 SR	2022 SR	2023 SR	2022 SR
Spectra Support Services Company	KSA	10%	10%	10%	10%
TPH Center for Domestic Workers	UAE	4%	4%	4%	4%
Arabian Shifa Medical company	KSA	15%	15%	15%	15%

Name of Subsidiary	Country of incorporation	Comprehensive income allocated to NCI		Accumulated NCI	
		March 31	March 31	March 31	December 31
		2023 SR	2022 SR	2023 SR	2022 SR
Spectra Support Services Company	KSA	(223,855)	(251,578)	1,026,413	1,250,266
TPH Center for Domestic Workers	UAE	9,413	64,036	(1,107,230)	(1,116,641)
Arabian Shifa Medical company	KSA	(153,804)	(185,036)	(1,033,290)	(879,486)
		(368,346)	(372,578)	(1,114,107)	(745,861)

2- BASIS OF PREPARATION

2-1 Statement of Compliance

The company's condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting" that are endorsed in the Kingdom of Saudi Arabia, and other standards and announcement approved by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

These condensed interim consolidated financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards, and therefore they should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2022.

The initial period is an integral part of the full financial year, but the results of operations for the initial periods may not fairly indicate the results of operations for the full year.

Basis of measurement and functional currency

These condensed interim consolidated financial statements are prepared under the historical cost convention except for measurement of financial assets at fair value through profit or loss and through other comprehensive income and employees' defined benefits liabilities which are measured present value of the future obligations using the (Actuarial valuation). The condensed interim consolidated financial statements are presented in Saudi Riyal which represent the functional and presentation currency of the parent Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

2- BASIS OF PREPARATION

2-2 Basis of consolidation of interim condensed financial statements

The group re-assesses whether or not it controls an investee if facts and circumstance indicate that there is a change to the elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control over the subsidiary. Assets, liabilities, income and expenses of the acquires subsidiary during the year are included within the interim condensed consolidated financial statements effective from the date the group gains control until the date the group ceases the control over the investee.

- Control over the investee (i.e., existing rights that give it the current liability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its direct involvement and relationship with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of the investee, the Group considers all relevant facts and circumstances in assessing whether it has power or control over the investee, including:

- The contractual arrangement (or arrangements) with the other voting rights holders within the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

Income and each component of Other Comprehensive Income (OCI) are attributed to the equity of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Inter-Group assets, liabilities, equity components, revenues, expenses and cash flows resulting from transactions between Group companies are fully eliminated upon consolidating the interim condensed consolidated financial statements.

3- NEW STANDARDS AND AMENDMENTS ISSUED.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The International Accounting Standard Board (IASB) has issued following accounting standards, amendments, which were effective from periods on or after January 1, 2023. The management has assessed that the amendments have no significant impact on the Group's interim condensed financial statements.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8.

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12

Deferred tax related to assets and liabilities arising from a single transaction - requires companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Standards and amendments issued and not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, Effective for annual financial periods beginning on or after 2024

Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period and non-current liabilities with covenants

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.

MAHARAH FOR HUMAN RESOURCES COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

4- ACCOUNT RECEIVABLES AND CONTRACT ASSETS

	March 31, 2023	December 31, 2022
	SR	SR
Account receivables		
Account receivables	274,318,878	276,918,965
Amounts due from related parties (note 5)	2,340,320	2,706,958
Total account receivables	276,659,198	279,625,923
Less: expected credit losses	(34,824,743)	(35,649,062)
Net account receivables	241,834,455	243,976,861

The following is the movement in the expected credit losses for account receivables:

	March 31, 2023	March 31, 2022
	SR	SR
At the beginning of the period	35,649,062	75,090,257
Relate to business combination (Note 17)	-	72,564
Charged for the period	957,807	152,196
Write off for period	(1,782,126)	-
As at the end of period	34,824,743	75,315,017

The ageing of unimpaired accounts receivable is shown below:

	Past due but not impaired					
	Total	Neither past	Less than 90	90-180	180-360	More than
	SR	due nor	days	Days	days	360 days
		impaired	SR	SR	SR	SR
March 31, 2023	241,834,455	99,552,723	70,046,390	32,834,246	13,133,698	26,267,398
December 31, 2022	243,976,861	95,150,976	115,670,942	15,397,587	5,245,399	12,511,957

Contract assets

Contract assets primarily related to the Group's right to consideration for services delivered but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	March 31, 2023	December 31, 2022
	SR	SR
Contracts assets	116,789,336	104,506,419
Less: expected credit loss	(8,621)	(4,993)
Total	116,780,715	104,501,426

Movement in the expected credit losses for contract assets is shown below:

	March 31, 2023	March 31, 2022
	SR	SR
At the beginning of the period	4,993	57,707
Charged for the period	3,628	(36,203)
As at the end of period	8,621	21,504

MAHARAH FOR HUMAN RESOURCES COMPANY
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5- RELATED PARTIES TRANSACTIONS AND BALANCES

The following are the transactions with related party:

Name of related party	Nature of relation	Nature of transaction	Transaction	
			March 31, 2023	March 31, 2022
Board of directors	BOD	Remuneration	750,333	732,500
KABI Technology Company for Information Technology (Previously Bloovo limited company)	Associate	Rent	-	266,077
Sajaya Medical Care Company	Affiliate	Manpower services Collection	85,370 40,139	- -
Yellow Mix Foundation	Affiliate	Manpower services Collection	61,698 20,867	44,270 34,521
Care Shield Holding Company Ltd.	Associate	Manpower services Collection	1,620,277 2,066,735	- -
Others	Affiliate	Manpower services Collection	9,212 9,210	22,592 310,375

Due from related party (Note 4)	March 31, 2023	December 31, 2022
	SR	SR
KABI Technology Company for Information Technology (Previously Bloovo limited company)	1,648,460	1,648,460
Care Shield Holding Company Ltd.	558,085	1,004,543
Sajaya Medical Care Company	66,166	20,935
Yellow Mix Foundation	64,575	23,744
Other (*)	3,034	9,276
	2,340,320	2,706,958
Due to related party	March 31, 2023	December 31, 2022
	SR	SR
Board of director (**)	3,701,332	2,950,999
	3,701,332	2,950,999

(*) Other parties include Abdulaziz Eida Muftah Alkithari foundation and Arabia Jazal company

(**) Amounts due to related parties are included under "Accounts payable, accruals and other current liabilities" in the condensed interim consolidated statement of financial position.

The remuneration of directors and other key management personnel for the period are as follows:

	March 31, 2023	December 31, 2022
	SR	SR
Salaries and other short-term benefits	3,213,558	2,681,124
Employee defined benefits liabilities	247,137	336,437
Total key management compensation	3,460,695	3,017,561

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6- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets at FVTPL comprises of the following:

	March 31, 2023	December 31, 2022
	SR	SR
Investment funds – Sukuk (*)	10,066,667	25,099,306
Total	10,066,667	25,099,306

(*) These represent investments in certain Sukuks for long term periods, purchased for SR 10 million from Rawabi Sukuk Series 7 and Allnma Bank. The Group considers its investments to be strategic in nature and the contractual cash flows are not limited to principal and interest only.

The following are the movements in the carrying value of financial assets at FVTPL:

	March 31, 2023	March 31, 2022
<u>Cost</u>	SR	SR
As at the beginning of the period	25,000,000	98,571,697
Disposals	(15,000,000)	(542,799)
As at the end of the period	10,000,000	98,028,898
<u>Revaluation adjustments</u>		
As at the beginning of the period	99,306	1,002,962
Net profit during the period	631,190	4,367,604
Disposals	(663,829)	-
As at the end of the period	66,667	5,370,566
Net book value	10,066,667	103,399,464

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

During 2022 year, the Group acquired a 19.78% in KABI Technology Company, with a capital of SR 200 million through swap shares representing the total shares in Bloovo Company Limited. The Group doesn't have a "significant influence" either through percentage ownership (less than 20%) or through other methods indicating that the Group has a "significant influence" on the financial and operating policies of KABI Technology company. The purpose of this investment is to hold it for medium to long term strategic purposes. As a result, the Group decided to account for at fair value through other comprehensive income method, because short-term fluctuations in the fair value of these investments in net income wouldn't be in line with the Group's strategy of holding the investment for long-term purposes. The fair value of the investment as at December 31, 2022 was SAR 13,985,656.

8- INVESTMENTS IN ASSOCIATE

During 2022 year, the group invested in associate Companies, the details of these associate Companies as the following:

	Percentage	March 31, 2023	December 31, 2022
		SR	SR
Saudi Medical Systems Company	40%	469,484,700	461,324,300
Care Shield Holding Limited Company	41.36%	327,651,206	328,258,375
Silias Trading & Marketing Company	20%	3,539,538	3,750,000
		800,675,444	793,332,675

The movement in the investments in associate for the period is as follows:

	March 31, 2023	March 31, 2022
	SR	SR
At the beginning of the period	793,332,675	14,065,841
Share in results of associates	15,098,323	(80,185)
Dividends	(7,755,554)	-
At the end of the period	800,675,444	13,985,656

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9- ZAKAT PROVISION

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

	March 31, 2023	March 31, 2022
	SR	SR
As at the beginning of the period	15,745,030	16,606,102
Provision for the period	2,000,000	4,145,999
Paid during the period	-	(379,431)
As at the end of the period	17,745,030	20,372,670

Zakat assessments

The Parent Company

The Company filed its zakat returns up to the year ended December 31, 2022. All zakat assessments for the company have been approved by the Zakat, Tax and Customs Authority ("the Authority"), except for the zakat assessments for the years 2018 and 2021, where those zakat assessments are still under examination by the Authority.

Subsidiaries

Spectra filed its zakat returns up to the year ended December 31, 2022. The company has been assessed by the Zakat, Tax and Customs Authority for the years 2015 and 2016 only, and there are no other zakat assessments as on the date of preparing the financial statements.

GAC filed its zakat returns up to the year ended December 31, 2022. There are no assessments from ZATCA as at reporting date.

10-LONG TERM LOANS

During the year of 2022, the Group signed credit facility agreements with local banks for the purposes of financing capital expenditures, business expansion, acquisitions and financing operating expenses. The used of the facilities limit amounted to 562.6 million Saudi riyals. The facility agreements include a grace period ranging from two to four years, depending on the type of facility used by the group, and a profit margin in addition to SAIBOR, with a repayment period between three to five years after the end of the grace period through repayment schedule. The used facilities are as following:

	March 31, 2023	December 31, 2022
	SR	SR
Current portion	-	-
Non-current portion	562,607,710	562,607,710
Total	562,607,710	562,607,710

The movement in Long term loans for the period is as follows:

	March 31, 2023	December 31, 2022
	SR	SR
As at the beginning of the period	562,607,710	-
Received during the period	-	562,607,710
Total	562,607,710	562,607,710

11-SHARE CAPITAL

Authorized and issued share capital is divided into 37.5 million shares (31 December 2022: 37.5 million shares) of SR 10 each.

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12-DIVIDENDS

The Group's Board of Directors with the mandate granted, in their meeting held on Sha'aban 14, 1444H (corresponding to March 6, 2023), resolved to declare interim dividends for the second half of 2022 amounting to SAR 37.5 million (SAR 1 per share) which was paid on Sha'aban 20, 1444H (corresponding to March 12, 2023). The Board of Directors will present this to the shareholders at the next Annual General Assembly Meeting.

The Group's Board of Directors with the mandate granted, in their meeting held on Sha'aban 7, 1443H (corresponding to March 10, 2022), resolved to declare interim dividends for the second half of 2021 amounting to SAR 75 million (SAR 2 per share) which was paid on Sha'aban 26, 1443H (corresponding to March 29, 2022). The Board of Directors presented this to the shareholders and approved it at the Annual General Assembly Meeting held on Dhu al-Qi'dah 29, 1443H (corresponding to June 28, 2022).

13-EARNING PER SHARE

Basic earnings per share attributable to the shareholders of the Parent Company is calculated based on the weighted average number of outstanding shares during the period. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

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14-SEGMENT INFORMATION

The Group are engaged in providing recruitment services, logistics services and support for public and private sectors. The Group is mainly divided into corporate, individual and facilities management sectors. The financial details for segments are shown below:

The following present revenue and profit information for the Group's operating segments for the three months period ended March 31, 2023 and 2022:

	For the Three-months period ended March 31 2023					
	Corporate	Individual	Management	Other	Total	Eliminations
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	324,134,171	116,627,551	33,793,844	3,433,375	477,988,941	463,080,499
Cost of revenues	(275,506,546)	(104,545,905)	(33,204,634)	(7,985,701)	(421,242,786)	(406,334,344)
Gross profit	48,627,625	12,081,646	589,210	(4,552,326)	56,746,155	56,746,155
General and administrative expenses	(11,251,456)	(5,603,256)	(2,806,696)	(1,883,302)	(21,544,710)	(21,544,710)
Selling and marketing expenses	(2,395,782)	(1,500,926)	(4,668)	(179,909)	(4,081,285)	(4,081,285)
Expected credit losses	(961,435)	-	-	-	(961,435)	(961,435)
Operating profit	34,018,952	4,977,464	(2,222,154)	(6,615,537)	30,158,725	30,158,725

	For the Three-months period ended March 31 2022					
	Corporate	Individual	Management	Other	Total	Eliminations
	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	236,657,762	121,728,979	39,895,096	249,104	398,530,941	381,275,255
Cost of revenues	(209,067,101)	(98,689,583)	(40,967,909)	(780,482)	(349,505,075)	(332,249,389)
Gross profit	27,590,661	23,039,396	(1,072,813)	(531,378)	49,025,866	49,025,866
General and administrative expenses	(10,691,164)	(7,125,257)	(3,081,887)	(1,712,430)	(22,610,738)	(22,610,738)
Selling and marketing expenses	(1,767,148)	(1,394,124)	(191,392)	(5,025)	(3,357,689)	(3,357,689)
Expected credit losses	(342,153)	226,160	-	-	(115,993)	(115,993)
Operating profit	14,790,196	14,746,175	(4,346,092)	(2,248,833)	22,941,446	22,941,446

It is impracticable and also not informative to disclose information pertaining to net book value of property and equipment, total assets and total liabilities pertaining to business segments

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14-SEGMENT INFORMATION (CONTINUED)

The primary markets for the Group's products are KSA and UAE. Following is the geographical segment analysis of the Group:

For the three months period ended March 31 2022

	KSA	UAE	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	449,411,045	13,669,454	463,080,499
Cost of revenues	(395,166,250)	(11,168,094)	(406,334,344)
Gross profit	54,244,795	2,501,360	56,746,155
General and administrative expenses	(19,949,701)	(1,595,009)	(21,544,710)
Selling and marketing expenses	(3,341,356)	(739,929)	(4,081,285)
Expected credit losses	(961,435)	-	(961,435)
Operating profit	29,992,303	166,422	30,158,725

For the three months period ended March 31 2022

	KSA	UAE	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal
Revenues	367,987,589	13,287,666	381,275,255
Cost of revenues	(321,346,443)	(10,902,946)	(332,249,389)
Gross profit	46,641,146	2,384,720	49,025,866
General and administrative expenses	(20,641,404)	(1,969,334)	(22,610,738)
Selling and marketing expenses	(2,773,306)	(584,383)	(3,357,689)
Expected credit losses	(115,993)	-	(115,993)
Operating profit (Loss)	23,110,443	(168,997)	22,941,446

As at March 31, 2023

	KSA	UAE	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal
Net book value of property and equipment	121,299,726	2,011,346	123,311,072
Total Assets	1,697,986,575	36,369,961	1,734,356,536
Total Liabilities	1,108,016,806	29,367,810	1,137,384,616

As at December 31 2022

	KSA	UAE	Total
	Saudi Riyal	Saudi Riyal	Saudi Riyal
Net book value of property and equipment	123,268,285	2,267,476	125,535,761
Total Assets	1,711,984,897	36,885,218	1,748,870,115
Total Liabilities	1,120,201,893	30,302,959	1,150,504,852

15-CONTINGENT LIABILITIES

The Group's banks have issued, on its behalf, guarantees of SAR 28 million on March 31, 2023, (SAR 58 million on December 31, 2022) on the execution of contracts, during the normal business cycle.

16-FINANCIAL INSTRUMENTS

	March 31, 2023	December 31, 2022
	Saudi Riyal	Saudi Riyal
Financial asset		
Cash and cash equivalents	108,146,619	83,573,675
Accounts receivable	241,834,455	243,976,861
Financial assets at fair value through profit or loss	10,066,667	25,099,306
Financial assets at fair value through other comprehensive income	13,985,656	13,985,656
Insurance Letter of Guarantee	166,186	721,487
Total current assets	374,199,583	367,356,985
Financial liabilities		
Retained deposits	101,072,480	99,141,138
Lease liabilities	37,704,993	42,245,641
Accounts payable, accruals, and other current liabilities	207,970,528	212,874,996
Total current liabilities	346,748,001	354,261,775

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16- FINANCIAL INSTRUMENTS (CONTINUED)

Estimating the fair value of financial instruments

The following table shows the Group's financial instruments that are measured at fair value

	(Saudi Riyal)			
	Level 1	Level 2	Level 3	Total
As of March, 31, 2023				
Financial assets at fair value through profit or loss	-	10,066,667	-	10,066,667
Financial assets at fair value through other comprehensive income	-	-	13,985,656	13,985,656
As of December, 31, 2022				
Financial assets at fair value through profit or loss	-	25,099,306	-	25,099,306
Financial assets at fair value through other comprehensive income	-	-	13,985,656	13,985,656

Management believes that the fair value of all financial assets and liabilities is classified at amortized cost and at the date of the financial statements approximates their book value due to their short-term duration and the possibility of immediate liquidation, excluding financial assets at fair value through profit or loss. They are all categorized within Level 1 and 2 of the fair value measurement hierarchy. There were no transfers between the different levels of the fair value hierarchy during the current year or the previous year.

17- BUSINESS COMBINATION

For the year ended December 31, 2022

Arabian Shifa Medical company ("Shifa")

On Jumada Al-Akhirah 10, 1443H (corresponding to January 13 2022), GAC completed the procedures for acquiring 85% of the ownership of Arabian Shifa Medical Company ("Shifaa") for a consideration of SAR 85,000.

The carrying values of net liabilities on the date of acquisition are as follows:

	Total Saudi Riyal
Assets	
Cash and cash equivalents	334,615
Accounts receivable	85,564
Prepayments and other current assets	257,112
Property and equipment	322,605
Total Assets (A)	<u>999,896</u>
Liabilities	
Accounts payable, accruals and others	1,851,244
Employees' defined benefits liabilities	12,828
Total Liabilities (B)	<u>1,864,072</u>
Net assets	(864,176)
Less: Proportionate share of non-controlling interest by 15%	129,626
Net assets acquired	(734,550)
Purchase consideration	(85,000)
Goodwill arising on acquisition	<u>819,550</u>

On January 5, 2022, the board of directors agreed to transfer the Ownership percentage by 90% in Spectra Support Services Company ("Spectra") to Established Growth Avenue Company ("GAC") (Affiliate Company).

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18-SUBSEQUENT AND SIGNIFICANT EVENTS

The Board of Directors decided in its meeting held on Shaaban 14, 1444H corresponding to March 6, 2023, to recommend to the Extraordinary General Assembly to increase the Company's capital in order to support its financial position, and the value of the capital increase will be financed by capitalizing SAR 100 million from the Company's retained earnings account for the fiscal year ended December 31, 2022. This represents an increase of 26.67% of the Company's capital, as the Company's capital will increase from SAR 375 million to SAR 475 million, and the number of shares will increase from 37.5 million shares to 47.5 million shares, an increase of 10 million shares. This increase is subject to the approval of the General Assembly of Shareholders and regulators.

In the opinion of management, there are no significant after-events after the period ended 31 March 2023 that could have a material impact on the Group's condensed interim consolidated statement of financial position or the results of its business.

19- APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements approved by the board of directors on Shawwal 21, 1444 H (Corresponding to May 11, 2023).