

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE**  
**THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD**  
**ENDED 31 MARCH 2022**

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<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
Independent Auditor's Review Report on the Interim Condensed Financial Statements	1
Interim Statement of Financial Position	2
Interim Statement of Comprehensive Income	3
Interim Statement of Changes in Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Condensed Financial Statements	6-16

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF HERFY FOOD SERVICES COMPANY  
(A SAUDI JOINT STOCK COMPANY)****INTRODUCTION**

We have reviewed the accompanying interim statement of financial position of Herfy Food Services Company (the "Company") as at 31 March 2022 and the related interim statement of comprehensive income for the three-month ended, and the interim statements of changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**SCOPE OF REVIEW**

We conducted our review in accordance with International Standard on Review Engagement 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 condensed 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 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Al-Bassam & Co.

**Ibrahim Ahmed Al-Bassam**  
Certified Public Accountant  
License No. 337



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17 May 2022 G  
Riyadh, Kingdom of Saudi Arabia

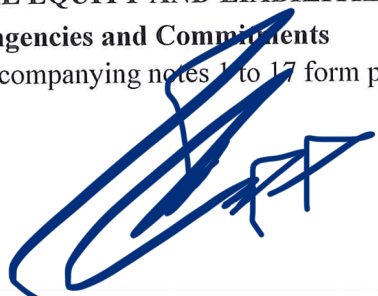
**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	<b>Note</b>	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		981,387,148	987,977,090
Right of use assets		500,689,461	496,815,140
Net investment in finance lease		6,944,661	7,158,870
Intangible assets		9,348,287	9,396,938
Investment properties		27,402,405	28,034,938
		<u>1,525,771,962</u>	<u>1,529,382,976</u>
<b>Current assets</b>			
Inventories		145,362,913	134,806,387
Trade, other receivables and prepayments	5,6	176,330,581	148,836,482
Net investment in finance lease – current portion		1,037,708	1,073,831
Investment carried at FVTPL	7	957,522	811,681
Cash and cash equivalents		39,685,914	30,485,715
		<u>363,374,638</u>	<u>316,014,096</u>
<b>TOTAL ASSETS</b>		<u><b>1,889,146,600</b></u>	<u><b>1,845,397,072</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	646,800,000	646,800,000
Statutory reserve		104,705,866	101,866,503
Retained earnings		325,096,659	299,542,397
<b>TOTAL EQUITY</b>		<u><b>1,076,602,525</b></u>	<u><b>1,048,208,900</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	9	7,742,513	15,306,183
Lease liabilities		448,482,363	457,620,877
Employees' post-employment benefits		101,470,279	101,843,814
		<u>557,695,155</u>	<u>574,770,874</u>
<b>Current liabilities</b>			
Long term borrowings – current portion	9	15,149,427	15,222,068
Lease liabilities – current portion		58,445,647	58,933,274
Trade and other payables	5	171,591,737	138,989,611
Provision for zakat	10	9,662,109	9,272,345
		<u>254,848,920</u>	<u>222,417,298</u>
<b>TOTAL LIABILITIES</b>		<u><b>812,544,075</b></u>	<u><b>797,188,172</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,889,146,600</b></u>	<u><b>1,845,397,072</b></u>

**Contingencies and Commitments**

11

The accompanying notes 1 to 17 form part of these interim condensed financial statements



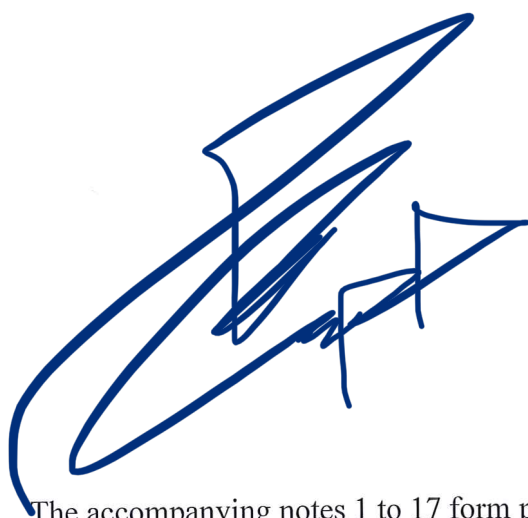
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**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the three-month period ended	
		31 March 2022 (Unaudited)	31 March 2021 (Unaudited)
Revenue		328,198,138	311,116,058
Cost of revenue		(245,677,549)	(229,009,148)
<b>GROSS PROFIT</b>		<b>82,520,589</b>	<b>82,106,910</b>
Other income		4,744,565	1,661,126
Realized gain on investments carried at FVTPL		-	190,570
Unrealized gain on investments carried at FVTPL	7.1	145,841	75,435
Reversal of provision for impairment on trade and other receivables	6.4	707,289	-
Selling and distribution expenses		(32,627,723)	(26,630,113)
General and administrative expenses		(20,151,532)	(23,169,784)
<b>OPERATING PROFIT</b>		<b>35,339,029</b>	<b>34,234,144</b>
Finance cost	12	(6,555,640)	(7,499,894)
<b>NET OPERATING PROFIT BEFORE ZAKAT</b>		<b>28,783,389</b>	<b>26,734,250</b>
Zakat	10	(389,764)	(1,264,425)
<b>NET PROFIT FOR THE PERIOD</b>		<b>28,393,625</b>	<b>25,469,825</b>
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>28,393,625</b>	<b>25,469,825</b>
<b>Earnings per share (SR)</b>	13		
-Basic		0.44	0.39
-Diluted		0.44	0.39



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The accompanying notes 1 to 17 form part of these interim condensed financial statements



**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

	Note	For the three-month period ended	
		31 March 2022	31 March 2021
		(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net operating profit before zakat		28,783,389	26,734,250
Adjustments for:			
Depreciation on property, plant and equipment		22,143,373	22,503,492
Depreciation on right of use assets		18,215,611	17,297,334
Depreciation on investment properties		632,533	801,367
Amortization of intangible assets		753,002	743,629
(Reversal) / provision for impairment on trade and other receivables		(707,289)	-
Provision for employees' post-employment benefits		3,327,737	3,669,356
Unrealized gain on investments measured at FVTPL	6	(145,841)	(75,435)
Realized gain on investments measured at FVTPL	6	-	(190,570)
Gain on disposal of property, plant and equipment		(82,616)	-
Interest income on net investment in finance lease		(82,168)	(103,649)
Finance cost	12	6,555,640	7,499,894
<b>Movement in working capital</b>			
Inventories		(10,556,526)	1,327,591
Trade, other receivables and prepayments		(28,201,388)	(30,359,859)
Trade and other payables		32,602,126	31,956,507
<b>Cash generated from operating activities</b>		73,237,583	81,803,907
Zakat paid	10	-	-
Employees' post-employment benefits paid		(3,701,272)	(1,339,194)
<b>Net cash generated from operating activities</b>		69,536,311	80,464,713
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(14,985,143)	(15,805,495)
Proceeds from the sale of property, plant and equipment		568,288	-
Purchase of intangible		(704,351)	-
Purchase of Investments carried at FVTPL		-	(90,000,000)
Sale proceeds of Investments carried at FVTPL		-	92,433,773
Lease rental received		332,500	594,798
<b>Net cash used in investing activities</b>		(14,788,706)	(12,776,924)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term borrowings including finance cost		(7,919,578)	(11,013,052)
Movement in short term loans, net		-	(100,752,530)
Lease liabilities paid		(37,627,828)	(15,576,740)
<b>Net cash used in financing activities</b>		(45,547,406)	(127,342,322)
<b>Net change in cash and cash equivalents</b>		9,200,199	(59,654,533)
Cash and cash equivalents at beginning of the period		30,485,715	118,930,514
<b>Cash and cash equivalents at end of the period</b>		39,685,914	59,275,981

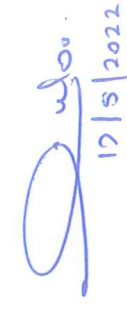
The accompanying notes 1 to 17 form part of these interim condensed financial statements

17/5/2022

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

<u>For the three-month period ended</u> <b>31 March 2021</b>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2021 – Audited	646,800,000	85,782,785	226,812,051	959,394,836
Net profit for the period	-	-	25,469,825	25,469,825
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	25,469,825	25,469,825
Transfer to statutory reserve	-	2,546,983	(2,546,983)	-
Balance as at 31 March 2021 (Unaudited)	646,800,000	88,329,768	249,734,893	984,864,661
<u>For the three-month period ended</u> <b>31 March 2022</b>	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 1 January 2022 – Audited	646,800,000	101,866,503	299,542,397	1,048,208,900
Net profit for the period	-	-	28,393,625	28,393,625
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit for the period	-	-	28,393,625	28,393,625
Transfer to statutory reserve	-	2,839,363	(2,839,363)	-
Balance as at 31 March 2022 (Unaudited)	646,800,000	104,705,866	325,096,659	1,076,602,525



  
  
  
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The accompanying notes 1 to 17 form part of these interim condensed financial statements

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**1. LEGAL STATUS AND OPERATIONS**

Herfy Food Services Company ("the Company") is a Saudi Joint-Stock Company formed under the laws of the Kingdom of Saudi Arabia and registered under the commercial register under No. 101003772 and unified No. 7000329776 on 04 Jamad-ul-Awal 1401H (corresponding to 09 March 1981).

The Company is engaged in establishing and operating restaurants, providing companies and others with cooked meals, production and sale of bakery and pastry products, the sale and purchase of lands for the purpose of constructing building and own use, maintaining, and leases stores and food store fridges.

As at 31 March 2022, the total number of restaurants owned and leased by the Company were 40 and 348 respectively (31 December 2021: 40 owned and 348 leased), operating in the Kingdom of Saudi Arabia under the trademark of "HERFY". The Company also operates bakeries and bakery shops "Herfy Bakeries / Doka"

The accompanying interim financial statements include the accounts of the Company's head office and aforementioned restaurants, bakeries, shops and factories.

The Company's Head Office is located at the following address:

Herfy Food Services Company

Al Moroug District

P.O. Box 86958

Riyadh 11632

Kingdom of Saudi Arabia

The Company has the following branches:

<b>S. No</b>	<b>Branch</b>	<b>C.R. No.</b>	<b>Unified No.</b>	<b>Date</b>
1	Herfy Meat Processing Factory	1010200515	7006522085	25 Safar 1441 H
2	Herfy Factory for Cake & Pasties	1010294755	7012209644	25 Ramadan 1441 H

**2. BASIS OF PREPARATION**

**2.1. STATEMENT OF COMPLIANCE**

These interim condensed financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The results for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2021.

**2.2. BASIS OF MEASUREMENT**

These interim condensed financial statements are prepared under the historical cost method except for the Investments that are measured at fair value



**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**2. BASIS OF PREPARATION**

**2.3. FUNCTIONAL AND PRESENTATION CURRENCY**

These interim condensed financial statements have been presented in Saudi Riyals (SR) which is the Company's functional and presentation currency. All financial information presented in SR has been rounded to the nearest SR, unless otherwise mentioned.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 31 December 2021.

**3.1. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS**

In preparing these interim condensed financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2021.

**Going concern**

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

**4. NEW AMENDED STANDARDS AND INTERPRETATIONS:**

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and the details of the same has been explained in annual Financial Statements for the year ended 31 December 2021, but they do not have a material effect on the Company's Interim Condensed Financial Statements.

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**5. RELATED PARTY TRANSACTIONS AND BALANCES**

<b>Transactions during the period</b>			<b>For the three-month period ended</b>	
<b>Names of Related Parties</b>	<b>Nature of Relationship</b>	<b>Nature of transactions</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Panda Retail Company	Affiliate	Sales to the affiliated Company	<b>7,703,568</b>	8,325,932
		Advertising expense charge by the affiliate	<b>(941,000)</b>	(425,000)
		Rent charged by the affiliate to the Company	<b>(808,741)</b>	(771,049)
Bazbazah International Trading Company	Affiliate	Sales to the affiliated Company	<b>230,000</b>	103,500
		Rent charged by the affiliate to the Company	<b>(108,750)</b>	(108,750)
		Rent charged by the Company to the affiliate	<b>61,792</b>	61,792
Taza Restaurant Co. Ltd.	Affiliate	Sales to the affiliated Company	<b>300,533</b>	384,988
Mr. Khalid Al Saeed	Board Member	Sales to Green Leaves Company – Owned By Sister	-	1,760
		Management fees	-	(857,196)
Mr. Khalid Al Saeed	Board Member	Salaries and other benefits paid to Mr. Ahmed Al Saeed- (Father)	-	(243,700)
		Rent charged by Ahmed Al Saeed (Father) to the Company	<b>(112,500)</b>	(157,500)
Kinan Company	Affiliate	Rent charged by the affiliate to the Company	<b>(118,909)</b>	(42,411)
Qetaf Company for Investment and Real Estate Development	Affiliate	Rent charged by the affiliate to the Company	<b>(550,000)</b>	(500,000)
Mr. Khalid Al Saeed	Board Member	Rent charged by the board member to the Company	<b>(50,000)</b>	(50,000)
AFIA International Company	Affiliate	Purchases from the affiliated Company	<b>(1,572,120)</b>	(1,239,376)
Mama Sauce Factory for Food Industries	Affiliate	Purchases from the affiliated Company	<b>(2,696,035)</b>	(4,504,737)
United Sugar Company	Affiliate	Purchases from the affiliated Company	<b>(899,594)</b>	(504,352)
Almarai Co.	Affiliate	Purchases from the affiliated Company	<b>(895,871)</b>	(832,283)
International Food Industries Co.	Affiliate	Purchases from the affiliated Company	<b>(1,709,567)</b>	(962,251)

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**5. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**Remunerations of the Company's key management personnel**

Key management personnel are those persons, including the Board of Directors members, Managing Director and top executives having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The total remunerations of Company's key management personnel for the period ended 31 March 2022 amounted to SR 1,470,838 million (31 March 2021: SR 3,595,752). Such remunerations include basic salaries, bonuses and other benefits as per the Company's policies.

**Balances as at**

	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Due from related parties – Trade, other receivables and prepayments</b>		
Panda Retail Company	<b>7,538,889</b>	7,690,484
Mr. Ahmed Hamad Al Saeed	<b>310,871</b>	310,871
Taza Restaurant Co. Ltd.	<b>191,218</b>	216,578
Mr. Khalid Al Saeed	<b>45,185</b>	45,185
Green Leaves Co,	<b>32,062</b>	32,062
Meselan Investment Co.	<b>31,671</b>	31,671
	<b>8,149,896</b>	8,326,851

	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Due to related parties – Trade and other payables</b>		
Mama Sauce Factory for Food Industries	<b>1,289,941</b>	376,020
International Food Industries Co.	<b>864,087</b>	724,010
Qetaf Company for Investment and Real Estate Development	<b>570,508</b>	1,019,492
Almarai Co.	<b>546,238</b>	30,299
AFIA International Company	<b>438,891</b>	995,106
United Sugar Company	<b>222,180</b>	414,130
Kinan Company	<b>221,505</b>	222,130
Bazbazah International Trading Company	<b>18,970</b>	527,319
	<b>4,172,320</b>	4,308,506

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**5. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
<b>Due from a related party – Net investment in finance lease</b>		
Bazbazah International Trading Company	<b>200,000</b>	200,000
	<b>200,000</b>	<b>200,000</b>

	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
<b>Due from a related party – Other receivables</b>		
Key Management personnel*	<b>800,000</b>	800,000
	<b>800,000</b>	<b>800,000</b>

	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
<b>Due to related parties – Lease liabilities</b>		
Qetaf Company for Investment and Real Estate Development	<b>23,810,025</b>	24,327,525
Panda Retail Company	<b>2,529,442</b>	2,529,442
Mr. Ahmed Hamad Al Saeed	<b>450,000</b>	630,000
Bazbazah International Trading Company	<b>440,595</b>	440,595
	<b>27,230,062</b>	<b>27,927,562</b>

\*The amount pertains to the interest-free loan that is repayable on demand.

<b>Due to related party – Trade and Other payables</b>		
Board and Committee Renumerations	<b>3,300,000</b>	3,143,998

**6. TRADE, OTHER RECEIVABLES AND PREPAYMENTS**

	<b>Note</b>	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Trade receivables – related parties	5	<b>8,149,896</b>	8,326,851
Trade receivables – others		<b>87,040,424</b>	71,731,961
		<b>95,190,320</b>	80,058,812
Prepayments	6.1	<b>67,416,100</b>	56,365,604
Advance for investment	6.2	-	-
Other receivables	6.3	<b>27,999,214</b>	27,394,408
		<b>190,605,634</b>	163,818,824
Less: Allowance for impairment of receivables	6.4	<b>(14,275,053)</b>	(14,982,342)
		<b>176,330,581</b>	<b>148,836,482</b>

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**6. TRADE, OTHER RECEIVABLES AND PREPAYMENTS (Continued)**

**6.1. Prepayments**

		<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Prepaid government relation expenses		<b>29,495,477</b>	31,262,432
Prepaid Advertisement	5	<b>13,894,492</b>	10,543,081
Prepaid rent		<b>2,824,184</b>	6,421,617
Prepaid insurance		<b>6,135,362</b>	2,003,333
Others		<b>15,066,585</b>	6,135,141
		<b>67,416,100</b>	<b>56,365,604</b>

**6.2. Advance for investment**

	<b>Note</b>	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Advance for investment	6.2.1	<b>4,000,000</b>	4,000,000
Less: Provision for impairment	6.2.2	<b>(4,000,000)</b>	(4,000,000)
		<b>-</b>	<b>-</b>

**6.2.1.** This represents amount paid to Khaled Al Saeed, a related party for the partnership agreement in investment in land units dated 16 January 2005 for the purpose of utilizing it as a warehouse.

**6.2.2.** On the recommendation of audit committee on 24 May 2015 to implement the Board's decision in its meeting on 14 July 2014 for the provision of SR 2 million was estimated to meet the potential decline in the value of investment and due to the current faltering possession with increased probability of failure in recovery, the amount has been fully provided.

**6.3. Other receivables**

	<b>31 March 2022</b> <b>(Unaudited)</b>	<b>31 December 2021</b> <b>(Audited)</b>
Advances to suppliers	<b>16,914,793</b>	15,154,840
Employee loans*	<b>5,971,639</b>	7,730,028
Other receivables	<b>5,112,782</b>	4,509,540
	<b>27,999,214</b>	<b>27,394,408</b>

\*This includes advances to employees and amounts due from a related party. Please refer Note 5.

**6.4. Movement in allowance for impairments of trade receivables is as follows:**

	<b>For the Three- month period ended 31 March 2022</b> <b>(Unaudited)</b>	<b>For the year ended 31 December 2021</b> <b>(Audited)</b>
Opening	<b>14,982,342</b>	15,305,335
Reversal of allowance made during the period	<b>(707,289)</b>	(322,993)
	<b>14,275,053</b>	<b>14,982,342</b>



**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**7. INVESTMENT CARRIED AT FVTPL**

	<b>Note</b>	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Equity Investment - Quoted	7.1	<u>957,522</u>	<u>811,681</u>
		<u>957,522</u>	<u>811,681</u>

**7.1.** The movement of investments in quoted equity shares is as follows:

	<b>For the three- month period ended 31 March 2022 (Unaudited)</b>	<b>For the year ended 31 December 2021 (Audited)</b>
Balance at beginning of the period / year	<u>811,681</u>	<u>548,161</u>
Unrealized gain during the period / year	<u>145,841</u>	<u>263,520</u>
Balance at the end of the period / year	<u>957,522</u>	<u>811,681</u>

**8. SHARE CAPITAL**

The Company's paid-up capital consists of 64.680 million shares (31 December 2021: 64.680 million shares) of SAR 10 each.

**9. LONG TERM BORROWINGS**

	<b>Note</b>	<b>31 March 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
<b>Unsecured long-term borrowings at amortized cost</b>			
Murabaha	9.1	<u>22,891,940</u>	<u>30,528,251</u>
		<u>22,891,940</u>	<u>30,528,251</u>

**9.1.** These unsecured facilities are payable in semi-annual installments over the period of five to six years. These bank facilities bear finance costs at market prevailing rates.

**9.2.** The facility agreements include covenants which, among other things, require the Company to maintain certain financial ratios. As of 31 March 2022, the Company was in compliance with all covenants of the financing agreements.

**9.3.** The long-term loans include finance cost payable amounting to SR 185,457 (31 December 2021: SR 598,143).

**10. PROVISION FOR ZAKAT**

The movement in the provision for zakat is as follows:

	<b>For the three- month period ended 31 March 2022 (Unaudited)</b>	<b>For the year ended 31 December 2021 (Audited)</b>
Balance at the beginning of the period / year	<u>9,272,345</u>	<u>13,667,451</u>
Provided during the period / year	<u>389,764</u>	<u>667,079</u>
Payment during the period / year	<u>-</u>	<u>(5,062,185)</u>
Balance at the end of the period / year	<u>9,662,109</u>	<u>9,272,345</u>

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**10. PROVISION FOR ZAKAT (Continued)**

**10.1. STATUS OF ASSESSMENTS**

Zakat return for the year ended 31 December 2020 has been filed and are under review with the Zakat, Tax and Customs Authority ("ZATCA"). The Company has obtained a certificate from the ZATCA valid 29 Ramadan 1443H corresponding to 30 April 2022.

Zakat assessments have been raised by the ZATCA for the year 2014 - 2020 assessing additional zakat liability of SR 21.15 million against which the Company has filed an appeal. Company is confident that the assessments will be in their favor and hence, no provision has been made in these financial statements.

Currently, there are no assessments rendered by ZATCA for the years 2008 – 2013.

**11. CONTINGENCIES AND COMMITMENTS**

**a) Contingencies**

The Company is liable for the bank guarantees issued on behalf of the Company amounting to SR 9.91 million (31 December 2021: SR 9.9 million) and letters of credit issued on behalf of the Company amounting to 0.98 (31 December 2021: SR 1.4 million) in the normal course of business.

**b) Commitments**

The capital expenditure committed by the Company but not incurred till 31 March 2022 amounted to SR 7.4 million (31 December 2021: SR 5.6 million).

**12. FINANCE COST**

		<b>For the three-month period ended</b>	
	<b>Note</b>	<b>31 March 2022 (Unaudited)</b>	<b>31 March 2021 (Unaudited)</b>
Finance cost – Lease Liabilities		<b>6,272,373</b>	6,517,014
Finance cost – Murabaha	9	<b>283,267</b>	982,880
		<b>6,555,640</b>	7,499,894

**13. EARNINGS PER SHARE**

The calculation of the basic and diluted earnings per share is based on the following data:

		<b>For the three-month period ended</b>	
		<b>31 March 2022 (Unaudited)</b>	<b>31 March 2021 (Unaudited)</b>
Income for the period		<b>28,393,625</b>	25,469,825
Weighted average number of ordinary shares for the purpose of basic earnings		<b>64,680,000</b>	64,680,000
Earnings per share (SR)			
-Basic		<b>0.44</b>	0.39
-Diluted		<b>0.44</b>	0.39

Earnings per share for the period was calculated by dividing the net profit for the period with 64.68 million shares. There are no diluted shares which are convertible to basic shares at the period end.

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 March 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

**13. SEGMENT INFORMATION**

The Company operates principally in the following major business segments:

1. Providing catering services and operating of restaurants;
2. Manufacturing and selling of meat producers of Meat Factory; and
3. Manufacturing and selling of pastries and bakery products of Bakeries and other

These operating segments are identified based on internal reports that the entity's Chief Financial Officer (CFO) regularly reviews in allocating resources to segments and assessing their performance 'management approach'. The management approach is based on the way in which management organizes the segments within the entity for making operating decisions and in assessing performance. The management of the Company at the end of every reporting period, review the above segments for quantitative threshold as well as criteria for presenting the revenues and expenses for the segments.

**13.1.** Selected financial information for the period ended 31 March 2022 and 31 March 2021, summarized by the above business segments, was as follows: (in thousand Saudi Riyal)

	<b>Restaurants and catering</b>		<b>Meat factory</b>		<b>Bakeries and other</b>		<b>Total</b>	
	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>	<b>For the three-month period ended</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Total segment revenue	260,612	252,141	53,698	41,958	52,956	50,059	367,266	344,158
Inter-segment revenue	-	-	(33,360)	(27,694)	(5,708)	(5,348)	(39,068)	(33,042)
Net revenue	260,612	252,141	20,338	14,264	47,248	44,711	328,198	311,116
Net income	4,285	499	16,826	13,751	7,282	11,220	28,394	25,470

	<b>Restaurants and catering</b>		<b>Meat factory</b>		<b>Bakeries and other</b>		<b>Total</b>	
	<b>31 March 2022</b>	<b>31 December 2021</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	<b>31 March 2022</b>	<b>31 December 2021</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Total assets	1,505,219	1,476,000	126,805	118,235	257,123	251,162	1,889,147	1,845,397
Total liabilities	679,398	683,385	38,909	35,506	94,237	78,297	812,544	797,188

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 March 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**14. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When measuring the fair value, the Company uses market observable 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 prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets consist of cash and bank balances, investment, restricted cash deposits and other receivables, its financial liabilities consist of trade payables, financial facilities and other liabilities.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement

All financial assets and liabilities are measured at amortized cost except investment carried at FVTPL. The carrying amounts of all other financial assets and financial liabilities measured at amortized cost approximate to their fair values.

	<b>Fair value Level</b>			
<b>31 March 2022 (Unaudited)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>FINANCIAL ASSET</b>				
<b>Investment carried at FVTPL</b>				
Equity investment	<b>957,522</b>	-	-	<b>957,522</b>
	<b>957,522</b>	-	-	<b>957,522</b>
	<b>Fair value Level</b>			
<b>31 December 2021 (Audited)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Total</b>
<b>FINANCIAL ASSET</b>				
<b>Investment carried at FVTPL</b>				
Equity investment	811,681	-	-	811,681
	811,681	-	-	811,681

**HERFY FOOD SERVICES COMPANY**  
**(A Saudi Joint Stock Company)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 March 2022**  
**(All amounts in Saudi Riyals unless otherwise stated)**

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**15. RECLASSIFICATION FOR PRIOR PERIODS FIGURES**

Certain comparative information has also been reclassified to conform to the current year presentation.

**16. SUBSEQUENT EVENTS**

There have been no significant subsequent events since the period-end that would require additional disclosure or adjustment in these interim condensed financial statements.

**17. DATE OF AUTHORIZATION FOR ISSUE**

These interim condensed financial statements were approved and authorized for issue on 11 May 2022G (corresponding to 10 Shawwal 1443H) by the Board of Directors of the Company.