

Saudi FAS Holding Company and its Subsidiaries

(a Closed Saudi joint stock company)

Consolidated financial statements
For the year ended 31 March 2022

together with the **Independent Auditor's Report**

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated financial statements

Year ended 31 March 2022

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Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated financial statements

Year ended 31 March 2022

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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

To the Shareholders of Saudi FAS Holding Company (A Saudi Closed Joint Stock Company)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Saudi FAS Holding Company ("the Company") (and its subsidiaries) (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 7 and Note 14B of the consolidated financial statements, which describes that these consolidated financial statements include certain lands amounting to SR 862.4 million (2021: 1,285 million) where the title deeds are in the name of the shareholders. The process to transfer the title deed to the Group will commence and will be completed in due course; meanwhile the shareholders have waived their rights over these properties and have confirmed that the risks and rewards pertaining to the lands have been transferred to the Group. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's By-Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (25,000,000) SAR. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، وأصل مالها (٢٥,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون كفوون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لكي بي إم جي العالمية المحدودة، شركة الجليزية محدودة بضمان. جميع الحقوق محفوظة.



Independent Auditor's Report

To the Shareholders of Saudi FAS Holding Company (A Saudi Closed Joint Stock Company)
(continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Saudi FAS Holding Company** ("the Company") (and its subsidiaries) ("the Group").

Report on Other Legal and Regulatory Requirements

The Group has not complied with the requirements prescribed by the applicable requirements of Regulations for Companies, as the Group has an outstanding receivable balance of SR 296,054,818 from the shareholders as at 31 March 2022.

KPMG Professional Services

Hani Hamzah A. Bedairi
License No: 460

Riyadh on 04 December 2022
Corresponding to 10 Jumada I 1444 H



Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of financial position

As at 31 March 2022

	Notes	31 March 2022	31 March 2021
Assets			
Property and equipment	9	2,222,080,582	2,869,051,130
Investment property	7	13,023,699,421	13,356,779,060
Right-of-use of assets	8A	4,273,763,135	4,428,855,457
Goodwill and intangible assets	10	1,583,814,249	1,399,174,041
Equity-accounted investees	11	5,444,480	7,046,222
Other investments	12	1,293,555,992	1,366,110,569
Advance to a contractor to a related party	17B	595,352,020	582,469,359
Accrued revenue	22	211,674,126	285,996,070
Derivative asset		29,616,914	--
Other non-current assets	16	17,500,000	45,187,469
Non-current assets		23,256,500,919	24,340,669,377
Inventories			
- Merchandise	14A	1,701,430,432	1,152,442,371
- Properties for development and sale	14B	1,162,643,171	--
Accounts receivable	15	300,207,686	286,033,378
Prepayments and other current assets	16	495,525,676	476,322,831
Amounts due from related parties	17B	657,553,438	180,400,628
Receivable against disposal of subsidiaries	13	--	75,000,000
Accrued revenue - current portion	22	105,837,066	142,998,035
Cash and cash equivalents	18	740,709,049	1,156,108,177
Assets held-for-sale	9(i)	--	4,674,647
Current assets		5,163,906,518	3,473,980,067
Total assets		28,420,407,437	27,814,649,444
Equity			
Share capital	24	10,000,000	10,000,000
Statutory reserve	25	5,000,000	5,000,000
Other reserves	25	(419,278,711)	(362,103,649)
Retained earnings		1,829,047,888	2,263,695,370
Equity attributable to the shareholders of the Company		1,424,769,177	1,916,591,721
Non-controlling interest	30	1,431,468,031	1,337,993,663
Total equity		2,856,237,208	3,254,585,384
Liabilities			
Loans and borrowings	19	13,354,811,576	14,905,080,505
Lease liabilities	8B	4,262,348,039	4,184,627,193
Employees' end of service benefits	20	140,344,988	142,527,185
Deferred tax	23E	15,287,169	8,447,163
Other non-current liabilities	21B	121,373,767	143,425,743
Non-Current liabilities		17,894,165,539	19,384,107,789
Loans and borrowings	19	4,103,022,776	1,859,812,943
Lease liabilities - current portion	8B	1,041,325,484	1,141,938,002
Trade payables and other liabilities	21A	2,060,757,702	1,714,695,977
Amounts due to related parties	17B	41,791,239	39,248,924
Contract liabilities	22	277,657,164	234,272,582
Liabilities held for disposal	34	--	93,927,913
Zakat and tax liabilities	23B	145,450,325	92,059,930
Current liabilities		7,670,004,690	5,175,956,271
Total liabilities		25,564,170,229	24,560,064,060
Total equity and liabilities		28,420,407,437	27,814,649,444

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

These consolidated financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 10 Jumada I 1444 H (04 December 2022) and signed on its behalf by:

Abdulmajid Albasri
Group Chief Financial Officer

Kamel Alqalam
Group Managing Director

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of profit or loss

Year ended 31 March 2022

	Notes	31 March 2022	31 March 2021
Continuing operations			
Revenue	27	7,870,949,358	5,881,212,081
Cost of revenue			
- Direct cost	28A	(4,895,088,936)	(4,112,169,523)
- Depreciation of right-of-use assets	8C	(470,087,127)	(484,611,093)
- Depreciation of investment properties	7	(343,171,349)	(312,005,074)
- Impairment of investment properties	7	--	(4,433,236)
Gross profit		2,162,601,946	967,993,155
Selling and marketing expenses	28B	(215,213,320)	(166,606,337)
Administrative expenses	28C	(676,977,616)	(532,309,289)
Depreciation on property and equipment	9	(210,786,167)	(338,660,932)
Amortization on intangible assets	10	(27,668,006)	(25,077,381)
Impairment loss on goodwill	10	(70,533,770)	--
Impairment loss on accounts receivable	15	(59,045,147)	(138,122,525)
Operating profit / (loss)		902,377,920	(232,783,309)
Finance costs over loans and borrowings	28D	(601,075,494)	(662,882,159)
Finance costs over lease liabilities	8C	(232,744,651)	(276,580,143)
Share in loss from equity-accounted investees	11	(1,634,742)	(20,372,599)
Finance income		29,616,914	--
Other income	28E	235,691,645	502,609,276
Other expenses	28F	(359,689,563)	(133,866,949)
Loss before zakat and income tax		(27,457,971)	(823,875,883)
Zakat and income tax expense	23A	(126,527,014)	(48,227,268)
Loss for the year from continuing operations		(153,984,985)	(872,103,151)
Discontinued operations			
Loss from discontinued operations (net of tax)	35	(3,616,485)	--
Loss for the year		(157,601,470)	(872,103,151)
Loss for the year is attributable to:			
Shareholders of the Company		(246,468,456)	(618,446,637)
Non-controlling interests	30	88,866,986	(253,656,514)
		(157,601,470)	(872,103,151)

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

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Abdulmajid Albasri
Group Chief Financial Officer

Kamel Alqalam
Group Managing Director

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of comprehensive income

Year ended 31 March 2022

	<i>Notes</i>	31 March 2022	31 March 2021
Loss for the year		(157,601,470)	(872,103,151)
Items that will not be reclassified subsequently to profit or loss:			
Re measurements of defined benefit liability	20	11,619,430	(9,808,481)
		11,619,430	(9,808,481)
Items that are or may be reclassified subsequently to profit or loss:			
Equity investments at FVOCI – net change in fair value	12	70,579,863	53,302,842
Change in Cash flow hedge		6,163,824	(1,082,697)
Cumulative currency translation (loss) / profit		(139,881,896)	44,548,934
		(63,138,209)	96,769,079
Other comprehensive (loss) / income for the year, net of tax		(51,518,779)	86,960,598
Total comprehensive loss for the year		(209,120,249)	(785,142,553)
Other comprehensive (loss)/ income for the year attributable to:			
- Shareholders of the Company		(57,175,062)	64,357,696
- Non-controlling interests		5,656,283	22,602,902
		(51,518,779)	86,960,598
Total comprehensive (loss) / income for the year attributable to:			
- Shareholders of the Company		(303,643,518)	(554,088,941)
- Non-controlling interests		94,523,269	(231,053,612)
		(209,120,249)	(785,142,553)

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

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Abdulmajid Albasri
Group Chief Financial Officer

Kamel Alqalam
Group Managing Director

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of changes in equity

Year ended 31 March 2022

	Attributable to shareholders of the Company							
	Notes	Share capital	Statutory reserve	Other reserves	Retained earnings	Total shareholders' equity	Non-Controlling interest	Total equity
Balance at 1 April 2020		10,000,000	5,000,000	(396,498,685)	3,152,816,502	2,771,317,817	1,663,652,867	4,434,970,684
Total comprehensive loss for the year								
Loss for the year		--	--	--	(618,446,637)	(618,446,637)	(253,656,514)	(872,103,151)
Other comprehensive income		--	--	64,357,696	--	64,357,696	22,602,902	86,960,598
Total comprehensive loss for the year		--	--	64,357,696	(618,446,637)	(554,088,941)	(231,053,612)	(785,142,553)
Transfers		--	--	(29,962,660)	29,962,660	--	--	--
Transactions with shareholders of the Group								
Dividends	26	--	--	--	(300,000,000)	(300,000,000)	(95,237,500)	(395,237,500)
Changes in ownership interests								
Acquisition of NCI in subsidiary		--	--	--	(637,155)	(637,155)	631,908	(5,247)
Balance at 31 March 2021		10,000,000	5,000,000	(362,103,649)	2,263,695,370	1,916,591,721	1,337,993,663	3,254,585,384
Balance at 1 April 2021		10,000,000	5,000,000	(362,103,649)	2,263,695,370	1,916,591,721	1,337,993,663	3,254,585,384
Total comprehensive (loss) / income for the year								
(Loss) / profit for the year		--	--	--	(246,468,456)	(246,468,456)	88,866,986	(157,601,470)
Other comprehensive (loss) / income		--	--	(57,175,062)	--	(57,175,062)	5,656,283	(51,518,779)
Total comprehensive (loss) / profit for the year		--	--	(57,175,062)	(246,468,456)	(303,643,518)	94,523,269	(209,120,249)
Transactions with shareholders of the Group								
Dividends	26	--	--	--	(188,179,026)	(188,179,026)	(148,451,516)	(336,630,542)
Changes in ownership interests								
Acquisition of NCI in subsidiary		--	--	--	--	--	147,402,615	147,402,615
Balance at 31 March 2022		10,000,000	5,000,000	(419,278,711)	1,829,047,888	1,424,769,177	1,431,468,031	2,856,237,208

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

These consolidated financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 10 Jumada I 1444 H (04 December 2022) and signed on its behalf by:

Abdulmajid Albasri
Group Chief Financial Officer

Kamel Alqalam
Group Managing Director

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of cash flows

Year ended 31 March 2022

	Notes	31 March 2022	31 March 2021
Cash flows from operating activities:			
Loss for the year		(157,601,470)	(872,103,151)
<i>Adjustments for:</i>			
- Zakat and income tax	23A	126,527,014	48,227,268
- Depreciation on property and equipment	9	210,786,167	338,660,932
- Depreciation on investment properties	7	343,171,349	312,005,074
- Amortization on intangible assets	10	27,668,006	25,077,381
- Depreciation on right-of-use assets	8A	472,229,315	492,307,382
- Impairment of investment properties	7	--	4,433,236
- Provision for obsolete and slow-moving inventories and supplies	14(i)	33,903,027	107,712,293
- Inventories directly written off to profit or loss	14(i)	27,250,576	369,567,774
- Impairment of accounts receivable	15(ii)	59,045,147	138,122,525
- Amortization of transaction costs including write off	28D	36,485,517	30,170,975
- Provision for employees' end of services benefits	20	35,620,826	34,523,043
- Loss on store closures	28F	37,135,173	76,007,836
- Reversal of liabilities no longer payable	28E	--	(13,135,626)
- Share in losses from equity accounted investees	11	1,634,742	20,372,599
- Finance costs over loans and borrowings	28D	550,423,697	626,738,047
- Finance costs over lease liabilities	8C	232,744,651	276,580,143
- Impairment of goodwill	10	70,533,770	--
- Gain on lease termination		(18,214,797)	(2,268,145)
- Loss on disposal of investment property	28F	35,063,625	--
- Income from sale of equity accounted investments		--	(250,594,662)
- Loss on disposal of property and equipment	28F	251,680,452	7,223,642
- Rental concession on leases	28E	(32,555,860)	(163,470,888)
- Impairment of advances to supplier	28F	1,267,388	--
- Finance income		(29,616,914)	--
- Provision against investments at fair value through profit or loss	12	1,807,212	(15,571,465)
		2,316,988,613	1,590,586,213
Changes in:			
- Inventories		(610,141,664)	25,830,804
- Accounts receivable		(48,029,102)	(129,492,876)
- Prepayments and other current assets		(8,039,021)	64,393,220
- Amounts due from / to related parties, net		241,396,720	322,555,588
- Accrued revenue		86,292,560	(306,848,289)
- Trade payables and other liabilities		241,748,590	(41,364,144)
- Assets held for sale		4,674,647	--
- Contract liabilities		43,384,582	84,137,033
Cash generated from operating activities		2,268,275,925	1,609,797,549
Zakat and income tax paid	23C, D, E	(72,289,833)	(67,438,093)
Employee benefits paid	20	(26,183,593)	(43,889,185)
Net cash generated from operating activities		2,169,802,499	1,498,470,271
Cash flows from investing activities:			
Additions to property and equipment		51,644,713	(49,743,991)
Additions to investment properties		(1,254,558,788)	(743,184,618)
Additions to other intangible assets		(286,487,320)	(45,867,532)
Disposal of property and equipment		239,500,037	(2,012,036)
Disposal of other intangible assets		3,871,052	3,665,748

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Consolidated statement of cash flows

Year ended 31 March 2022

	Notes	31 March 2022	31 March 2021
Cash flows from investing activities:			
Disposal of investment properties		86,300,000	--
Disposal of equity accounted investments		(33,000)	106,500,577
Additions to other investments, net		--	152,654,273
Advances to a contractor, related party		(724,803,263)	(357,034,885)
Net cash used in investing activities		(1,884,566,566)	(935,022,464)
Cash flows from financing activities:			
Proceeds from loans and borrowings	19B	5,115,373,037	2,471,192,278
Repayments of loans and borrowings	19B	(4,402,589,877)	(2,377,048,034)
Transaction costs paid during the year, net of deferred sukuk premium	19B	(64,771,344)	(8,681,934)
Payment of finance costs over loans and borrowings		(762,061,090)	(750,102,604)
Dividends paid to non-controlling interest		(148,451,516)	(95,237,500)
Acquisition of NCI		147,402,615	--
Payments for finance lease liabilities	8B	(565,738,905)	(500,635,497)
Net cash used in financing activities		(680,837,080)	(1,260,513,291)
Net decrease in cash and cash equivalents		(395,601,147)	(697,065,484)
Foreign currency exchange translation differences		(19,797,981)	43,858,978
Cash and cash equivalents at 1 April		1,156,108,177	1,809,314,683
Cash and cash equivalents at 31 March	18	740,709,049	1,156,108,177
Significant non-cash transactions:			
- Capitalized advances to contractors for project under construction		711,920,602	370,293,611
- Dividends settled through shareholder's account	26	(188,179,026)	(300,000,000)
- Capitalized finance costs over loans and borrowings	21(ii)	253,091,442	123,428,143
- Receivable from disposal of subsidiaries transferred to shareholders)		
- Capitalized finance costs over lease liabilities	13(i)	75,000,000	75,000,000
- Advance to lessor reclassified to other finance receivable	8B	37,989,657	47,692,692
- Depreciation capitalized for projects under construction		22,500,000	22,500,000
- Capitalized transaction costs over loans and borrowings	8A	20,781,728	26,732,930
- Employees' end-of-service benefits transferred (to) from related parties and shareholders	19B		
- Property and equipment transferred from / to related parties	(i)	8,443,570	2,438,520
- Transfer of assets	20A	--	(1,761,898)
- Deferred tax on acquisition of subsidiary	9	(20,821,059)	(21,874,889)
- Related party receivables transferred to other investments	17	77,516,460	--
- Zakat transferred (to) / from related parties & shareholder	23E	2,182,699	--
- Deferred tax transferred to related parties		--	84,432,122
- Transfer to prepayments and other assets		3,778,814	(14,651,309)
	17E	--	(4,271,301)
	8B	--	(36,513,006)

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

These consolidated financial statements were authorized for issue by the Board of Directors, on behalf of the Shareholders, on 10 Jumada I 1444 H (04 December 2022) and signed on its behalf by:

Abdulmajid Albasri
Group Chief Financial Officer

Kamel Alqalam
Group Managing Director

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

1. Reporting entity

Saudi FAS Holding Company (the "Company" or the "Parent Company") is a Saudi Closed Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia ("KSA") under commercial registration numbered 1010209391 and dated 13 Rabi Thani 1426H (corresponding to 21 May 2005). The registered office is located at Ulisha District, building number 7930, Riyadh 12742, KSA.

The Group's objectives are to invest in other companies through holding a controlling position, trading in wholesale and retail of ready-made cloth, tents, shoes for men, women and children, textiles, perfumes, natural cosmetics, traditional jewelry, medical equipment, ornaments, import and export services for others, operate and maintenance for commercial and residential buildings, purchasing, investing in and developing lands and construction of buildings and roads.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

1. Reporting entity (continued)

Following is the list of subsidiaries included in these consolidated financial statements as of 31 March 2022 and 31 March 2021:

No	Subsidiaries	Notes	Country of incorporation	Business Activity	Direct and indirect ownership % (*)		Share Capital	Number of shares issued
					31 March 2022	31 March 2021		
1	FAS Real Estate Company and its subsidiaries	(i)	KSA	Holding investment in real estate companies	100%	100%	100,000	100
2	Fawaz Abdulaziz Al Hokair & Company and its subsidiaries	(vi)	KSA	Retail fashion garments	69.20%	69.20%	2,100,000,000	210,000,000
3	SAAF International Company Limited		KSA	Construction and leasing	100%	100%	100,000	100
4	Saudi Geant Company Limited		KSA	Wholesale trading and retail	100%	100%	126,000,000	126,000
5	Al Farida Real Estate Company Limited		KSA	Construction and leasing	100%	100%	500,000	500
6	My Home Company Limited		KSA	Construction and leasing	100%	100%	100,000	100
7	Al Farida Information Technology Company		KSA	General contracting	100%	100%	500,000	500
8	Alimma Dahiyat riyadh Fund	(ii)	KSA	Real estate investment fund	100%	--	600,000,000	60,000,000
9	Fas Labs Company and its subsidiaries	(iii)	KSA	Holding Investment Company	73.78%	--	1,000,000	100,000

i. FAS Real Estate Company owns the following subsidiaries as at 31 March 2022 and 31 March 2021:

No	Subsidiaries	Notes	Country of incorporation	Business Activity	Direct and indirect ownership % (*)		Share Capital	Number of shares issued
					31 March 2022	31 March 2021		
1	Arabian Centers Company ("ACC") and its subsidiaries	(iv)	KSA	Construction and operation of malls	78.38%	79.95%	4,750,000,000	475,000,000
2	FAS Holding Company for Hotels and its subsidiaries		KSA	Construction and operation of hotels	100%	100%	500,000,000	500,000
3	Riyadh Hotels Company		KSA	Construction and operation of hotels	100%	100%	100,000	100
4	FAS Energy Trading Company and its subsidiaries	(v)	KSA	Investment in energy sector	100%	100%	100,000	100

ii. During the year ended 31 March 2022, the Group invested in a newly established private real estate fund named Alimma Dahiyat riyadh Fund. The Group signed an agreement with Alimma Investment Company to manage the fund. The units were subscribed by transfer of a parcel of land to the fund with a carrying value of SAR 897.5 Million.

iii. During the year ended 31 March 2022, the Group invested in FAS LAB company on 03 May 2021 with investment amount of 153 million.

iv. During December 2021 SAFF Holding sold 7.5 million shares out of their shareholding in Arabian centers for consideration of SR 157 mn. Also during March 2022, FAS real estate sold further 1 million shares for consideration amounting to SR 22 Mn which resulted in reduction of ownership percentages from 79.95% to 78.38%.

v. During the year 2021, the Group transferred one of its step subsidiary Fursy Energy Group LLC, Ukraine with its rights and obligations, to the ultimate shareholders of the Group at a net consideration of SR 3.9 million. Also, refer to note 35.

All amounts are presented in Saudi riyals unless otherwise stated.

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Year ended 31 March 2022

1. Reporting entity (continued)

vi. Fawaz Abdulaziz Al Hokair & Company owns the following subsidiaries as at 31 March 2022 and 31 March 2021:

No	Subsidiaries	Notes	Country of incorporation	Business Activity	Direct and indirect ownership % (*)		Share Capital	Number of shares issued
					31 March 2022	31 March 2021		
1	Al Waheedah Equipment Co. Ltd. and its subsidiaries	(a)	KSA	Wholesale trading and retail	100%	100%	1,000,000	1,000
2	Haifa B. Al Kalam & Partners Co. for Trading and its subsidiaries	(b)	KSA	Wholesale trading and retail	100%	100%	500,000	500
3	Saudi Retail Co. Ltd.		KSA	Wholesale trading and retail	100%	100%	500,000	500
4	Wahba Trading Company Limited and its subsidiaries	(c)	KSA	Wholesale trading and retail	100%	100%	500,000	500
5	Retail Group Kazakhstan	(d)	Republic of Kazakhstan	Wholesale trading and retail	100%	100%	KZT 141,300	100
6	Nesk Trading Projects Company		KSA	Wholesale trading and retail	100%	100%	1,000,000	100
7	Retail Group Egypt		Arab Republic of Egypt	Wholesale trading and retail	98%	98%	EGP 2,000,000	20,000
8	Retail Group Jordan and its subsidiary	(e)	Hashemite Kingdom of Jordan	Wholesale trading and retail	100%	100%	JOD 5,000,000	5,000,000
9	Innovative Union Company (IUC) and its subsidiaries	(f)	Kingdom of Saudi Arabia	Food and Beverage	100%	100%	100,000	100

a) Al Waheedah Equipment Co. directly and indirectly owns certain dormant subsidiaries in United Arab Emirates (“UAE”).

b) Haifa B. Al Kalam & Partners Co. for Trading directly and indirectly owns certain active subsidiaries in Georgia, Armenia, United States of America, Morocco and Balkan countries, and dormant subsidiaries in UAE and British Virgin Islands.

c) Wahba Trading Company Limited directly and indirectly owns certain dormant subsidiaries in KSA and UAE.

d) Retail Group Kazakhstan represents three entities namely Retail Management Kazakhstan, Fashion Retail Kazakhstan and Global Apparel Kazakhstan.

e) During the year ended 31 March 2016, Fawaz Abdulaziz Al-Hokair & Co. established a company in Republic of Iraq through Retail Group Jordan.

f) Innovative Union Company Limited directly and indirectly owns certain active subsidiaries in KSA.

* Indirect holdings are owned by the Company’s shareholders and related parties who have assigned their shares in these investments for the benefit of the Company.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (hereinafter refer to as “IFRS as endorsed in KSA”).

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

2. Basis of measurement

These consolidated financial statements are prepared under the historical cost convention except for the following material items in the consolidated statement of financial position:

- Equity investments at fair value
- Employees end of service benefits are recognized at the present value of future obligations using projected unit credit method (PUCM).
- Derivative financial instruments at fair value.

3. Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyal ("SR") which is the functional currency of the Company and most of its subsidiaries. The subsidiaries which are not operating within the Kingdom of Saudi Arabia, the functional currency is the domestic currency of the particular jurisdiction in which it operates. The financial statements of foreign subsidiaries are translated at the prevailing exchange rate for consolidation purpose.

4. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses and assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

A. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material differences in the carrying amounts of assets and liabilities within the next financial period, are presented below. The Group used these assumptions and estimates on the basis available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment test of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five to eight years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future net cash-inflows and the growth rate used for extrapolation purposes.

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Year ended 31 March 2022

4. Significant accounting estimates, assumptions and judgements (continued)

A. Estimates and assumptions (continued)

Provisions

By their nature, provisions are dependent upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for litigation are based on an estimate of the costs, taking into account legal advice and other information presently available. Provisions for termination benefits and exit costs, if any, also involve management's judgement in estimating the expected cash outflows for other exit costs. Provisions for uncertain liabilities involve management's best estimate of whether cash outflows are probable.

Long-term assumptions for employee benefits

Employees' end-of-service benefits represent obligations that will be settled in the future and require assumptions to project obligations. Management is required to make further assumptions regarding variables such as discount rates, rate of salary increase, mortality rates, employment turnover and future healthcare costs. Periodically, management of the Group consults with external actuaries regarding these assumptions. Changes in key assumptions can have a significant impact on the projected benefit obligations and/or periodic employee defined benefit costs incurred.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instrument.

Economic useful lives of investment properties, property and equipment and intangible assets

The Group's management determines the estimated useful lives of its investment properties, property and equipment and intangible assets for calculating depreciation/amortization. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The Group periodically reviews estimated useful lives and the depreciation/amortization method to ensure that the method and period of depreciation/amortization are consistent with the expected pattern of economic benefits derived from these assets.

B. Critical judgements in applying accounting standards

The following critical judgements have the most significant effect on the amounts recognized in the consolidated financial statements:

Component parts of investment properties and property and equipment

The Group's assets, classified within investment properties and property and equipment, are depreciated on a straight-line basis over their economic useful lives. When determining the economic useful life of an asset, it is broken down into significant component parts such that each significant component part is depreciated separately.

Judgement is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to related asset, its pattern of consumption and its replacement cycle/maintenance schedule.

Year ended 31 March 2022

4. Significant accounting estimates, assumptions and judgements (continued)

B. Critical judgements in applying accounting standards (continued)

Determination of control and significant influence

i. Management's judgement in assessing control over consolidated subsidiaries:

Subsidiaries are all investees over which the Group has control. The Group's management considers that the Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of those returns through its power to direct the relevant activities of the investees.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has equal or less than a majority of the voting or similar rights of an investee, the Group considers all other relevant facts and circumstances in assessing whether it has power over an investee, including any contractual and other such arrangements which may affect the activities which impact investees' return.

The determination about whether the Group has power thus depends on such relevant activities, the way decisions about the relevant activities are made and the rights the Group has, in relation to the investees.

In certain cases where the Group owns 50% or less of voting rights, it may still be the single largest shareholder with presence on the governing body giving it power to direct relevant activities of the investees, whereby the other shareholders individually do not hold sufficient voting rights and power to overrule the Group's directions. There is no prior instance of other shareholders collaborating to exercise their votes collectively or to out-vote the Group.

The management has considered the integration of all such investees (where the Group has equal or less than a majority of the voting rights) within the Group structure and located in cities in KSA, the ability of the Group to impact variable returns of the investees through the provision of various key services to such investees, the relationship of the Group with other entities which may impact returns of investees, appointment of certain key management personnel and various other such factors.

Based on above considerations, management of the Group believes:

- there is a pattern of past and existing practice of the Group's involvement in the relevant activities of these investees resulting in an impact on their returns and also indicating a more than passive interest of the Group in such investees; and
- the Group has created an environment in which the set-up and function of these investees and their interrelationship with the Group leads towards a judgement of 'control'. Hence, the Group has consolidated those investees, which meet the above criteria as part of the Group's consolidated financial statements.

ii. Management's judgement in assessing significant influence over investees:

Judgement was required, particularly where the Group owns shareholding and voting rights of generally 20% and above but where the management does not believe that it has 'control' or 'joint control' over such investee.

In case of such investee, the Group's management has concluded it has 'significant influence' in line with the requirements of IFRSs as endorsed in KSA. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee but is not 'control' or 'joint control'. IFRSs as endorsed in KSA provides various indicators of 'significant influence', including representation in the Board of Directors and participation in policymaking process.

By virtue of the Group's shareholding rights in the investee's general meetings, as well as the Group's representation on Board of Directors of such investee and the Group's involvement in operating and financial policies and decision making, management believes it has 'significant influence' over such investee ("Associate").

The Group is accounting for such investment in an associate under the equity method of accounting.

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5. Changes in significant accounting policies

The Group has adopted Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the Phase 2 amendments) from 1 April 2021. The Group applied the Phase 2 amendments retrospectively. However, in accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate the prior period to reflect the application of these amendments, including not providing additional disclosures for 31 March 2021. There is no impact on opening equity balances as a result of retrospective application.

The Phase 2 amendments provide practical relief from certain requirements in IFRS Standards. These reliefs relate to modifications of financial instruments and lease contracts or hedging relationships triggered by a replacement of a benchmark interest rate in a contract with a new alternative benchmark rate. If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

Finally, the Phase 2 amendments provide a series of temporary exceptions from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument that permit the hedge relationship to be continued without interruption. The Group applies the following reliefs as and when uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument:

- the Group amends the designation of a hedging relationship to reflect changes that are required by the reform without discontinuing the hedging relationship; and
- when a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

While uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies

6. Summary of significant accounting policies

A. Basis of consolidation

i. Subsidiaries

Refer to [note 4](#) for details on judgements applied by the Group in respect of determination of control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes 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 of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit / loss and each component of OCI are attributed to the shareholders of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group asset and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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Notes to the consolidated financial statements

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

A. Basis of consolidation (continued)

A list of subsidiaries is provided in **note 1**. This note also discloses the country of incorporation, principal activities and percentages of ownership.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests;
- derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in the consolidated statement of profit or loss; and
- reclassifies the shareholders' share of components previously recognized in OCI to consolidated statement of profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

When the Group ceases to consolidate for an investment in subsidiaries because of a loss of control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in OCI are reclassified to the consolidated statement of profit or loss.

ii. Non-controlling interests

Non-controlling interests ("NCI") in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of changes in equity.

iii. Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in an associate is accounted for using the equity method of accounting, after initially being recognized at cost.

Equity method

Equity method of accounting is used for the investment in an associate. Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in the consolidated statement of profit or loss, and the Group's share of movements in OCI of the investee in consolidated statement of comprehensive income, if any.

Dividends received or receivable from an associate is recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions, if any, between the Group and its associate are eliminated to the extent of the Group's interest in its associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

All amounts are presented in Saudi riyals unless otherwise stated.

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Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

A. Basis of consolidation (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss outside operating income.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in an associate. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss as 'share in earnings' of an associate in the consolidated statement of profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in OCI are reclassified to the consolidated statement of profit or loss where appropriate.

B. Foreign currencies

i. Transactions and balances

Foreign currency transactions are translated into SR ('Saudi Riyal') at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss. Translation of non-monetary items depends on whether they are recognized at historical cost or at fair value. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in consolidated statement of comprehensive income or consolidated statement of profit or loss).

ii. Foreign operations

The assets and liabilities of foreign operations (none of which has the currency of a hyperinflationary economy), including goodwill and fair value adjustments arising on acquisition, are translated into SR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into SR based on the average exchange rates for the year.

Foreign currency differences are recognized in OCI and accumulated in the foreign currency translation reserve, except to the extent that the translation differences is allocated to NCI.

When a foreign operation is disposed of its entirety or partially such that control is lost the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant portion of the cumulative amount is reattributed to NCI.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

C. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

D. Revenue recognition

The following are the description of accounting policies for principal activities, from which the Group generates its revenue:

Revenue from sale of goods

a. Sales in retail outlets

Sales are recognized when the customer takes possession of the product sold by the Group. Payment of the transaction price is due immediately when the customer purchases the product.

Sales are measured based on the consideration specified in the contract with a customer excluding amounts collected on behalf of third parties, if any. Sales exclude Value Added Tax (VAT) collected. Sales are shown in the consolidated statement of profit or loss net of returns and any discounts given.

The Group's return policy grants customers the right of return within three to seven days in normal sales and one day in the case of promotional sale with certain requirements and certain exceptions.

b. Online sales

Sales are recognized when the products are delivered to the customers by the shipping agent. Payment of the transaction prices is normally received upon or before placing online orders and recognized as a liability until the recognition of sales.

For all types of sales, historical experience suggests that the amount of returns is totally immaterial and accordingly, no refund liability is recognized at the time of sale. The validity of these conclusions is assessed at each reporting date. If the returns pattern changed, the Group would recognize a refund liability and corresponding asset (right to the returned goods) for products expected to be returned, with revenue and related cost of sales adjusted accordingly.

In all the above types, the stated price is the transaction price, and the Group does not have contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year, and as a result, the Group does not adjust transaction prices for the time value of money.

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6. Summary of significant accounting policies (continued)

D. Revenue recognition (continued)

Rental income

The Group is the lessor for various operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature, except for contingent rental income which is recognized when it arises. Accrued revenue is recognized to the extent that the revenue has been earned but not yet billed.

Tenant lease incentives including rental discounts are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the management are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when the right to receive them arises.

Service charges, management charges and other expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognized in the period in which the compensation becomes due. Service and management charges related to repairs and maintenance of the building facilities and other such receipts are included in revenue while the related costs, which are included as part of cost of revenue, as the management considers that the Group acts as a principal in this respect. Service charges related to utilities for heavy users are presented net of the related costs and are recorded as part of "commission income on provisions for utilities for heavy users, net" under revenue in the consolidated statement of profit or loss, since the management considers that the Group acts as an agent in this respect.

Turnover rent

The Group recognizes income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Revenue from rendering of services

Revenue is recognized at the transaction price that is allocated to the performance obligation. Revenue primarily includes room revenue, and banquet services which is recognized once the rooms are occupied, and banquet services have been provided as per the contract with the customer.

In addition to above, revenue for laundry, communication, health club, airport transfers and other allied services has been recognized by reference to the time of service rendered.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognized over time, consistent with the Group's accounting policy on recognizing revenue on construction contracts. Operation or service revenue is recognized in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Principal versus agent consideration

The Group has evaluated its arrangements to determine whether it is a principal, and report revenues on a gross basis, or an agent, and report revenues on a net basis. In this assessment, the Group has considered if it has obtained control of the specified services before they are transferred to the customer, as well as other indicators such as the party primarily responsible for fulfilment, inventory risk and discretion in establishing price. The Group has concluded it is the principal in all of its revenue arrangements (except for service charges related to utilities for heavy users – as discussed in the previous section) since it is the primary obligor, it has pricing latitude and is also exposed to credit risks.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

D. Revenue recognition (continued)

Presentation and disclosure requirements

As required for the consolidated financial statements, the Group disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Please refer to note 28 for the disclosure on disaggregated revenue.

Interest income

Interest income is recognized using the Effective Interest Rate ("EIR") method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original EIR.

Dividend and other income

Dividend income from investments is recognized when the Group's rights to receive payment have been established. All other incomes are recognized on an accrual basis when the Group's right to earn the income is established.

E. Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Expenditures on repairs and maintenance are expensed to the consolidated statement of profit or loss in the period they are incurred. Betterments that increase the value or materially extend the life of the related assets are capitalized. Leaseholds improvements are amortized on a straight-line basis over the shorter of the useful life of the improvement and the term of the lease. Depreciation is calculated from the date the item of property and equipment is available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Class of asset	Number of years
Tools and equipment	4 – 15 years
Furniture and fixtures	4 – 15 years
Motor vehicles	4 – 6 years
Buildings	40 – 50 years
Leasehold improvements	5 – 15 years (Shorter of economic life or lease term)

Residual values, useful lives and methods of depreciation of property and equipment are reviewed on an annual basis, and adjusted prospectively if appropriate, at each reporting date. Properties under construction, which are not ready for its intended use, are not depreciated.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period when the asset is derecognized.

The carrying amounts of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

F. Investment properties

Investment property comprises completed property and property under construction or redevelopment that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for administrative functions.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer charges, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the costs of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

F. Investment properties (continued)

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment in value. Land and projects under construction are not depreciated.

Expenditure for repair and maintenance are charged to consolidated statement of profit or loss as incurred. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Class of improvements	Number of years
Building: Electrical components	25 years
Building: Mechanical components	15 years
Building: Firefighting system	30 years
Building: Conveying system	20 years
Building	50 years
Building on leasehold land: Mechanical components	15 – 25 years (Shorter of economic life or lease term)
	4 – 50 years
Building on leasehold land	(Shorter of economic life or lease term)

Transfers are made to/from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to date the date of change in use.

Investment properties is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefits is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of de-recognition.

G. Intangible assets

i. Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in consolidated statement of profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit or loss. Amortization is calculated from the date the when the intangible assets are available for its intended use. It is calculated on a straight-line basis over the useful life of the asset as follows:

Class of intangible asset	Number of years
Computer software	4 – 25 years
Key money	15 years
Deferred charges	15 years
Right of use concession arrangements - Solar power station	25 years
Trademarks Vogacloset	8 years
Trademarks	Indefinite
Web development cost	8 years
Customer related assets	4 years

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

G. Intangible assets (continued)

Intangible assets with indefinite useful lives, including trademarks, are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

In relation to right of use concession arrangements, the Group recognizes an intangible asset when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalized borrowing costs, less accumulated amortization and accumulated impairment losses. The estimated useful life of an intangible assets in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

ii. Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the recognized identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

H. Inventories

Inventories, including goods available for sale and goods in transit are stated at the lower of cost and net realizable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete a sale. Provision is made, where necessary, for obsolete, slow moving and defective stocks.

I. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances, short-term deposits, demand deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J. Financial instruments

i. Recognition and initial measurement

Accounts receivable are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

An account receivable without a significant financing component is initially measured at the transaction price. A financial asset or financial liability (unless it is a account receivable without a significant financing component) is initially measured at fair value. For financial instruments not classified at FVTPL, transaction costs that are directly attributable to its acquisition or issue are adjusted.

6. Summary of significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest: For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In such cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

All amounts are presented in Saudi riyals unless otherwise stated.

6. Summary of significant accounting policies (continued)

K. Impairment of financial instruments

The Group applies IFRS 9 simplified approach for measuring ECL, which uses a lifetime expected loss allowance. The method is applied for assessing an allowance against financial assets measured at amortized cost and contract assets. Loss allowances for accounts receivable with or without significant financing component are measured at an amount equal to lifetime ECL. Bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. When estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 360 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position and Write-offs

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

L. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its commission rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in condensed consolidated statement of profit or loss. The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

L. Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in condensed consolidated statement of comprehensive income and accumulated in the hedging reserve under other reserves. The effective portion of changes in the fair value of the derivative that is recognized in condensed consolidated statement of comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in condensed consolidated statement of profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect consolidated statement of profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to consolidated statement of profit or loss in the same period or periods as the hedged expected future cash flows affect consolidated statement of profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to condensed consolidated statement of profit or loss.

Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

In July 2017, the United Kingdom Financial Conduct Authority, which regulates the London Interbank Offered Rate ("LIBOR"), announced that the interest benchmark would cease after 2021. LIBOR is one of the most common series of benchmark interest rates. In December 2019, the IASB amended IAS 39, Financial Instruments: Recognition and Measurement, IFRS 7, Financial Instruments: Disclosures, and IFRS 9, Financial Instruments, which modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the Interbank Offered Rate ("IBOR") reform. In addition, the amendments require companies to provide additional information about their hedging relationships which are directly affected by these uncertainties. The amendments are effective beginning on 1 January 2020.

Additionally, the IASB is considering the potential consequences on financial reporting of replacing an existing benchmark with an alternative. IBOR reforms and expectation of cessation of LIBOR will impact Group's current risk management strategy and possibly accounting for certain financial instruments used for hedging. The Group has cash flow hedges (please refer to note 31D) which are exposed to the impact of LIBOR.

Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (continued)

The Group uses financial instruments as part of its risk management strategy to manage exposures arising from variation of commission rates that could affect net income or other comprehensive income and applies hedge accounting to these instruments. The Group has certain borrowings where the reference rate is linked to the LIBOR. The Group is assessing the impact to ensure a smooth transition from LIBOR to new benchmark rates.

6. Summary of significant accounting policies (continued)

M. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written-down to its recoverable amount. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a discount rate (pre-zakat) that reflects current market assessment of the time value of money and the risks specific to the asset.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU's to which the individual asset is allocated. These budgets and forecast calculations generally cover a five-year period. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the budget period.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial year-end as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. This reversal is limited such that the recoverable amount doesn't exceed what the carrying amount would have been, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss.

N. Finance income and finance cost

Finance income includes interest income which is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise of financial charges on borrowings including sukuks that are recognized in consolidated statement of profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

O. Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

O. Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

P. Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

Q. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre- zakat rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as financial charges.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

R. Expenses

Direct cost incurred during the period includes the costs of goods sold, direct labor, governmental charges, and other overheads related to the revenues recognized.

Selling and marketing expenses principally comprise of costs incurred in marketing, promotion and advertisement. All other expenses are classified as general and administration expenses.

General and administration expenses include expenses not specifically part of the cost of revenue and promotion and advertising expenses. Allocations between general and administration expenses and cost of revenue, when required, are made on a consistent basis.

S. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized as from the commencement of the development work until the date of practical completion, when substantially all of the development work is completed. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Borrowing costs is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

T. Employee benefits and post-employment benefits

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves and air fare allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

ii. End-of-services benefits obligation

The Group primarily has end of service benefits which qualifies as defined benefit plans.

The liability recognized in the consolidated statement of financial position is the Defined Benefit Obligation ("DBO") at the reporting date.

DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method (PUCM). The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For instances where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the DBO. This cost is included in employees' salaries and other benefits expense in the consolidated statement of profit or loss.

Re-measurement gains and losses arising from changes in actuarial assumptions are recognized in the period in which they occur in OCI. Changes in the present value of the DBO resulting from plan amendments or curtailments are recognized immediately in the consolidated statement of profit or loss as past service costs.

Current and past service costs related to end-of-service benefits and unwinding of the liability at discount rates used are recognized immediately in the consolidated statement of profit or loss. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in OCI.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

U. Zakat and income tax

The Group is subject to the Regulations of the Zakat, Tax, and Customs Authority (“ZATCA”) in KSA. Zakat is provided on an accrual basis and is computed and charged based on zakat base. Adjustments if any are made to the zakat provision when the final assessments are obtained from the ZATCA.

For subsidiaries outside KSA, provision for corporate tax is computed in accordance with tax regulations of the respective countries and charged to the consolidated statement of profit or loss. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

Deferred tax is provided for foreign subsidiaries, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

V. Dividends

The Company recognizes a liability to make dividend distribution to the shareholders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. In accordance with the Companies Law in KSA, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

W. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs of dismantling and removing the underlying asset and restoring the underlying asset or the site on which it is located, less any lease incentives received.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

W. Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The Group determines its incremental borrowing rate by obtaining rates from various external financing sources and makes certain adjustments to reflect the terms of the leases and type of the assets leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents the lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

As a lessor

The Group leases out its investment property. The Group has classified these leases as operating leases. The accounting policies applicable to the Group as a lessor are not different from those under IAS 17. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. However, the Group has applied IFRS 15 "Revenue from Contracts with Customers" to allocate consideration in the contract to each lease and non-lease component.

X. Properties for development and sale

Properties for development and sale are properties that are being developed with a view to sell. The Group's properties for development arise when Group purchase properties with an intention to sale or when there is a change in use of investment properties evidenced by the commencement of development with a view to sale. The investment properties are reclassified as properties for development at their carrying amount at the date of their reclassification. They are subsequently carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses. The operating cycle of the properties is such that the majority of the properties are held for longer period and will not be realized within twelve months.

Year ended 31 March 2022

6. Summary of significant accounting policies (continued)

X. Properties for development and sale (continued)

All properties for development are initially measured at acquisition cost and subsequently measured and accounted for lower of cost and net realizable value. This principally consists of projects under progress and land parcels for development in the ordinary course of business, rather than to be held for rental or capital appreciation. Cost comprises all directly attributable cost including land cost, direct material cost, direct labor costs, borrowing costs and those overheads that have been incurred in bringing the properties for development to their present location and condition. Cost is calculated using the average method. Impairment is tested comparing with net realizable value, which represents the estimated selling price less all estimated costs to completion and selling costs to be incurred. The operating cycle of the properties is such that majority of properties are held for longer period and will not be realized within 12 months.

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7. Investment property

See accounting policies in Notes 6C, 6F, 6M and 6R.

A. Reconciliation of carrying amount

	Buildings on freehold land			Buildings on leasehold land				Projects under construction (i)	Total					
	Land (iii)	Building component	Electrical component	Mechanical component	Firefighting system	Conveying system	Total buildings			Building component	Mechanical component	Total buildings on leasehold		
Cost:														
Balance at 1 April 2020	6,284,358,730	2,405,386,317	404,676,216	288,641,586	65,709,064	58,403,529	3,222,816,712	3,459,782,319	185,916,101	3,645,698,420	1,939,001,169	15,091,875,031		
Additions	14,468,583	28,991,328	199,235	3,748,138	250,140	693,500	33,882,341	72,907,329	2,794,545	75,701,874	666,824,512	790,877,310		
Transfers from project under construction	--	50,924,672	2,779,302	13,346,350	402,282	--	67,452,606	375,107,944	17,915,702	393,023,646	(460,476,252)	--		
Transfer from property and equipment (ii)	--	50,175,000	--	--	--	--	50,175,000	--	--	--	--	--	50,175,000	
Balance at 31 March 2021	6,298,827,313	2,535,477,317	407,654,753	305,736,074	66,361,486	59,097,029	3,374,326,659	3,907,797,592	206,626,348	4,114,423,940	2,145,349,429	15,932,927,341		
Additions	173,847,285	29,316,347	--	1,479,151	--	--	30,795,498	31,775,586	3,208,197	34,983,783	991,481,779	1,231,108,345		
Transferred to properties for development and sale (iii)	(1,099,653,010)	--	--	--	--	--	--	(17,861,715)	--	6,856,963	(774,716,170)	(1,099,653,010)		
Transfers	--	444,854,608	164,493,918	132,092,713	12,744,253	13,673,715	767,859,207	(17,861,715)	24,718,678	6,856,963	(774,716,170)	--		
Disposal	(121,363,625)	--	--	--	--	--	--	--	--	--	--	(121,363,625)		
Balance at 31 March 2022	5,251,657,963	3,009,648,272	572,148,671	439,307,938	79,105,739	72,770,744	4,172,981,364	3,921,711,463	234,553,223	4,156,264,686	2,362,115,038	15,943,019,051		
Accumulated depreciation and impairment losses:														
Balance at 1 April 2020	40,809,034	349,554,605	147,249,897	188,886,699	25,197,368	31,236,036	742,124,605	1,366,879,709	109,159,806	1,476,039,515	736,817	2,259,709,971		
Charge for the year	--	49,489,015	20,590,426	23,671,054	2,719,634	3,555,004	99,825,133	198,445,690	13,734,251	212,179,941	--	312,005,074		
Impairment for the year	2,900,000	--	--	--	--	--	--	1,533,236	--	1,533,236	--	4,433,236		
Balance at 31 March 2021	43,709,034	399,043,620	167,840,323	212,557,753	27,917,002	34,591,040	841,949,738	1,566,838,635	122,894,057	1,689,752,692	736,817	2,576,148,281		
Charge for the year	--	65,407,844	20,653,070	23,841,379	2,610,072	3,381,400	115,893,765	214,693,500	12,584,084	227,277,584	--	343,171,349		
Balance at 31 March 2022	43,709,034	464,451,464	188,493,393	236,399,132	30,527,074	37,972,440	957,843,503	1,781,552,135	135,478,141	1,917,030,276	736,817	2,919,319,630		
Carrying amounts:														
At 31 March 2021	6,255,118,279	2,136,433,697	239,814,430	93,178,321	38,444,484	24,505,989	2,532,376,921	2,340,938,957	83,732,291	2,424,671,248	2,144,612,612	13,356,779,060		
At 31 March 2022	5,207,948,929	2,545,196,808	383,655,278	202,908,806	48,578,665	34,798,304	3,215,137,861	2,140,159,328	99,075,082	2,239,234,410	2,361,378,221	13,023,699,421		

- i. Projects under construction pertains to expenditures relating to 7 malls (2021: 8 malls) which are in the course of construction as at the end of the reporting period and these are expected to be completed within 2 to 5 years. During the year ended 31 March 2022, the Group capitalized finance cost amounting to SR 259.9 million (31 March 2021: SR 173.5 million).
- ii. During the year ended 31 March 2021, FAS Holding Company for Hotels (a subsidiary) transferred buildings worth SR 50.2 million to Arabian Centers Company (a subsidiary). This transaction resulted in transfer of property and equipment to investment property.
- iii. During the year, the Group has changed the intended use for two parcels of its land to develop and sale it as a developed property in normal course of business. This transaction resulted in transfer of investment property to properties for development and sale. Refer Note 14B.

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7. Investment property (continued)

- iii. This amount includes a piece of land in Riyadh which was acquired by the Group in 2013 from a private real estate investment fund with a carrying value of SR 1,770 million (31 March 2021: SR 1,770 million). The land is under development under an approved scheme issued by the Riyadh Development Authority. The carrying amount of the development is SR 715 million (31 March 2021: SR 519 million).

The Supreme Court through its decision dated 23 Rajab 1442H (7 March 2021), cancelled certain land title deeds citing the violation of applicable legal procedures for the transfer of title deeds and subsequent deeds. Consequently, the title deed of the land owned by the Group was cancelled.

The Group submitted a letter to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud on 20 September 2021 requesting the cancellation of the Supreme Court decision. During February 2022, decision was issued by the Judicial Authority to reinstate the land title deed in the name of the Company.

B. Fair value of investment properties

The fair value of the investment properties is SR 24,505,009,600 as at 31 March 2022 (31 March 2021: SR 24,864,732,000). Independent third parties have performed the valuation of the investment properties using the comparative and income approach. The Valuers have appropriate qualifications and experience in the valuation of properties at the relevant locations and prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Professional Standards (2017) ("Standards") which comply with the international valuation standards.

The fair value hierarchy for the investment properties for disclosure purposes is grouped in level 3, with significant unobservable inputs adopted by the Valuer which are transparency of retail rental payment terms; discount rates; and capitalization rate (yields). The Company recognizes the amounts recognized in the consolidated investment properties at cost. The amounts recognized in the statement of profit or loss for investment properties during the years are as follows:

	<i>Note</i>	2022	2021
Revenue		2,037,485,632	1,856,358,833
Costs of revenue		(342,775,845)	(315,243,141)
Depreciation of investment properties		(343,171,349)	(312,005,074)
Impairment of investment properties		--	(4,433,236)
		1,351,538,438	1,224,677,382

- iv. As at 31 March 2022, the title deeds of plots of land amounting to SR 4,870 million (31 March 2021: SR 6,112 million) are pledged with the local banks against long-term loans (Please refer to [note 19](#)).
- v. Projects under construction include shopping malls, which are under various stages of completion. All contracts for construction and the design of these projects are awarded to a related party, Fawaz Abdulaziz Al Hokair & Partners Real Estate Company ("FARE") (Please refer to [note 17](#)).

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7. Investment property (continued)

B. Fair value of investment properties (continued)

vii. Net book values the Group's lands as at the end of the reporting years are as follows:

Shopping malls - land	Note	Owned by Group	Title deeds registered with the Group		2022	2021
			Yes	No		
Khaleej Mall	(i)	Yes	No		290,209,050	290,209,050
Hamra Mall	(i)	Yes	No		256,100,000	256,100,000
Salam Mall	(iv)	Yes	No		250,000,000	250,000,000
Nakheel Dammam Mall	(i)	Yes	No		210,000,000	210,000,000
Aziziah Mall Makkah	(ii)	Yes	No		207,696,248	192,696,248
Mall of Arabia - Jeddah	(i)	Yes	No		141,115,102	141,115,102
Sahara Plaza - Riyadh	(i)	Yes	No		75,240,000	75,240,000
Al Noor		Yes	Yes		68,120,000	68,120,000
Jubail Mall		Yes	Yes		32,500,000	32,500,000
Al Ehsa Mall	(i)	Yes	No		20,700,145	20,700,145
					1,551,680,545	1,536,680,545
Lands						
Oyoun Al Raed		Yes	Yes		1,770,439,947	1,770,439,947
Oyoun Al Basateen		Yes	Yes		1,067,162,500	1,067,162,500
Salbouxh Land	(i)	Yes	No		—	830,250,000
Muzdalifah Land		Yes	Yes		405,793,662	405,793,662
Olaya land		Yes	Yes		150,536,935	--
Al Qasseem	(v)	Yes	Yes		80,596,990	350,000,000
Kharj Land		Yes	Yes		71,591,955	67,340,000
Abha		Yes	Yes		62,000,000	62,000,000
Jeddah Land	(iii)	Yes	No		18,623,250	15,600,000
Al Ahsa Mall Extension Land		Yes	Yes		16,023,145	14,988,000
Khobar Land	(iii)	Yes	No		13,500,000	13,500,000
Dammam Land 1		No	No		—	115,763,625
Dammam Land 2		No	No		—	5,600,000
					3,656,268,384	4,718,437,734
Total land value					5,207,948,929	6,255,118,279

- (i) The title deeds of all plots of land are registered in the name of local banks against loans and borrowings.
- (ii) The title deeds of these plots of land are registered in the name of local banks against facilities which were repaid during the year ended 31 March 2020. The transfer of these title deeds to the Group is in progress.
- (iii) The title deeds of plots of land owned by the Group amounting to SR 32.1 million (31 March 2021: SR 1,285 million) are registered in the name of shareholders. The process to transfer the title deed will commence upon release on these lands from bank mortgage. As currently these lands are mortgaged as security against the loans and borrowings of the Company, meanwhile the shareholders have waived their rights over these properties and have confirmed that the risks and rewards pertaining to the lands have been transferred to the Company.
- (iv) During the financial year 2022, title deed of this plot is registered under the name of one of the affiliates who has assigned the beneficial ownership to the Company.
- (v) During the year, SR 269.4 million has been transferred to properties for development and sale during the year due to change in management's plan of use.

All amounts are presented in Saudi riyals unless otherwise stated.

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8. Right-of-use assets and lease liabilities

See accounting policies in Notes 6C, 6R and 6W.

A. Right-of-use assets

	<i>Note</i>	31 March 2022	31 March 2021
Balance at 1 April		4,428,855,457	5,181,563,753
Additions during the year		405,737,757	248,286,705
Depreciation for the year			
- Charge to profit or loss for the year	8C	(472,229,315)	(492,307,382)
- Capitalized for projects under construction		(20,781,728)	(26,732,930)
Adjustments for termination		(155,725,160)	(159,028,978)
Adjustments for remeasurement		89,747,974	(322,925,711)
Exchange differences		(1,841,850)	--
Balance at 31 March		4,273,763,135	4,428,855,457

B. Lease liabilities

	<i>Note</i>	31 March 2022	31 March 2021
Balance at 1 April		5,326,565,195	5,919,112,208
Additions during the year		405,737,757	248,286,705
Interest expense for the year			
- Charged to profit or loss during the year	8C	232,744,651	276,580,143
- Capitalized for projects under construction		37,989,657	47,692,692
Adjustments for termination		(173,939,957)	(160,565,029)
Adjustments for remeasurement		89,747,974	(323,657,805)
Rental concessions	8E	(32,555,860)	(163,470,888)
Transfer to prepayments and other assets		--	(36,513,006)
Payment of lease liability		(565,738,905)	(500,635,497)
Exchange differences		(16,876,989)	19,735,672
Balance at 31 March		5,303,673,523	5,326,565,195

Lease liabilities are presented in the consolidated statement of financial position as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Non-current portion of lease liabilities		4,262,348,039	4,184,627,193
Current portion of lease liabilities		1,041,325,484	1,141,938,002
Balance at 31 March		5,303,673,523	5,326,565,195

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8. Right-of-use assets and lease liabilities (continued)

C. Amounts recognized in profit or loss

	<i>Notes</i>	31 March 2022	31 March 2021
Depreciation charge for the year			
- Cost of revenue		(470,087,127)	(484,611,093)
- Administrative expenses	<i>28C</i>	(2,142,188)	(7,696,289)
	<i>8A</i>	(472,229,315)	(492,307,382)
Finance cost over lease liabilities	<i>8B</i>	(232,744,651)	(276,580,143)
		(704,973,966)	(768,887,525)

D. Group commitment to lease contracts - undiscounted

	31 March 2022	31 March 2021
Within one year	947,101,187	937,782,385
After one year but not more than five years	2,614,358,081	3,238,681,737
More than five years	4,666,103,764	4,701,504,049
	8,227,563,032	8,877,968,171

E. Rent concessions

The Group negotiated rent concessions with its landlords for the majority of its leased malls as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions relating to its leased lands/ malls. The amount recognized in consolidated profit or loss for the reporting period to reflect changes in lease payments arising from rent concessions to which the Group has applied the practical expedient for COVID-19-related rent concessions is SR 32 million (2021: SR 163.5 million).

F. Lease remeasurements

During the year ended 31 March 2021, the Group negotiated lease amendments for the Company's lease contract for the U-walk Jeddah Centre (formerly named Zahra Mall). The lease amendments mainly included reduction of lease commitments over the term of the contract and corresponding change in lease term.

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9. Property and equipment

See accounting policies in Notes 6C, 6E, 6M, 6R and 6S.

A. Reconciliation of carrying amount

	Note	Land	Buildings and leasehold improvement	Tools and equipment	Furniture and fixtures	Motor vehicles	Projects under construction (iii)	Total
Cost:								
Balance at 1 April 2020		547,428,424	3,582,845,630	186,833,841	927,445,390	23,902,561	609,837,285	5,878,293,131
Additions during the year		--	137,807,165	388,563	14,854,745	103,000	49,190,111	202,343,584
Transfer to investment property	7A(ii)	--	--	--	--	--	(50,175,000)	(50,175,000)
Disposals during the year		(2,991,216)	(380,584,838)	--	(38,216,739)	(676,850)	(13,278,455)	(435,748,098)
Transfer to assets held for disposal	(i)	--	(9,414,279)	(1,986,125)	(5,133,015)	--	--	(16,533,419)
Transfer to related party		--	--	--	--	--	(21,874,889)	(21,874,889)
Transfers from projects under construction		--	12,312,747	--	814,291	--	(13,127,038)	--
Exchange differences		1,696,728	--	--	1,700	--	13,436,080	15,134,508
Balance at 31 March 2021		546,133,936	3,342,966,425	185,236,279	899,766,372	23,328,711	574,008,094	5,571,439,817
Additions during the year		--	122,555,535	1,146,229	72,970,894	595,263	71,257,403	268,525,324
Disposals during the year		(400,000,000)	--	--	--	--	(77,516,460)	(477,516,460)
Written off / impaired	(ii)	--	(140,156,788)	--	(27,143,875)	(45,800)	(2,712,515)	(170,058,978)
Transfer to related party		--	--	--	(15,553)	--	--	(15,553)
Additions on Acquisition of subsidiary		(20,813,342)	--	--	408,716	--	--	(20,828,895)
Transfers from projects under construction		--	87,987,554	--	(9,473,874)	--	(78,513,680)	408,716
Transfers to intangible asset from projects under construction		--	--	--	--	--	(156,703,583)	(156,703,583)
Exchange differences		996,790	--	--	(8,244)	--	--	988,546
Balance at 31 March 2022		126,317,384	3,413,352,726	186,382,508	936,504,436	23,878,174	329,819,259	5,016,254,487
Accumulated depreciation and impairment losses:								
Balance at 1 April 2020		--	1,993,067,472	110,431,158	607,473,044	19,144,116	--	2,730,115,790
Charge for the year		--	246,551,619	16,189,817	74,919,462	1,000,034	--	338,660,932
Disposals		--	(324,377,821)	--	(29,473,992)	(676,843)	--	(354,528,656)
Transfer to assets held for disposal	(i)	--	(7,853,455)	(1,264,793)	(2,740,524)	--	--	(11,858,772)
Exchange differences		--	--	--	(607)	--	--	(607)
Balance at 31 March 2021		--	1,907,387,815	125,356,182	650,177,383	19,467,307	--	2,702,388,687
Charge for the year		--	137,947,478	13,532,157	58,401,863	904,669	--	210,786,167
Written off / impaired		--	(94,382,290)	--	(24,831,686)	(45,800)	--	(119,259,776)
Transfer		--	16,173,701	--	(16,173,701)	--	--	--
Transfer to / From RP		--	--	--	(7,836)	--	--	(7,836)
Additions on Acquisition of subsidiary		--	--	--	272,356	--	--	272,356
Exchange differences		--	--	--	(5,693)	--	--	(5,693)
Balance at 31 March 2022		--	1,967,126,704	138,888,339	667,832,686	20,126,176	--	2,794,173,905
Carrying amounts:								
At 31 March 2021		546,133,936	1,435,578,610	59,880,097	249,588,989	3,861,404	574,008,094	2,869,051,130
At 31 March 2022		126,317,384	1,446,226,022	47,494,169	268,671,750	3,551,998	329,819,259	2,222,080,582

i. During the year ended 31 March 2021, the Group entered into sale agreement to sell certain equipment, furniture and leasehold improvements with effect from 15 May 2021 and with net book value of SR 4.7 million at a consideration of SR 5.01 million. Thus, these assets have been classified as held for sale in the consolidated statement of financial position.

ii. Includes land amounting to SR 400 million sold to a local bank as part of settlement of the financing arrangement with the local bank. (note 19 A (iii)).

iii. Project under constructions include projects for hotels, solar plants and stores expansion.

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10. Goodwill and intangible assets

See accounting policies in Notes 6C, 6G, 6M and 6R.

A. Reconciliation of carrying amount

	Goodwill (10B)										Total
	Computer Software	Key money	Deferred charges	Solar Plant (i)	Trademarks	Web development cost	Customer related assets				
Cost											
Balance at 1 April 2020	76,568,084	154,586,222	12,109,290	309,395,953	--	--	--	--	--	--	1,373,635,519
Additions	42,375,908	1,485,200	2,006,424	--	--	--	--	--	--	--	253,694,565
Disposals	(235,035)	(4,892,080)	(680,011)	(2,354,603)	--	--	--	--	--	--	(8,161,729)
Exchange differences	--	--	--	5,759,393	--	--	--	--	--	--	5,759,393
Balance at 31 March 2021	118,708,957	151,179,342	13,435,703	312,800,743	--	--	--	--	--	--	1,624,927,748
Additions	44,899,342	8,126,106	6,790,788	--	127,636,916	2,720,881	11,744,405	--	--	--	201,918,438
Additions on acquisition of subsidiary	--	--	--	--	131,176	23,800,542	--	--	--	--	92,352,956
Disposals	(3,809,091)	(1,261,890)	(79,289)	(184,410,980)	--	--	--	--	--	--	(189,561,250)
Transfer from projects under construction	--	--	--	156,703,583	--	--	--	--	--	--	156,703,583
Transfer from other non-current asset	--	--	--	22,687,469	--	--	--	--	--	--	22,687,469
Reclass	(134,354)	--	--	--	--	--	--	--	--	--	(16,550,059)
Exchange differences	--	--	--	5,630,140	--	(498,197)	--	--	--	--	5,131,943
Balance at 31 March 2022	159,664,854	158,043,558	20,147,202	313,410,955	127,768,092	26,023,226	11,744,405	--	--	--	1,897,610,828
Accumulated amortization and impairment											
Balance at 1 April 2020	22,232,814	109,154,991	4,219,166	12,741,041	--	--	--	--	--	--	204,886,764
Charge for the year	--	6,826,079	1,793,081	12,456,862	--	--	--	--	--	--	25,077,381
Disposals	--	(3,648,550)	(153,009)	(459,387)	--	--	--	--	--	--	(4,495,981)
Exchange differences	--	--	--	285,543	--	--	--	--	--	--	285,543
Balance at 31 March 2021	22,232,814	112,332,520	5,859,238	25,024,059	--	--	--	--	--	--	225,753,707
Charge for the year	--	3,358,273	1,509,525	12,536,438	8,331	1,544,088	1,468,050	--	--	--	27,668,006
Disposals	--	(1,188,894)	(22,079)	--	--	--	--	--	--	--	(1,279,218)
Impairment	70,533,770	--	--	--	--	--	--	--	--	--	70,533,770
Additions on acquisition of subsidiary	--	--	--	--	15,438	7,768,636	--	--	--	--	7,784,074
Reclass	(16,415,705)	--	(792)	--	--	--	--	--	--	--	(16,550,059)
Exchange differences	--	--	--	48,817	--	(162,518)	--	--	--	--	(113,701)
Balance at 31 March 2022	76,350,879	114,501,899	7,345,892	37,609,314	23,769	9,150,206	1,468,050	--	--	--	313,796,579
Carrying amount											
At 31 March 2021	1,006,570,189	38,846,822	7,576,465	287,776,684	--	--	--	--	--	--	1,399,174,041
At 31 March 2022	1,004,457,657	43,541,659	12,801,310	275,801,641	127,744,323	16,873,020	10,276,355	--	--	--	1,583,814,249

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10. Goodwill and intangible assets (continued)

A. Reconciliation of carrying amount (continued)

- (i) One of the group's subsidiaries "the operator" and the New and Renewable Energy Authority in Egypt "the grantor" concluded a usufruct agreement for a defined piece of solar plant land "the site" to build, own, and operate a photovoltaic solar plant with an envisaged total capacity equal to the installed capacity, for a period of 25 year from the start of operation between the parties.

Under this agreement, the operator shall, at its own expense, construct an infrastructure and public facilities for the site. At the end of the agreement, all the assets of the operator to provide the services are either delivered to the operator or transferred to the grantor in return for an agreed compensation. As for the immovable assets, the exclusive ownership of the "grantor" remains.

Under this agreement, the operator must pay the grantor a usufruct fee, which is calculated on the basis of the total electricity produced by the operator on a monthly basis multiplied by an agreed rate, in addition to the operating and maintenance expenses of the infrastructure surrounding the site, which are calculated based on the operating capacity for the site. This agreement also includes a minimum usufruct fee, which is calculated in the event of other force major events. Total Usufruct fees for the year ending 31 December 2021 amounted to SAR 1,301 million (31 December 2020: SAR 1,309 million) which is included in cost of sales.

B. Goodwill

	Note	Year	Equity Interest	31 March 2022	31 March 2021
Nesk Projects Trading Co including Mango brand	(i)	2012 & 2014	100%	666,771,622	737,305,392
Innovative Union Company	(ii)	2020	100%	207,827,033	207,827,033
Wahba Trading Company Ltd	(iii)	2009	100%	61,437,764	61,437,764
Vogacloset Uk Limited	(iv)	2021	51%	68,421,238	--
Carrying amount				1,004,457,657	1,006,570,189

- i. Nesk Trading Projects Company operates fashion retail stores all over the Kingdom with franchise rights of a number of international fashion brands including Stradivarius, Mango, Okaidi, Women' Secret, Gerry Weber and Ikks.

The Group acquired Nesk Trading Projects Company, for cash in an aggregate amount of SR 730 million having net acquisition cost of SR 661.2 million after deducting net cash acquired amounting to SR 68.8 million.

The Group acquired the business of fashion retail and franchise rights of the international fashion brand Mango" in the Kingdom of Saudi Arabia for a consideration of SR 378 million.

- ii. The Group acquired Innovative Union Company with its subsidiaries (Azal Restaurants Company and Food Gate Company) from a related party. At the date of acquisition, the carrying value of net assets acquired was SR 132.2 million and the cost of acquisition was SR 340 million accordingly, a goodwill amounting to SR 207.8 million arose at the acquisition of this subsidiary.

Innovative Union Company operates food and beverage stores all over the Kingdom with franchise rights of a number of food brands including Cinnabon, Mama roti and Molten chocolates.

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10. Goodwill and intangible assets (continued)

B. Goodwill (continued)

- iii. The Group acquired Wahba Trading Company Limited at a fair value of SR 118.6 million and the cost of acquisition was SR 180 million accordingly, a goodwill amounting to SR 61.4 million arose at the acquisition of this subsidiary.
- iv. On 08 Rabi ul Awal 1443H (corresponding to 14 October 2022), the Group acquired an effective 51% equity interest in Vogacloset UK Company through a sale purchase agreement (SPA) signed by the Group in an aggregate amount of SR 204.8 million including SR 137.8 million paid in cash and SR 67 million committed to pay over 3 years based on a earn out scheme. The purchase price of the acquisition has been allocated to intangible assets and goodwill amounting to SR 139.5 million and SR 45.4 million.

C. Impairment test

Goodwill is tested annually for impairment by management. Recoverable amounts were determined on the basis of value-in-use calculation. This calculation uses cash flow projections for five years based on financial budgets approved by management. Cash flows beyond the budgets are extrapolated using the estimated growth rate for each of the Companies.

In management's opinion, the growth rate assumptions do not exceed the long-term average growth rates for fashion retail and food and beverage business in which the companies operate. Key assumptions for the value-in-use calculation are set out below;

	Azal Restaurant Company	Wahba Trading Company Limited	Nesk Projects Trading Company	Food Gate Company	Innovative Union Company	Vogacloset UK Company Limited
Discount rate	12.8%	11.1%	11.3%	11.4%	12.8%	12.3%
Budgeted gross margins	69%	59%	42%	76%	79%	21.2%
Average annual growth rate for sale	3%	5%	4%	3%	3%	33.9%
Terminal growth rate	2%	2%	2%	2%	2%	1.5%

The discount rates used are pre-zakat and reflect specific risks relating to the subsidiaries. Management has determined the budgeted gross margins based on past performance and its expectations for the market development.

The estimated recoverable amounts of Nesk Projects Trading Company and other cash generating units were based on their values in use, determined by discounting the future cash flows to be generated from the continuing use of the cash generating units. The carrying amount of the Nesk Projects Trading Company was determined to be higher than its recoverable amount of SR 947 assuming a pre-tax discount rate of 11.3% (2021: 13.3%) and average annual growth rate of 4% (2021: 2.2%) that resulted in an impairment loss of SR 71 million during year ended 31 March 2022. The impairment loss has been fully allocated to goodwill and charged to consolidated statement of profit or loss.

D. Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the subsidiaries, any adverse changes in a key assumption would result in an impairment loss. The key assumptions, where reasonably possible changes could result in impairment, are the terminal growth rates and the discount rates used.

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11. Equity-accounted investees

See accounting policies in Notes 6A, 6C, 6J and 6K.

	Notes	Place of incorporation	Principal activity	31 March 2022		31 March 2021	
				% of ownership	Amount	% of ownership	Amount
Hajen Printing Press	(i)	KSA	Printing press Ready-made	37.5%	3,488,072	37.5%	4,346,645
FG 4 Limited Developer Information Agency Co. (Sign Labs)	(ii)	UAE KSA	clothes Advertising	50.0% 33.3%	1,956,408 --	50.0% --	2,699,577 --
					5,444,480		7,046,222

- i. This represents investment in equity interest of Hajen Company Limited (the “Associate”). The Associate is engaged primarily in advertising services; publishing and distributing printed publications; audio and visual production and distribution; import and export of tools and equipment of modern technologies, recorded CDs, machines and materials related to advertising, printing, ink, paper, retail and wholesale trade in the tools, machines and equipment of modern technologies, advertising-related materials, and printing machines and materials.
- ii. During the year, the Group invest in as Sign labs company (the “Associate”), with its rights and obligations. The Associate is engaged primarily in advertising services and installing billboards.

A. Reconciliation of carrying amounts

Associates:	FG 4 Limited	Hajen Printing Press	Developer Information Agency Co. (Signlab)	Aswaq Al Mustaqbal for Trading Company	Investate Harbour Land	Burberry Saudi Co. Ltd.	Investate Harbour	Total
Balance at 1 April 2020	2,022,462	6,159,089	--	53,079,928	16,495,421	12,494,323	900,546	91,151,769
Disposal	--	--	--	(54,732,371)	--	(9,000,577)	--	(63,732,948)
Share of profit / (loss) and impairment*	677,115	(1,812,444)	--	1,652,443	(16,495,421)	(3,493,746)	(900,546)	(20,372,599)
Balance at 31 March 2021	2,699,577	4,346,645	--	--	--	--	--	7,046,222
Additions	--	--	33,000	--	--	--	--	33,000
Share of profit / (loss) and impairment*	(743,169)	(858,573)	(33,000)	--	--	--	--	(1,634,742)
Balance at 31 March 2022	1,956,408	3,488,072	--	--	--	--	--	5,444,480
Summarized statement of financial position:	31 March 2022	31 Dec 2021	31 Dec 2021	31 March 2020	31 July 2018	30 Nov 2020	31 July 2018	Total
Assets	18,610,256	20,639,103	4,001,204	250,040,393	182,446,340	65,791,249	25,008,482	566,537,027
Liabilities	14,695,661	11,337,578	8,249,233	37,720,681	4,453,560	27,192,394	4,503	103,653,610
Net Assets	3,914,595	9,301,525	(4,248,029)	212,319,712	177,992,780	38,598,855	25,003,979	462,883,417
Percentage ownership interest	50%	37.5%	33.3%	25%	9.3%	0%	1.7%	
Group's share of net assets	1,956,408	3,488,072	--	--	--	--	--	5,444,480
Summarized statement of profit or loss:								
Revenue	20,790,716	19,665,574	2,422,657	150,040,846	--	14,952,821	--	207,872,614
Total comprehensive income	(1,486,339)	(2,289,529)	(1,513,193)	63,364,828	--	(11,376,131)	--	46,699,636
Group's share of profit / (loss)	(743,169)	(858,573)	(33,000)	1,652,443	--	(3,493,746)	--	(3,476,045)

*Share of profit or losses has been recorded based on the latest available financial information. No material movements have occurred between the date of latest available financial information and 31 March 2022.

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Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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12. Other investments

See accounting policies in Notes 6C, 6J and 6K.

A. Reconciliation of carrying amount

	Equity securities in real estate projects, funds and others at FVOCI - unquoted (i)	Equity securities in at FVOCI - quoted (ii)	Equity securities in a real estate fund at FVTPL - quoted (iii)	Total
Cost				
Cost at 1 April 2020	1,262,302,332	26,828,351	207,000,000	1,496,130,683
Additions	84,432,122	--	--	84,432,122
Disposals	(121,500,000)	--	--	(121,500,000)
Transfer	(1,000)	--	--	(1,000)
Cost at 31 March 2021	1,225,233,454	26,828,351	207,000,000	1,459,061,805
Revaluation adjustments				
As at 1 April 2020	(109,979,711)	(19,955,934)	(735,625)	(130,671,270)
Unrealized gain – Profit or loss	--	--	15,571,465	15,571,465
Unrealized loss – OCI	55,076,368	(1,773,526)	--	53,302,842
Transfer to retained earnings	(31,154,273)	--	--	(31,154,273)
As at 31 March 2021	(86,057,616)	(21,729,460)	14,835,840	(92,951,236)
Balance at 31 March 2021	1,139,175,838	5,098,891	221,835,840	1,366,110,569
Cost				
Cost at 1 April 2021	1,225,233,454	26,828,351	207,000,000	1,459,061,805
Additions	--	--	--	--
Cost at 31 March 2022	1,225,233,454	26,828,351	207,000,000	1,459,061,805
Revaluation adjustments				
As at 1 April 2021	(86,057,616)	(21,729,460)	14,835,840	(92,951,236)
Unrealized loss – Profit or loss (Refer to note 28E and F)	--	--	(1,807,212)	(1,807,212)
Unrealized gain / (loss) – OCI	71,679,784	(1,099,921)	--	70,579,863
Exchange difference	(141,327,228)	--	--	(141,327,228)
As at 31 March 2022	(155,705,060)	(22,829,381)	13,028,628	(165,505,813)
Balance at 31 March 2022	1,069,528,394	3,998,970	220,028,628	1,293,555,992

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12. Other investments (continued)

- i. Investments in real estate projects, funds and others – Unquoted represents equity investments in the below companies:

	<i>Note</i>	31 March 2022	31 March 2021
Egyptian Centres Real Estate Development Company	<i>a</i>	740,119,547	754,632,017
Marakez for Real Estate Investment Company	<i>b</i>	203,468,599	260,005,115
Khomasiat Taibah Limited Company	<i>c</i>	69,147,027	58,401,787
Yanbu Real Estate Company	<i>d</i>	45,923,611	45,923,611
Audacia Capital	<i>e</i>	6,036,920	8,641,318
Azizia Panda United Company	<i>f</i>	3,934,023	10,673,323
Akwaan Properties	<i>g</i>	898,667	898,667
		1,069,528,394	1,139,175,838

- (a) During the year ended 31 March 2021, the company had acquired financial instrument amounting to 742.1 million of Egyptian Centers for Real Estate Development (ECRED) in consideration for the settlement of a receivable from ECRED. At initial recognition, the Group designated this investment as equity securities at FVOCI. As at 31 March 2022, investment in ECRED has been valued at SR 740.1 million using multiple valuation techniques whereas the fair value gain and exchange difference for the year have been recognized in other comprehensive income.
- (b) During the year ended 31 March 2021, the company had acquired financial instrument amounting to EGP 1,149.8 million (equivalent to SR 273.9 million) of Marakez for Real Estate Investment (Marakez) in consideration for the settlement of a receivable from Marakez. At initial recognition, the Company designated this investment as equity securities at FVOCI. As at 31 March 2022, investment in Marakez has been valued at SR 203.5 million using multiple valuation techniques whereas the fair value gain and exchange difference for the year have been recognized in other comprehensive income.
- (c) This represents 7.14% equity investment in Khomasiat Taibah Limited Company.
- (d) This investment represents 9.77% investment in equity in real estate held by Yanbu Real Estate.
- (e) This represents 9.3% equity investment in Audacia Capital.
- (f) This represents equity investment of 1.128% in Azizia Panda United Company.
- (g) This represents 4.5% equity investment in Akwaan Properties.
- ii. This represents investment in shares of DEPA Ltd. (listed in NASDAQ Dubai). During the year, the Group has recorded change in fair value gain on this investment amounting to SR 1,099,921 (2021: SR 1,773,526).
- iii. Equity securities in a real estate fund at FVTPL – quoted represents equity investments in the below companies:
- (a) *Al Jawhara Real Estate Fund*: This represents 0.25% equity investment in Al Jawhara Real Estate Fund (formerly known as Digital City Fund) (68 units each for SR 100,000) purchased for SR 6.8 million. Net asset value (NAV) of the investment amounted to SR 6.5 million (31 March 2021: SR 5.9 million). The realized gain amounting to SR 0.62 million has been recognized in the consolidated statement of profit or loss (31 March 2021: loss of SR 0.28 million).
- (b) *Al Mubarak Real Estate Income Fund II*: This represents investment in 20,000,000 units of Al Mubarak Real Estate Income Fund II (“the Fund”) with a nominal value of SR 10 each which has been acquired by the Company in exchange of its share of ownership of an investment property. The fund is a private closed ended real estate investment fund and the Group acquired its units on 16 December 2019.

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13. Receivable against disposal of subsidiaries

See accounting policies in Notes 6A, 6C, 6J and 6K.

	Note	31 March 2022	31 March 2021
Global Levia and its subsidiaries	(i)	--	75,000,000
		--	75,000,000

- i. During the year ended 31 March 2017, the Group had disposed off Global Levia and its subsidiaries as per the terms of the sale purchase agreement dated 29 June 2016 for a total consideration of SR 375 million receivable in 5 annual equal installments starting from 29 June 2017 onwards. During the current year due balance of SR 75 million was settled through shareholder's current account.

14. Inventories

See accounting policies in Notes 6C, 6X, 6H and 6Q.

This includes Merchandise inventory (including goods available for sale and goods in transit stated at the lower of cost and net realizable value.) and properties for development and sale. For more details refer Note 14B.

A. Merchandise

	Note	31 March 2022	31 March 2021
Merchandise		1,473,885,492	1,155,674,884
Goods in transit		252,428,646	111,644,820
Supplies		21,949,565	29,141,193
Gross inventories		1,748,263,703	1,296,460,897
Provision for inventory	(i)	(46,833,271)	(144,018,526)
Net inventories		1,701,430,432	1,152,442,371

- i. Movement in provision for inventory is as follows:

	Note	31 March 2022	31 March 2021
Opening balance		144,018,526	261,345,054
Charge during the year	28A	33,903,027	107,712,293
Written-off during the year		(131,088,282)	(225,038,821)
Closing balance		46,833,271	144,018,526
Inventories directly written off to profit or loss		27,250,576	369,567,774

B. Properties for development and sale

	Note	2022	2021
Transferred from investment properties	7A	1,099,653,007	--
Additions during the year		23,450,443	--
Borrowing cost capitalized during the year		39,539,721	--
		1,162,643,171	--

During the current year as part of the strategic decision the Group has changed the intended use for two parcels of its land with a carrying value of SR 1,099.6 million to develop and sale in normal course of business. The Group does not expect to complete and sell the properties in the next twelve months.

The title deed of a parcel of land having carrying value of SR 830.3 million was registered in the name of the shareholders and the same is mortgaged to a bank against the Loan of the Group. The process to transfer the title deed in the name of the Group will commence upon release on these lands from bank mortgage. Meanwhile the shareholders have waived their rights of this land and have confirmed that the risks and rewards pertaining to the land have been transferred to the Group.

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15. Accounts receivable

See accounting policies in Notes 6C, 6J, 6K and 6Q.

	Note	31 March 2022	31 March 2021
Accounts receivable	(i)	493,111,609	479,687,791
Less: provision for doubtful debts	(ii)	(192,903,923)	(193,654,413)
		300,207,686	286,033,378

- i. Accounts receivable mainly comprise of interest free net receivables due from private tenants with no credit rating. Before accepting any new customer, management of the Group assesses the potential customer's credit quality and defines credit limits. Unimpaired rentals receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and vast majority are, therefore, unsecured. In determining the recoverability of accounts receivable, the Group considers any change in the credit quality of the accounts receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

There are no customers who comprise more than 10% of the total accounts receivable balance.

- ii. The movement in provision for doubtful debts is as follows:

	Note	31 March 2022	31 March 2021
Balance at 1 April		193,654,413	171,053,528
Provision during the year		33,854,794	109,064,072
Written-off during the year		(34,605,284)	(86,463,187)
		192,903,923	193,654,413
Amounts directly charged to consolidated profit or loss - Impairment of accrued revenue	(iii)	25,190,353	29,058,453
Total included in consolidated profit or loss		59,045,147	138,122,525

- iii. It represents release of unamortized portion of rent-free period / lease straight lining to profit or loss on account of termination of lease.

16. Prepayments and other current assets

See accounting policies in Notes 6C, 6J and 6K.

	Note	31 March 2022	31 March 2021
Advances to suppliers and sub-contractors		106,543,537	239,994,116
Prepaid expenses		133,967,590	73,570,552
Other receivables		127,969,230	10,086,790
Margins on letters of credit and letters of guarantee		52,323,340	94,536,836
Security deposits		31,671,992	34,664,512
Receivable against credit card sales		21,415,915	13,462,051
Employee receivables	(i)	19,139,693	18,186,424
Advances to contractor		--	22,687,469
Accrued custom refund		11,713,181	9,871,057
Profit rate swaps used for hedging		5,081,126	--
VAT receivables		3,067,003	4,450,360
Margin compensation receivable		133,069	133
		513,025,676	521,510,300

It is presented in the consolidated statement of financial position as follows:

	Note	31 March 2022	31 March 2021
Prepayments and other current assets		495,525,676	476,322,831
Other non-current assets	(ii)	17,500,000	45,187,469
		513,025,676	521,510,300

- i. During the year, employee receivables amounting to SR 18,924 (31 March 2021: 31,700) were written off.
ii. This includes a non-current receivable from landlord as a result of modification in lease arrangement due in 5 installments starting from 2023. These are classified as other non-current assets.

All amounts are presented in Saudi riyals unless otherwise stated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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17. Related parties

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, and vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities. Balances and transactions between the Parent Company and its subsidiaries, which are related parties within the Group, have been eliminated on consolidation and are not disclosed in this note.

The list of shareholders of the Company including the details of the shares owned are disclosed in [note 24](#) to the consolidated financial statements.

Interest in subsidiaries are set out in [note 1](#) to the consolidated financial statements.

A. Key management personnel compensation

Key management personnel compensation is comprised as follows:

	31 March 2022	31 March 2021
Compensation to key management personnel ('KMP')	36,141,597	37,541,929
Post-employment benefits	3,946,454	4,677,742
Board of Directors remuneration and compensation	34,630,533	13,903,000
	74,718,584	56,122,671

B. Related party transactions and balances

I - Related party balances are presented in the statement of financial position as follows:

	31 March 2022	31 March 2021
Advances to a contractor	595,352,020	582,469,359
Amount due from related parties	657,553,438	180,400,628
Amount due to related parties	(41,791,239)	(39,248,924)
	1,211,114,219	723,621,063

II - Related party transactions and balances with shareholders are as follows:

	31 March 2022	31 March 2021
Transactions with shareholders		
Dividends settled through shareholders' account	--	(300,000,000)
Dividends paid in cash	(188,179,026)	--
Fund transferred to shareholders	--	139,226,088
Expenses paid on behalf of shareholders	563,633,099	74,611,922
Related party receivables balances settled through shareholders' account	(75,000,000)	75,000,000
Employees' end-of-service benefits transferred (to) / from related parties and shareholders	--	(1,761,898)
Transfer of subsidiary to shareholders	(3,916,093)	(248,297,996)
Zakat transferred to shareholders	--	(7,736,572)
Dividends from subsidiaries	--	379,685,375
Balances with shareholders		
Due from / (to) shareholders	296,054,818	(483,162)

All amounts are presented in Saudi riyals unless otherwise stated.

**Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
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Year ended 31 March 2022

17. Related parties (continued)

B. Related party transactions and balances (continued)

III - During the year, the Group transacted with its related parties. The terms of those transactions are approved by management/Board of Directors in the ordinary course of business. The significant transactions and the related amounts are as follows:

Name of related party (excluding shareholders)	Notes	Business status	Transactions						Balances	
			Renting of retail and office space on behalf of the Company / (related party)	Security services rendered	Purchase of Goods	Transfer of Assets	Other	Total	Accounts receivable / (Payable)	
31 March 2022										
Lynx Contracting Company (formerly known as Fawaz Alhokair Real Estate)		Limited Liability Company	--	30,661,494	--	77,516,460	--	108,177,954	166,284,593	
Ezdihar Holding Co and its subsidiaries	(v)	Limited Liability Company	44,856,125	--	--	--	--	44,856,125	42,892,560	
Salman & Sons Holding Co and its associates	(ii)	Limited Liability Company	52,646,187	--	--	--	--	52,646,187	38,847,672	
Majid Al Amal Co. Limited and its associates	(iii)	Limited Liability Company	22,887,263	--	--	--	--	22,887,263	33,248,863	
Tadaris Al Najd Securities	(iv)	Limited Liability Company	--	51,093,917	--	--	--	51,093,917	20,840,813	
Al Farida Trading Agencies		Limited Liability Company	--	3,793,249	--	--	--	3,793,249	10,468,017	
Fasan Restaurants LLC		Limited Liability Company	--	--	--	--	--	--	6,950,676	
FAS Jersey Limited		Limited Liability Company	--	6,490,119	--	--	--	6,490,119	6,490,119	
Billy Beez Egypt		Limited Liability Company	--	--	--	--	--	--	5,262,903	
Abdul Mohsin Al Hokair Group for Tourism and Development	(i)	Joint Stock Company	21,395,241	--	--	--	--	21,395,241	3,026,229	
FAS Spain Limited		Limited Liability Company	--	--	--	--	2,997,819	2,997,819	2,997,819	
Fawaz Alhokair Enterprise Company		Limited Liability Company	--	99,974	--	--	--	99,974	2,831,295	
Ezdetic Company Limited		Limited Liability Company	--	--	--	--	1,870,000	1,870,000	1,870,000	
Developer Info Agency Co (Sign Lab)		Limited Liability Company	--	1,067,000	--	--	--	1,067,000	1,067,000	
Ebthikar For Renewable Energy		Limited Liability Company	--	--	--	--	367,642	367,642	955,595	
Wonderful Meals Company		Limited Liability Company	--	--	43,819,015	--	--	43,819,015	(23,544,221)	
Food & Entertainment Company Limited		Limited Liability Company	--	--	--	--	3,697,049	3,697,049	(2,210,638)	
Hajen printing press		Limited Liability Company	--	--	--	--	4,577,100	4,577,100	(350,028)	
Marakez Holding for Real Estate		Joint Stock Company	--	--	--	--	(101,023)	(101,023)	(482,760)	
FAS Energy Ukraine		Limited Liability Company	--	--	--	--	--	--	24,875	
Others, net		Limited Liability Company	5,196,892	3,634,354	--	--	--	8,831,246	2,235,998	
			146,981,708	45,746,190	51,093,917	43,819,015	77,516,460	378,565,877	319,707,380	

All amounts are presented in Saudi riyals unless otherwise stated.

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17. Related parties (continued)

B. Related party transactions and balances (continued)

Name of related party (excluding shareholders)	Notes	Business status	Transactions					Balances			
			Renting of retail and office space services rendered	Treasury and other services rendered	Expenses paid on behalf of the Company / (related party)	Security services rendered	Other	Total	Accounts receivable / (Payable)		
31 March 2021											
Lynx Contracting Company (formerly known as Fawaz Alhokair Real Estate)		Limited Liability Company	--	17,063,202	(27,076,353)	--	--	(4,523,468)	(14,536,619)	77,136,592	
Abdul Mohsin Al Hokair Group for Tourism and Development		Joint Stock Company	21,395,241	--	--	--	--	--	21,395,241	28,947,242	
Salman & Sons Holding Co and its associates	(i)	Limited Liability Company	33,433,898	(300,000)	(1,065,500)	--	219,169	--	32,287,567	23,588,248	
Majid Al Amal Co. Limited and its associates	(ii)	Limited Liability Company	23,842,530	--	--	--	--	--	23,842,530	8,855,548	
Tadaris Al Najd Securities	(iii)	Limited Liability Company	--	1,515,347	(472,874)	67,766,094	--	--	68,808,567	8,825,690	
Al Farida Trading Agencies	(iv)	Limited Liability Company	--	--	--	--	5,123,771	--	5,123,771	6,341,828	
Fasan Restaurants LLC		Limited Liability Company	36,845,540	--	(6,950,676)	--	--	--	(6,950,676)	6,950,676	
Ezdihar Holding Co and its subsidiaries	(v)	Limited Liability Company	--	--	--	--	--	--	36,845,540	6,741,667	
Billy Beez Egypt		Limited Liability Company	--	--	--	--	--	--	--	5,262,903	
Wonderful Meals Company		Limited Liability Company	--	--	--	--	(6,517,505)	--	(6,517,505)	(16,671,369)	
Food & Entertainment Company Limited		Limited Liability Company	--	55,952	13,964,674	--	--	--	14,020,626	(5,907,687)	
Hajen printing press		Limited Liability Company	--	--	--	--	1,719,302	--	1,719,302	(820,795)	
Egyptian Centres for Real Estate Development		Joint Stock Company	6,378,761	--	--	--	--	--	6,378,761	--	
Others, net		Limited Liability Company	5,834,529	--	(625,790)	--	50,000	--	5,258,739	(7,615,677)	
			127,730,499	18,334,501	(22,226,519)	67,766,094	(3,928,731)	187,675,844	141,634,866		

All amounts are presented in Saudi riyals unless otherwise stated.

Year ended 31 March 2022

17. Related parties (continued)

B. Related party transactions and balances (continued)

IV - Information about the fellow associates/affiliates and their relationship

- i. Abdul Mohsin Al Hokair Group for Tourism and Development leases space for indoor and outdoor family entertainment centres in the Group's shopping malls. These leases range from 5 to 10 years in length. Abdul Mohsin Al Hokair and Tourism and Development is owned by a relative of the Controlling Shareholders.
- ii. Salman & Sons Holding Co and its associates is a mix of entities which leases spaces in several of the Group's shopping malls mainly for entertainment purposes. These entities are owned by controlling shareholder (Salman Abdulaziz Alhokair) and their close family members. These are as follows:
 - Sala Entertainment Company leases space for an indoor soft play entertainment venue in the Company's shopping malls. The leases are for a term of 10 years.
 - Kids Space Company leases space in Mall of Arabia (Jeddah) for 'Kidzania', a children's interactive play centre. The term of the lease is ten years, with automatic renewal unless one party gives notice. The lease contains turnover rent provisions and rent escalation mechanics.
 - Via Media, Vida first for beverages Est., Vida Trading Est. and Fashion District Co. leases spaces in several of the Group's shopping malls. The term of the leases range from 1 to 3 years.
 - Skills Innovative Games leases space for entertainment venues in Yasmeen Mall Jeddah. The term of the lease is approximately 10 years.
- iii. Majd Al Amal Co. Limited and its associates is a mix of entities which leases spaces in several of the Company's shopping malls. The term of the leases range from 3 to 7 years. The Company is owned by close family members of the Controlling Shareholders. Entities includes Majd Al Amal Co. limited, Wealth Company Limited, Almuzn Foods and Sarya Al Majd Co.
- iv. Tadaris Alnajd Security Company (TNS) currently provides security services to all of the Company's shopping malls. The Company entered into a civil security services agreement with TNS providing that TNS provides civil security services in the malls, which includes the provision of security guards and other security personnel and security vehicles. The agreement is automatically renewable by mutual consent.
- v. Ezdihar Holding Co and its subsidiaries is a mix of entities which leases spaces in several of the Company's shopping malls mainly for trading purposes. These entities are owned by close family members of the Controlling Shareholder (Fawaz Abdulaziz Alhokair) and their close family members. These are as follows:
 - Next Generation Company Limited currently leases cinemas and space planned for cinemas in the Company's shopping malls.
 - Ezdihar Sports Co. leases space for a fitness centres in U-Walk. The term of the lease range is approximately 10 years.

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17. Related parties (continued)

C. Advances to a contractor

Advances to a contractor represents advance paid to Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company) for the construction of shopping malls, which are under various stages of completion.

Name of related party	Business status	Relationship	Construction work services received		Balances	
			2022	2021	31 Mar 2022	31 Mar 2021
Lynx Contracting Company	Limited Liability	Affiliate	711,920,602	370,293,611	595,352,020	582,469,359

With the consent of the shareholders of the Company, the Company has signed framework agreement for the construction of all projects are awarded to other related party Lynx Contracting Company (formerly known as Fawaz Abdulaziz Al Hokair & Partners Real Estate Company)

18. Cash and cash equivalents

See accounting policies in Notes 6C, 6I and 6J.

	Note	31 March 2022	31 March 2021
Bank balances	(i)	681,247,147	1,049,696,368
Cash on hand		31,779,496	20,720,895
Cheques under collection		27,682,406	--
Bank balances – time deposits		--	85,690,914
		740,709,049	1,156,108,177

- i. Bank balances in current accounts includes SR 6 million (2021: SR 237 million) which represent placement deposits with financial institutions. The deposits are for short term period and carries average profit rate of 1.5% (2021: 0.9%).

19. Loans and borrowings

See accounting policies in Notes 6C and 6J.

	Note	31 March 2022	31 March 2021
Islamic facilities with local and international banks (murabaha)	(i)	11,619,866,162	14,083,168,618
Sukuk	(ii)	5,156,200,000	1,874,950,000
Loans for Hotels	(iii)	683,000,000	698,401,991
Financing against inventory	(iv)	--	116,693,493
Financing against Solar Plant Project	(v)	78,666,065	90,464,169
Banking facilities of GCC subsidiaries	(vi)	11,905,219	18,292,283
Overdraft facilities with local banks		60,539,626	11,881,838
Islamic banking facilities of Non - GCC subsidiaries		--	3,541,520
Deferred Sukuk premium		32,911,308	--
Less: Unamortised transaction cost		(185,254,028)	(132,500,464)
		17,457,834,352	16,764,893,448
Short term borrowings		221,789,714	167,687,537
Current portion of long-term borrowings		3,881,233,062	1,692,125,406
Loans and Borrowings - Current liabilities		4,103,022,776	1,859,812,943
Loans and Borrowings – Non-current liabilities		13,354,811,576	14,905,080,505
		17,457,834,352	16,764,893,448

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 29.

All amounts are presented in Saudi riyals unless otherwise stated.

Year ended 31 March 2022

19. Loans and borrowings (continued)

A. Terms and repayment

- i. Islamic facilities with local and international banks (Murabaha):

Arabian Centres Company Limited

Arabian Centres Company Limited entered into a long-term Islamic facility arrangement amounting to SR 5,250 million (equivalent USD 1,400 million), with local and international banks. This facility is divided into a Murabaha facility up to SR 500 million (maturing in 12 years), Ijara facilities up to SR 4,000 million (maturing in 8 and 12 years), and Revolving Murabaha up to SR 750 million (maturing in 3 years). These facilities are fully utilized as at reporting date except revolving Murabaha facility.

The long-term loan is repayable in unequal semi-annual instalments and are subject to commission rates based on SIBOR/LIBOR plus an agreed commission rate. In order to reduce its exposure to commission rate risks the Group has entered into an Islamic profit rate swap for portion of its long-term loan.

The facilities are secured by insurance policies, proceeds of rental income, and land and buildings of several malls. However, formalities relating to registration of security documents are under process.

The above facility agreements contain covenants, which among other things, require certain financial ratios to be maintained. These facilities were fully utilized by the company during the financial year ended 31 March 2021.

During the year ended 31 March 2022, in addition to the scheduled semi-annual repayment of SR 45 million, the Company made voluntary repayments of SR 202 million against the Murabaha facility, SR 1,617 million against the Ijara facility, and SR 750 million to fully repay the Revolving Murabaha facility.

Saudi FAS Holding Company

Saudi FAS Holding Company has entered into various Islamic and other facility arrangements amounting to SR 4,808 million (2021: SR 5,878 million) with local and international banks. The borrowings are secured by a mortgage on specific asset, personal guarantees of the shareholders, portfolio of the shares in subsidiaries, demand promissory note and promissory notes. As per the agreements the terms of the loans will be completed in the years from 2021 to 2031. These facilities carry mark up at SIBOR plus agreed margin.

Fawaz Abdulaziz Al Hokair & Co.

Fawaz Abdulaziz Al Hokair & Co. signed a long-term Murabaha financing agreement with a Local Commercial Bank amounting to facilities of SR 2,400 million and USD 166,000 on 1 March 2020. As per the terms of the agreement, the term of the Murabaha facility is for a period of seven years. The Murabaha facility is secured by promissory notes issued by the Company. The facility is repayable in six half yearly installments commencing after 12 months from the date of signing the agreement. As at 31 March 2022, the Group has fully utilized this facility. The interest rate on this facility is SIBOR + 2.7% on loan tranche taken in SR and LIBOR + 3% on loan tranche taken in USD.

The loans contain certain financial covenants. A breach of covenants may lead to renegotiation including increase in profit rates, withdrawal of facility or repayment on demand. During the year ended 31 March 2022, there has been non-compliance of certain covenants on the outstanding facility.

19. Loans and borrowings (continued)

A. Terms and repayment (continued)

The Murabaha commercial terms agreement between the Company and the lending banks mandates that the existing breach of the financial covenants considered as an event of default which in turns allows the banks to declare the whole loan outstanding balance to be immediately due and accordingly the long term loan balance of SR 2,253 million has been reclassified to be part of the current liabilities on the consolidated statement of financial position. The Company requested the lenders to waive the breach of loans covenants more than once during the year to which the lenders did not agree. However, the lenders have agreed that any waivers of the breach of loan covenants will only be considered in light of successful implementation of Capital Restructuring Transaction, the prepayment of revolving Murabaha Facilities and the corresponding partial cancellation of commitments under the Revolving Murabaha Facilities. The Board of Directors in their meeting dated 10 November 2021 had resolved that the Company will proceed with the rights issue of **SR 1,000 million. On the board's recommendation, the shareholders through an extra-ordinary general meeting held on 29 June 2022 have approved the reduction of the share capital of the parent company to absorb the accumulated losses of **SAR 952 million** as at 31 December 2021. The rights issue is yet to be approved by the shareholders.

Saudi FAS Real Estate Company

Saudi FAS Holding Company has entered into a Islamic facility amounting to SR 150 million with a local bank. The borrowings are secured by a mortgage on specific asset, personal guarantees of the shareholders, portfolio of the shares in subsidiaries, demand promissory note and promissory notes. These facilities carry mark up at SIBOR plus agreed margin.

ii. Arabian Centres Company

a) On 20 November 2019, Arabian Centres Sukuk Limited (a special purpose company established for the purpose of issuing Sukuk) completed the issuance of an International USD denominated Shari'ah compliant Sukuk "Sukuk Certificates" amounting to USD 500 million (equivalent SR 1,875 million), at a par value of USD 0.2 million each, annual yield of 5.375% payable semiannually and a maturity in five years. Sukuk Certificates may be subject to early redemption at the option of the Company as per certain specified conditions mentioned in the Sukuk Certificate.

b) On 7 April 2021, Arabian Centres Sukuk II Limited (a special purpose company established for the purpose of issuing Sukuk) completed the issuance of a Five and half year International USD denominated Shari'ah compliant Sukuk "Sukuk II Certificates" amounting to USD 650 million (equivalent SR 2,437.5 million), at a par value of USD 0.2 million each, annual yield of 5.625% payable semi-annually. On 28 July 2021, the Company issued additional Sukuk II certificates amounting to USD 225 million (equivalent SR 843.75 million), at a premium of 4.75%. These certificates are secured by the proceeds of rental income of certain malls. Sukuk Certificates may be subject to early redemption at the option of the Company as per specified conditions mentioned in the Sukuk Certificate.

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19. Loans and borrowings (continued)

A. Terms and repayment (continued)

iii. Fas Hotels Company

- a) During the year ending March 31, 2011, the company entered into a "lease agreement" with a local commercial bank to finance the development of some under construction properties in an amount of 350.9 million Saudi riyals. According to the agreement, the lease term is eight and a half years from the date of the first withdrawal. The rental facilities carry a profit margin according to treasury expenses plus a commission of 3% during the construction period for constructions under implementation for hotels, a profit margin according to the prevailing rates between Saudi banks, "SIBOR", plus a commission of 2.75% for the period following the construction process. These financing facilities are secured by mortgages of land owned by Mr. Salman Abdulaziz Al-Hokair, personal guarantees and shares of the parent company. During the year 2022, the loan balance has been shifted to a working capital loan.
- b) During the year ending March 31, 2017, the company entered into a "term sale financing agreement" with a local bank to finance working capital requirements in an amount of SR 2 billion. According to the agreement, the lease term is nine years from the date of the first withdrawal. Profit margin according to treasury expenses the price of SIBOR is 2.75% per year, with a minimum of 5% per year. These facilities are guaranteed by mortgage of lands in favor of the bank, and the partners, Messrs. Salman bin Abdulaziz Al Hokair and Mr. Abdul Majeed bin Abdulaziz Al Hokair, for their share of the annual profits of Fawaz Abdul Aziz Aziz Al Hokair & Co. for hotels and a bank account will be opened for them.
- c) During the year 2021-2022, the group has rescheduled the Ijarah and working capital loans to be SR 683 million. According to the new agreement, the period is eleven years from the date of the first withdrawal. Profit margin according price of SIBOR + 3% per year, with minimum of 5.75% per year. There are a grace period of two years from the date of the first withdrawal. The installment of the loan will be paid on annual basis start from October 2023 and ends on October 2032. The agreement is subject to arrangement fees of SR 6 million which has been charged to Saudi FAS Holding company. These facilities are guaranteed by mortgage of lands in favor of the bank, and personal guarantee from Mr. Fawaz bin Abdulaziz Al Hokair, Mr. Abdul Majeed bin Abdulaziz Al Hokair and Saudi FAS Holding company.
- iv. During 2020, Fawaz Abdulaziz Al Hokair & Co. had entered into an arrangement with an unrelated counterparty whereby the Group sold certain inventory items for SR 137.3 million and repurchased the same for SR 150 million with a settlement term of 1 year. As the Group continued to retain control over these inventory items the arrangement does not qualify as sale and purchase transaction. Accordingly, this arrangement is not reflected as sale or purchase but as secured short-term financing. The differential between the sale and repurchase price is being amortized over the period of the arrangement. The arrangement is secured by irrevocable standby letters of credit. During the year ended 31 March 2022, the outstanding loan was fully repaid.
- v. FAS Energy and its subsidiaries;
- During 2019 and 2020, loan agreement were signed between a subsidiary and a foreign bank for the purpose of financing solar power station projects. The loan amounted to USD 29,000,000 that will be repaid in 18 installments. With a profit margin in addition to the Corridor rate. These loans are secured by insurance policies from the solar power station in the amount of USD 20,000,000.
- vi. The borrowings under GCC subsidiaries are secured by corporate guarantee given by the Parent Company. The facility is for short-term period on prevailing market terms.

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19. Loans and borrowings (continued)

B. Reconciliation of carrying amount

	<i>Notes</i>	31 March 2022	31 March 2021
Balance at 1 April		16,897,393,912	16,803,249,668
Proceeds received		5,115,373,037	2,471,192,278
Repayments made		(4,402,589,877)	(2,377,048,034)
		17,610,177,072	16,897,393,912
Deferred Sukuk premium	<i>(viii)</i>	32,911,308	--
Un-amortized transaction costs	<i>(vii)</i>	(185,254,028)	(132,500,464)
Balance at 31 March		17,457,834,352	16,764,893,448

vii. Un-amortized transaction costs movement is as follows:

	<i>Notes</i>	31 March 2022	31 March 2021
Balance at 1 April		132,500,464	156,428,025
Addition, net of sukuk premium		97,682,651	8,681,934
Amortized to statement of profit or loss	<i>28D</i>	(36,485,517)	(30,170,975)
Capitalized to property and equipment		(8,443,570)	(2,438,520)
Balance at 31 March		185,254,028	132,500,464

viii. Below is the repayment schedule of the outstanding long-term loans:

	31 March 2022	31 March 2021
Within one year	4,115,815,532	1,877,975,103
Between two to five years	7,365,256,806	8,098,251,669
More than five years	6,129,104,734	6,921,167,140
	17,610,177,072	16,897,393,912

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20. Employees' end of service benefits

See accounting policies in Notes 6C and 6T.

The Group maintains an unfunded end-of-service benefits (benefit plan) to its employees taking into consideration the local labor law applicable in the countries where the Group is operating. The benefit provided by this benefit plan is a lump sum based on the employees' final salaries and allowance and their cumulative years of service at the date of the termination of employment.

The benefit liability recognized in the consolidated statement of financial position in respect of defined benefit end-of-service plan is the present value of the DBO at the reporting date.

The DBO is calculated periodically by qualified actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation (equivalent to a duration of around 8 to 12 years). In countries where there is no deep market in such bonds, the market rates on government bonds are used. The discount rate is based on government bond yields in KSA.

Re-measurement amounts of actuarial gains and losses on the DBO, if any, are recognized and reported within other reserves under the consolidated statement of comprehensive income and in the consolidated statement of changes in equity.

A. Movement in employee benefits liability

	31 March 2022	31 March 2021
Balance at 1 April	142,527,185	143,846,744
Included in profit or loss		
Current service cost	31,291,093	29,218,528
Interest cost	4,228,634	5,304,515
Past service cost	101,099	--
	35,620,826	34,523,043
Included in OCI		
Actuarial loss / (gain) arising from		
--remeasurements	(742,311)	114,379
-- financial assumptions	(10,546,914)	12,122,041
-- other assumptions and experience adjustments	(330,205)	(2,427,939)
	(11,619,430)	9,808,481
Transfers (to) / from related parties	--	(1,761,898)
Benefits paid	(26,183,593)	(43,889,185)
Balance at 31 March	140,344,988	142,527,185

B. Significant actuarial assumptions

The significant actuarial assumptions used were as follows:

	31 March 2022	31 March 2021
Economic assumptions		
Discount rate	3.2% - 4.1%	3.20% - 4.10%
Withdrawal rate	5% - 20%	5.00% - 20.00%
Salary growth rate	0% - 4% for FY 2021-22 and 5% for each future year	0% - 3% for FY 2021-22 and 5% for each future year
Average retirement age	60	60

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20. Employees' end of service benefits (continued)

C. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions made in the calculation would provide closing balance as follows:

	Base value	31 March 2022		Base value	31 March 2021	
		Increase	Decrease		Increase	Decrease
Salary inflation (1% movement)	(140,344,988)	(155,402,402)	(126,895,371)	(142,527,185)	(155,518,046)	(127,969,923)
Discount rate (1% movement)	(140,344,988)	(127,048,852)	(155,513,039)	(142,527,185)	(127,842,913)	(155,489,611)

21. Trade payables and other liabilities

See accounting policies in Notes 6C, 6J, 6L and 6Q.

A. Trade payables and other liabilities – current

	Notes	31 March 2022	31 March 2021
Trade payables			
Trade payables	(i)	978,639,338	896,450,340
		978,639,338	896,450,340
Other liabilities – current			
Finance cost	(ii)	230,563,680	174,515,844
Accrued expenses		203,395,039	154,766,679
Sub-contractors' cost		196,496,463	135,077,107
Salaries and other employee costs		120,504,606	111,548,413
Tenants' security deposits		93,374,649	57,964,566
Others		98,970,717	11,050,072
Obligation related to investments - current portion	(iv)	48,843,797	--
Consignment margin		41,329,218	5,269,432
Royalty payable		39,810,649	14,900,071
White land tax		8,829,546	8,829,546
Other financial liability	(iii)	--	140,346,630
Payable against credit cards		--	2,894,579
Profit rate swaps used for hedging		--	1,082,698
		1,082,118,364	818,245,637
Trade payables and other liabilities		2,060,757,702	1,714,695,977

i. Accounts payable are amounts which are owed to suppliers for the purchase of trade goods or services. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

ii. Movement in accrued finance cost is as follows:

	Notes	31 March 2022	31 March 2021
Balance at 1 April		174,475,844	167,009,087
Borrowings	28D	550,423,697	624,101,793
Payments		(762,061,090)	(750,102,604)
Capitalized finance costs		253,091,442	123,428,143
Reimbursement of commission on Sukuk II		14,633,787	--
Others		--	10,079,425
Balance at 31 March		230,563,680	174,515,844

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21. Trade payables and other liabilities (continued)

A. Trade payables and other liabilities – current (continued)

- iii. During 2019, the Group has entered into a arrangement with the bank to settle outstanding loan of SR 115 million with the same bank (herein after referred to as the “refinancing arrangement”) as part of this arrangement i) the loan was settled against the sale of a land which was mortgaged under the original loan arrangement. ii) The Group has right to repurchase the land by 31 December 2020 at an agreed consideration (i.e. SR 115 million and commission computed based on IRR of 9.6% per annum till date of purchase). iii) The bank undertakes to transfer the ownership of the land to the Company upon such request and payment of purchase price as stipulated above and during the term of agreement it has no right to sell the property, mortgage it, or dispose it in any kind of disposition that effects the Company’s right to purchase the property during the period.

During the year, the Group has completely settled the re-financing arrangement by allowing the bank to exercise its right over the land.

B. Other non-current liabilities

	<i>Notes</i>	31 March 2022	31 March 2021
Tenants’ security deposits		53,583,832	69,448,668
Payables to contractors		49,624,398	73,977,075
Obligation related to investments	<i>(iv)</i>	18,165,537	--
		121,373,767	143,425,743

- iv. On Rabi I 8, 1443 (H) corresponding to October 14, 2022 (G), FAS Lab (subsidiary) acquired an effective 51% equity interest in Vogacloset UK Company through a sale purchase agreement (SPA) signed by the Group in an aggregate amount of SR 204,803,040 including SR 137,793,707 paid in cash and SR 67,009,172 committed to pay over 3 years based on an earn out scheme as per the following;

	31 March 2022	31 March 2021
Obligation related to investments - Current liabilities	48,843,797	--
Obligation related to investments – Non-current liabilities	18,165,375	--
	67,009,172	--

22. Contract balances

See accounting policies in Notes 6C and 6J.

Contract liabilities

Contract liabilities represent cash received against which services are to be performed or goods are to be delivered by the Group in the future. At the end of each accounting period, adjusting entries are made to recognize the portion of unearned revenue that has been earned during the year.

Accrued revenue

Accrued revenue represents unamortized portion of lease incentives including discounts, rent free period and straight lining. It is presented in the consolidated statement of financial position as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Accrued revenue – non-current portion		211,674,126	285,996,070
Accrued revenue – current portion		105,837,066	142,998,035
Balance at 31 March		317,511,192	428,994,105

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23. Zakat and tax liabilities

See accounting policies in Notes 6C and 6U.

A. Amounts recognized in statement of profit or loss

	<i>Note</i>	2022	2021
Current year zakat charge	23C	88,880,913	49,793,997
Changes in estimates of zakat related to prior years	23C	20,172,882	(14,540,638)
Current year income tax charge	23D	12,703,524	8,769,334
Current year deferred tax charge	23E	4,769,695	4,204,575
		126,527,014	48,227,268

B. Amounts recognized in statement of financial position

	<i>Note</i>	2022	2021
Zakat liability	23C	132,150,465	81,729,058
Income tax liability	23D	13,299,860	10,330,872
		145,450,325	92,059,930

C. Zakat

i. Movement in zakat liability is as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Balance at 1 April		81,729,058	126,760,032
Current year zakat charge	23C (ii)	88,880,913	49,793,997
Changes in estimates of zakat related to prior years		20,172,882	(14,540,638)
Transferred to shareholders		--	(7,736,572)
Transferred from / (to) related parties		3,778,814	(14,651,309)
Currency difference		--	(8,072)
Payments		(62,411,202)	(57,888,380)
Balance at 31 March		132,150,465	81,729,058

ii. Zakat charge for the year consists of the current year provision, based on the following:

	<i>Note</i>	31 March 2022	31 March 2021
Shareholders' equity, beginning balance		1,916,591,721	2,771,317,817
Income / (loss) before zakat and income tax		(42,913,849)	(570,219,369)
Non-current liabilities		18,043,420,242	19,290,667,436
Non-current assets		(24,216,768,409)	(24,340,669,377)

iii. Status of zakat assessments of the Company and its local subsidiaries are as follows:

Saudi FAS Holding Company

The Company has filed its zakat returns with the ZATCA for all years up to the year ended 31 March 2006 and received the zakat certificates. The zakat assessments have been completed up to year ended 31 March 2006. Effective the year ended 31 March 2007, the shareholders of the Company are preparing and submitting combined zakat returns for the Company and its wholly owned subsidiaries. Accordingly, the combined zakat returns for the years 2007 to 2020 have been submitted to ZATCA. It should be noted that despite the fact that the shareholders of the Company are submitting a combined zakat return, the Group's management computes and records the zakat provision based on the Group's individual zakat base.

On 5 Jumaada Awwal 1436H (corresponding to 24 February 2015), the Company received a letter from ZATCA requesting submission of individual zakat return for each company instead of combined zakat returns previously submitted for the years from 2007 to 2016. The Company has submitted its appeal which was approved by ZATCA on 16 June 2017. On 11 Rabi Awal 1440H (corresponding to 19 November 2018), the Group received the final zakat assessments on the combined zakat returns submitted to ZATCA for the years 2007 to 2016 resulting in lower amount of zakat provision as compared to the amounts reflected per the Group's records. Consequently, the Group recorded a zakat reversal amounting to SR 456.7 million during the financial year ended 31 March 2019.

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23. Zakat & tax liabilities (continued)

Fawaz Abdulaziz Al Hokair & Co

Fawaz Abdulaziz Al Hokair & Co. has filed its zakat returns with ZATCA for all years up to and including the year ended 31 March 2020. The zakat returns for the years for 31 March 2015 and 31 March 2016 are under review of ZATCA. The Company finalized zakat assessment for the year 31 March 2008 to 2014 in prior year according to decision received by appeal committee which resulted in amount payable of SR 36.2 million.

Arabian Centres Company

Until the year ended 31 March 2019, the Ultimate Parent Company prepared and submitted combined zakat returns for the Ultimate Parent Company and its wholly owned subsidiaries, including Arabian Centres Company, to Zakat, Tax and Customs Authority as per Zakat, Tax and Customs Authority letter. The ultimate parent Company has received final assessment order for zakat until the year 31 March 2016.

D. Income tax

i. Movement in income tax liability is as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Balance at 1 April		10,330,872	6,294,091
Current year income tax charge		12,703,524	8,769,334
Reclassification		--	4,716,899
Currency difference		16,850	100,261
Payments		(9,751,386)	(9,549,713)
Balance at 31 March		13,299,860	10,330,872

ii. Status of income tax assessments foreign subsidiaries of Fawaz Abdulaziz Al Hokair & Co. are as follow:

The income tax returns for subsidiaries in Jordan, Egypt and Morocco and USA have been filed for all years until 31 March 2021. For Georgia, Kazakhstan, Azerbaijan, and Armenia the income tax returns have been filed up to 31 March 2022. For subsidiaries Balkan Countries the income tax returns have been filed up to the year ended 31 December 2021.

The income tax returns for above subsidiaries are under review by the relevant tax authorities. As at 31 March 2022, there are no pending adverse assessments relating to income tax in any of the subsidiaries.

E. Deferred tax

i. Movement in deferred tax liability is as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Balance at 1 April		8,447,163	8,417,495
Current year deferred tax charge		4,769,695	4,204,575
Reclassification		--	(4,271,301)
Additions on acquisition of subsidiary		2,182,699	--
Currency difference		14,857	96,394
Payment during the year		(127,245)	--
Balance at 31 March		15,287,169	8,447,163

24. Share capital

The Company's shareholding as at 31 March 2022 and 31 March 2021 are as follows:

	<i>Note</i>	No. of shares	Amount
Mr. Fawaz Abdulaziz Al-Hokair		310,000	3,100,000
Mr. Salman Abdulaziz Al-Hokair		310,000	3,100,000
Dr. Abdul Majeed Abdulaziz Al-Hokair		310,000	3,100,000
Fawaz Abdulaziz Al-Hokair & Co. Holding Company		35,000	350,000
SAAF International Company Limited		35,000	350,000
		1,000,000	10,000,000

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25. Reserves

See accounting policies in Notes 6B, 6J, 6L and 6T.

Statutory reserve

In accordance with Companies law and the Company's By-laws, the Company must transfer 10% of its income for the year to the statutory reserve. In accordance with Company's By-laws, the Company may resolve to discontinue such transfers when the reserve totals 50% of the capital. This having been achieved and the Company elected not to transfer any additional amount to reserve. The reserve is not available for distribution.

Other reserves

Movement on other reserves is shown below:

	Cumulative currency translation reserve (i)	Cumulative actuarial gains	Cash flow hedge	Unrealized gains on Other investments	Total
Balance at 1 April 2020	(372,068,449)	51,022,415	--	(75,452,651)	(396,498,685)
Cumulative currency translation adjustments	29,528,000	--	--	--	29,528,000
Re-measurements of employees' end-of-service benefits	--	(6,689,247)	--	--	(6,689,247)
Change in fair value of hedge	--	--	(865,617)	--	(865,617)
Change in fair value through other comprehensive income	--	--	--	42,384,560	42,384,560
Transfer to Retained earnings	--	(5,301,033)	--	(24,661,627)	(29,962,660)
Balance at 31 March 2021	(342,540,449)	39,032,135	(865,617)	(57,729,718)	(362,103,649)
Cumulative currency translation adjustments	(136,730,031)	--	--	--	(136,730,031)
Re-measurements of employees' end-of-service benefits	--	8,396,907	--	--	8,396,907
Change in fair value of hedge	--	--	4,832,168	--	4,832,168
Change in fair value through other comprehensive income	--	--	--	66,325,894	66,325,894
Balance at 31 March 2022	(479,270,480)	47,429,042	3,966,551	8,596,176	(419,278,711)

- i. Cumulative currency translation reserves represent exchange translation difference in respect of receivables from foreign subsidiaries and net investment in foreign operations, mainly Commonwealth of Independent States (CIS Countries), Ukraine and Egypt.

26. Dividends distribution

See accounting policy in Note 6V.

The Company's shareholders in their meeting held on 31 May 2021 and 30 June 2021 resolved to distribute dividends amounting to SR 188,179,026. Total dividend was settled through adjusting amount due from shareholders.

The Company's shareholders in their meeting held on 18 Shaaban 1442H (corresponding to 31 March 2021) resolved to distribute dividends amounting to SR 300,000,000. Total dividend was settled through adjusting amount due from shareholders.

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27. Revenue

See accounting policy in Note 6D

The Group generates revenue primarily from the sale of goods, rental income from mall operations, service charges, management charges and other expenses recoverable from tenants, services revenue from hotels operations and revenue from service concession arrangements with regard to energy power production.

	<i>Notes</i>	2022	2021
Revenue from sale of goods			
- Apparels		4,135,028,127	3,331,042,183
- Footwear & accessories		360,152,378	279,605,376
- Food and beverages		517,201,391	365,150,746
- Other retail sales		1,055,265,524	276,157,981
		6,067,647,420	4,251,956,286
Rental income	<i>(i), (ii)</i>	1,495,236,065	1,380,712,660
Service charges, management charges and other expenses recoverable from tenants		96,922,520	89,577,726
Revenue from rendering of services		85,086,496	63,303,198
Turnover rent		54,601,964	27,766,071
Service concession arrangements	<i>(iii)</i>	64,871,038	65,124,570
Commission income on provisions for utilities for heavy users, net		4,278,194	2,771,570
Others		2,305,661	--
		7,870,949,358	5,881,212,081

- i. Rental income includes related maintenance and insurance costs of Malls' premises included as a part of rent for each of the tenants.
- ii. Group as a lessor: The Group has entered operating leases on its investment properties portfolio consisting of various buildings. These leases have terms of between 1 to 5 years. Leases include a clause to enable upward revision of the rental charge depending on the lease agreements. Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting periods are as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Within one year		1,384,082,987	1,561,405,019
After one year but not more than five years		1,687,787,753	2,115,906,078
More than five years		394,338,699	598,764,359
		3,466,209,439	4,276,075,456

- iii. Represents solar (renewable) energy sales made to the Government authorities of Egypt under a concession arrangement.

28. Income and expenses

See accounting policies in Notes 6D, 6N, 6Q and 6R.

A. Direct cost

	<i>Note</i>	2022	2021
Cost of goods sold		3,437,283,357	2,495,829,858
Employee salaries and other benefits		754,542,361	641,049,598
Utilities expenses		226,576,860	166,071,291
Cleaning expenses		70,937,026	66,358,276
Repairs and maintenance expense		64,351,286	56,518,321
Provision for obsolete and slow-moving inventories	<i>(i)</i>	61,153,603	477,280,067
Security expenses		50,526,093	67,429,816
Rent expense		47,423,274	18,846,927
Cost of services		5,424,302	1,309,160
Others		176,870,774	121,476,209
		4,895,088,936	4,112,169,523

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28. Income and expenses (continued)

A. Direct cost (continued)

- i. It includes a charge for inventory provision of SAR 33.9 million (2021: SAR 107.7 million). Further, it also includes a charge of SR 27.25 million (2021: SR 369.6 million) relating to write-down of inventories to net realizable value which were recognized directly as an expense and not routed through the inventory provision account as mentioned in **note 14**.

B. Selling and marketing expenses

	<i>Note</i>	2022	2021
Advertising, promotion and publishing		99,655,988	36,583,272
Employees' salaries and related benefits		74,046,403	82,510,188
Bank charges		11,815,993	16,329,609
Freight and distribution charges		4,911,675	571,548
Travel expense		4,886,210	4,012,463
Repair and maintenance including utilities expense		3,469,033	8,924,291
Rent expense		184,530	2,401,793
Others		16,243,488	15,273,173
		215,213,320	166,606,337

C. Administrative expenses

	<i>Note</i>	2022	2021
Employees' salaries and related benefits		388,898,860	272,420,535
Professional fees		52,597,794	41,693,022
Repairs and maintenance expense		25,396,661	27,616,695
Government fees and related charges		20,362,828	22,092,429
Travel expenses		20,175,795	16,257,038
Stationery and supplies		19,164,974	11,415,208
Insurance expenses		13,084,227	11,055,713
Bank charges		10,766,955	16,559,624
Management expenses		8,444,309	--
Rent expense		3,638,581	3,187,963
Depreciation of rights-of-use asset	8C	2,142,188	7,696,289
Others		112,304,444	102,314,773
		676,977,616	532,309,289

D. Finance costs

	<i>Note</i>	2022	2021
Finance costs over loans and borrowings		550,423,697	626,738,047
Amortization of transaction costs including write off	19B(i)	36,485,517	30,170,975
Other financing cost		8,287,750	4,798,100
Bank charges for loan facilities		5,878,530	1,175,037
		601,075,494	662,882,159

E. Other income

	<i>Note</i>	2022	2021
Income from sale of investments		72,958,108	250,594,662
Rental concession for leases		32,555,860	163,470,888
Foreign exchange gain		29,207,264	5,400,806
Gain on lease termination		19,213,797	2,268,145
Reversal of liabilities no longer payable	(i)	18,129,016	13,135,626
Commission income on bank deposits		4,388,605	6,043,055
Compensation received from landlord		3,750,000	10,750,000
Gain on change in fair value of investment	12	622,132	15,860,000
Gain on asset held for sale		429,474	--
Dividend income		--	2,857,500
Other		54,437,389	32,228,594
		235,691,645	502,609,276

- i. It includes long aged deposits and white land tax provisions which are no longer payable.

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28. Income and expenses (continued)

F. Other expenses

	<i>Note</i>	2022	2021
Loss on disposal of property and equipment		251,680,452	7,223,642
Loss on store closures		37,135,173	76,007,836
Loss on transfer of subsidiaries		18,194,017	--
Real estate tax on purchase of investment property		12,645,300	--
Loss on change in FV of investment	12	2,429,344	--
Impairment of advances to suppliers		1,267,388	--
Foreign exchange loss		2,446	47,208,909
Loss on disposal of investment property		35,063,625	--
Other		1,271,818	3,426,562
		359,689,563	133,866,949

29. Financial instruments - fair values and risk management

See accounting policies in Notes 6B, 6J, 6K, 6L and 6N.

A. Financial instruments by category

Financial instruments have been categorized as follows:

31 March 2022	<i>Note</i>	FVOCI	FVTPL	Amortized cost	Total
Financial Assets					
Other investments	12	1,073,527,364	220,028,628	--	1,293,555,992
Cash and bank balances	18	--	--	740,709,049	740,709,049
Amounts due from related parties	17	--	--	657,553,438	657,553,438
Derivative assets		--	29,616,914	--	29,616,914
Accounts receivables	15	--	--	300,207,686	300,207,686
Margins on letters of credit and letters of guarantee	16	--	--	52,323,340	52,323,340
Other receivables	16	--	--	220,191,209	220,191,209
		1,073,527,364	249,645,542	1,970,984,722	3,294,157,628
Financial Liabilities					
Loans and borrowing	19	--	--	17,457,834,352	17,457,834,352
Lease liabilities	8B	--	--	5,303,673,523	5,303,673,523
Trade payables and other financial liabilities	21	--	--	1,763,988,014	1,763,988,014
Tenants' security deposits		--	--	146,958,481	146,958,481
Amounts due to related parties	17	--	--	41,791,239	41,791,239
Others		--	--	67,789,935	67,789,935
		--	--	24,782,035,544	24,782,035,544
31 March 2021					
Financial Assets					
Other investments	12	1,144,274,729	221,835,840	--	1,366,110,569
Cash and bank balances	18	--	--	1,156,108,177	1,156,108,177
Amounts due from related parties	17	--	--	180,400,628	180,400,628
Accounts receivables	15	--	--	286,033,378	286,033,378
Margins on letters of credit and letters of guarantee	16	--	--	94,536,836	94,536,836
Receivable against sale of a subsidiary	13	--	--	75,000,000	75,000,000
Other receivables	16	--	--	135,908,796	135,908,796
		1,144,274,729	221,835,840	1,927,987,815	3,294,098,384
Financial Liabilities					
Loans and borrowing	19	--	--	16,764,893,448	16,764,893,448
Lease liabilities	8B	--	--	5,326,565,195	5,326,565,195
Trade payables and other financial liabilities	21	--	--	1,501,964,732	1,501,964,732
Tenants' security deposits		--	--	127,413,234	127,413,234
Amounts due to related parties	17	--	--	39,248,924	39,248,924
Others		--	--	73,977,075	73,977,075
		--	--	23,834,062,608	23,834,062,608

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29. Financial instruments - fair values and risk management (continued)

A. Financial instruments by category (continued)

Fair value estimation 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognized in consolidated statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

B. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	31 March 2022			Total
		Level 1	Level 2	Level 3	
Financial assets					
FVOCI – equity instruments					
Egyptian Centres for Real Estate Development Co.	740,119,547	--	--	740,119,547	740,119,547
Marakez for Real Estate for Investments	203,468,599	--	--	203,468,599	203,468,599
Khomasiat Taibah Limited Company	69,147,027	--	--	69,147,027	69,147,027
Yanbu Real Estate Company	45,923,611	--	--	45,923,611	45,923,611
Azizia Panda United Company	3,934,023	--	--	3,934,023	3,934,023
Audacia Capital	6,036,920	--	--	6,036,920	6,036,920
DEPA Ltd.	3,998,970	3,998,970	--	--	3,998,970
Akwaan Properties	898,667	--	--	898,667	898,667
	1,073,527,364	3,998,970	--	1,069,528,394	1,073,527,364
FVTPL – equity instruments					
Al Mubarak Real Estate Income Fund – II	213,430,656	--	213,430,656	--	213,430,656
Al Jawhara Real Estate Fund	6,597,972	--	--	6,597,972	6,597,972
	220,028,628	--	213,430,656	6,597,972	220,028,628
Total financial assets	1,293,555,992	3,998,970	213,430,656	1,076,126,366	1,293,555,992

All amounts are presented in Saudi riyals unless otherwise stated.

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29. Financial instruments - fair values and risk management (continued)

B. Accounting classification and fair values (continued)

	31 March 2021				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
FVOCI-- equity instruments					
Egyptian Centres for Real Estate Development Co.	754,632,017	--	--	754,632,017	754,632,017
Marakez for Real Estate for Investments	260,005,115	--	--	260,005,115	260,005,115
Khomasiat Taibah Limited Company	58,401,787	--	--	58,401,787	58,401,787
Yanbu Real Estate Company	45,923,611	--	--	45,923,611	45,923,611
Azizia Panda United Company	10,673,323	--	--	10,673,323	10,673,323
Audacia Capital	8,641,318	--	--	8,641,318	8,641,318
DEPA Ltd.	5,098,891	5,098,891	--	--	5,098,891
Akwaan Properties	898,667	--	--	898,667	898,667
Amlak International for Real Estate Finance Co.	--	--	--	--	--
	1,144,274,729	5,098,891	--	1,139,175,838	1,144,274,729
FVTPL – equity instruments					
Al Mubarak Real Estate Income Fund - II	215,860,000	--	215,860,000	--	215,860,000
Al Jawhara Real Estate Fund	5,975,840	--	--	5,975,840	5,975,840
	221,835,840	--	215,860,000	5,975,840	221,835,840
Total financial assets	1,366,110,569	5,098,891	215,860,000	1,145,151,678	1,366,110,569

Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest rate method and as a result the carrying amounts is a reasonable approximation of the fair value. Fair value of other financial instruments approximates their carrying amounts largely due to the short-term maturities of these instruments.

C. Measurement of fair values

The following tables show the valuation techniques used in measuring Level 3 fair values for above investments as well as the significant unobservable inputs used:

Type	Valuation technique and significant unobservable inputs
Equity securities	The valuation model is based on discounted cash flows and considers the present value of the expected future income receivable under lease agreements and forecast take-up of vacant units, discounted using a risk-adjusted discount rate. The estimate is adjusted for the net debt of the investee. Significant unobservable inputs include expected cash flows and risk adjusted discount rate. The estimated fair value would increase (decrease) if: <ol style="list-style-type: none"> the expected cash flows were higher (lower); or the risk-adjusted discount rate were lower (higher).

D. Derivatives designated as hedging instruments

As at 31 March 2022, the Group held Islamic Profit Rate Swaps (“IRS”) of a notional value of USD 373 million (equivalent to SR 1.4 billion) in order to reduce its exposure to commission rate risks against long term financing. The table below shows the fair values of derivatives financial instruments, recorded as negative fair value. The notional amounts indicate the volume of transactions outstanding at the period end and are neither indicative of the market risk nor the credit risk.

Description of the hedged items	Hedging instrument	Fair Value	Note	31 Mar 2022	31 Mar 2021
Commission payments on floating rate loan	IRS	Positive / (Negative)	16, 21A	5,081,126	(1,082,698)
Commission payments on floating rate loan	IRS	Positive		29,616,914	--

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29. Financial instruments - fair values and risk management (continued)

D. Derivatives designated as hedging instruments

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity component of the Group.

Fair values of cash flow hedge represent the mark to market values of the Islamic Profit rate swaps as at 31 March 2022. The cash flow hedge reserve included under other reserves represents the effective portion of cash flow hedge.

E. Financial risk management

The Group's principal financial liabilities are loans and borrowings, lease liabilities, amounts due to related parties, trade payables and other payables. The Group has accounts receivable, trade payable and cash and bank balances that arise directly from its operations.

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's board of directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Group.

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

- Credit risk
- Liquidity risk
- Market risk (including commission rate risk, real estate risk and currency risk)
- Equity price risk
- Capital management risk

ii. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its leasing activities, including Accounts receivables, advances, deposits with banks and financial institutions. The Group's exposure to credit risk is as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Accounts receivable	15	300,207,686	286,033,378
Amounts due from related parties	17	657,553,438	180,400,628
Other receivables	16	220,191,209	135,908,796
Bank balances	18	681,247,147	1,135,387,282
Receivable against sale of a subsidiary	13	--	75,000,000
		1,859,199,480	1,812,730,084

Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

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29. Financial instruments - fair values and risk management (continued)

E. Financial risk management (continued)

i. Credit risk (continued)

Accounts receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and sector in which customers operate.

Each entity within the group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the entity's standard payment and delivery terms and conditions are offered. The review includes financial statements, industry information and in some cases bank references. Credits to each customer are reviewed periodically. The Group limits its exposure to credit risk by offering credit terms which are typically not longer than three months on average. In monitoring customer credit risk, customers are grouped according to their credit characteristics trading history with the Group and existence of previous financial difficulties.

Expected credit loss assessment as at 31 March 2022

The Group uses an allowance matrix to measure the ECLs of accounts receivable from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics such as geographic region, age of customer relationship and type of product purchased.

Loss rates are based on actual historic credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast gross domestic product growth and unemployment rates. The following table provides information about the exposure to credit risk and ECLs for accounts receivable from customers as at 31 March 2022 and 31 March 2021:

	31 March 2022		
	Gross Carrying amount	Weighted-average loss	Loss Allowance (%)
0-90 days past due	98,867,511	14,707,544	15%
91-180 days past due	60,074,586	11,467,461	19%
More than 180 days past due	334,169,512	166,728,918	50%
	493,111,609	192,903,923	
	31 March 2021		
	Gross Carrying amount	Weighted-average loss	Loss Allowance (%)
0-90 days past due	81,908,957	11,979,514	15%
91-180 days past due	66,227,670	13,583,431	21%
More than 180 days past due	331,551,164	168,091,468	51%
	479,687,791	193,654,413	

Due from related parties

An impairment analysis is performed at each reporting date on an individual basis for the major related parties. The maximum exposure to credit risk at the reporting date is the carrying value of the amounts due from related parties. The Group does not hold collateral as a security. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates. The Group evaluates the risk with respect to due from related parties as low, as majority of the related parties are owned by the same shareholders. Financial position of related parties is stable. There were no past due or impaired receivables from related parties.

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29. Financial instruments - fair values and risk management (continued)

E. Financial risk management (continued)

i. Credit risk (continued)

Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by treasury in accordance with the Group's policy. Cash is substantially placed with national banks with sound credit ratings. The Group does not consider itself exposed to a concentration of credit risk with respect to banks due to their strong financial background. Cash balances are held with banks with sound credit ratings ranging from BBB- to AAA+.

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Contractual maturities of financial liabilities:	Carrying value	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 March 2022					
Loans and borrowings	17,457,834,352	4,852,141,783	12,124,658,134	2,673,451,429	19,650,251,346
Lease liabilities	5,303,673,523	829,838,109	2,245,619,107	4,474,206,708	7,549,663,924
Trade payables and other liabilities	1,763,988,014	1,763,988,014	--	--	1,763,988,014
Tenants' security deposits	146,958,481	93,374,649	53,278,001	305,831	146,958,481
Amounts due to related parties	41,791,239	41,791,239	--	--	41,791,239
Others	67,789,935	--	67,789,935	--	67,789,935
	24,782,035,544	7,581,133,794	14,491,345,177	7,147,963,968	29,220,442,939
31 March 2021					
Loans and borrowings	16,764,893,448	2,374,418,057	11,268,044,467	5,888,113,354	19,530,575,878
Lease liabilities	5,326,565,195	937,782,385	3,238,681,737	4,701,504,049	8,877,968,171
Trade payables and other liabilities	1,501,964,732	1,501,964,732	--	--	1,501,964,732
Tenants' security deposits	127,413,234	57,964,566	68,869,503	579,165	127,413,234
Amounts due to related parties	39,248,924	39,248,924	--	--	39,248,924
Others	73,977,075	--	73,977,075	--	73,977,075
	23,834,062,608	4,911,378,664	14,649,572,782	10,590,196,568	30,151,148,014

iii. Market risk

Market risk is the risk that changes in market prices, such as currency rates and commission rates that will affect the Group'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.

Commission rate risk

Commission rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Group has no significant commission bearing long-term assets, but has commission bearing liabilities at 31 March 2022 and 31 March 2021. The Group manages its exposure to commission rate risk by continuously monitoring movements in commission rates.

The following table demonstrates the sensitivity of the Group to a reasonably possible change, with all other variables held constant, of the Groups income before zakat (through the impact on floating rate borrowings) for the year ended 31 March:

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29. Financial instruments fair values and risk management (continued)

E. Financial risk management (continued)

iii. Market risk (continued)

Gain/(loss) through the consolidated statement of profit or loss	Note	2022	2021
Floating rate debt:			
SIBOR +100bps		(174,578,344)	(167,648,934)
SIBOR -100bps		174,578,344	167,648,934

Real estate risk

The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development schemes may increase if there are delays in the planning process. The Group uses advisors who are experts in the specific planning requirements in the scheme's location to reduce the risks that may arise in the planning process.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property. To reduce this risk, the Group reviews the financial status of all prospective tenants and decides on the appropriate level of security required via rental deposits or guarantees.

Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in currency that's not the Group's entities functional currencies which are Euros, U.S. Dollars, Great Britain Pound, United Arab Emirates Dirham and Egyptian Pound. Management monitors the fluctuations in currency exchange rates and the effect of the currency fluctuation has been accounted for in the consolidated financial statements.

At the end of the year, the Group had the following significant net currency exposures in foreign currencies. Presented below are the monetary assets and liabilities, net in foreign currencies:

Foreign currency exposures	31 March 2022	31 March 2021
EUR	(65,790,460)	(21,568,334)
USD	(40,016,661)	(33,478,077)
GBP	(1,094,479)	(1,024,965)
UAE Dirham	109,056	880,749
EGP	857,328,117	195,009,080

The table below shows the non-pegged currencies to which the Group has a significant exposure as at 31 March on its monetary assets and liabilities. The analysis calculates the effect of reasonable possible movement of the currency rate against SR, with all other variable held constant, on the consolidated statement of profit or loss:

Foreign currency exposures	Change in currency	31 March 2022		31 March 2021	
		Strengthening	Weakening	Strengthening	Weakening
EUR	+/- 10%	(27,439,000)	27,439,000	(9,491,122)	9,491,122
GBP	+/- 10%	(538,000)	538,000	(529,000)	529,000
UAE Dirham	+/- 10%	11,118	(11,118)	89,836	(89,836)
EGP	+/- 10%	77,494,608	(77,494,608)	4,679,917	(4,679,917)

As SR is pegged to U.S. Dollar, the Group is not exposed to significant currency risk arising out of U.S. Dollar.

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29. Financial instruments fair values and risk management (continued)

E. Financial risk management (continued)

iv. Equity price risk

The Group is exposed to equity price risks arising from equity investments. At the end of the reporting period, most of the Group's equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

At the reporting date, the exposure of quoted equity investments was **SR 10.5 million** (31 March 2021: SR 11 million). A decrease of 15% on the market value could have an impact of approximately **SR 1.5 million** (31 March 2021: SR 1.65 million) on the equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase of 15% in the value of the quoted equity investments would only impact equity but would not have an impact on income.

v. Capital management risk

The Board's policy is to maintain an efficient capital base as to maintain investor, creditor and market confidence and to sustain future development of its business. The Board of Directors monitor the return on capital employed and the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are:

- i. to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- ii. to provide an adequate return to shareholders

30. Non-controlling interest (NCI)

See accounting policy in Note 6A.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations:

	Fawaz Abdulaziz Al Hokair & Co.	Arabian Centres Company and its Subsidiaries	Other non- material subsidiaries (*)	Total
31 March 2022				
NCI percentage	30.8%	21.62%		
Non-current assets	6,109,985,090	16,567,332,299	501,135,886	23,178,453,275
Current assets	2,436,616,142	1,713,830,289	233,197,723	4,383,644,154
Non-current liabilities	(2,948,735,531)	(10,990,377,485)	(137,948,433)	(14,077,061,449)
Current liabilities	(5,093,816,844)	(1,510,204,038)	(220,581,762)	(6,824,602,644)
Net assets	504,048,857	5,780,581,065	375,803,414	6,660,433,336
Net assets attributable to NCI	126,137,999	1,260,901,982	44,428,050	1,431,468,031
Revenue	5,915,094,932	2,037,485,632	198,016,368	8,150,596,932
(Loss) / Profit	38,029,952	433,848,843	(25,057,120)	446,821,675
(Loss) / Profit allocated to NCI	7,107,596	87,067,072	(5,307,682)	88,866,986
31 March 2021				
NCI percentage	30.8%	20.05%		
Non-current assets	6,145,266,889	16,116,960,293	488,070,192	22,750,297,374
Current assets	2,318,246,278	1,537,818,006	88,595,672	3,944,659,956
Non-current liabilities	(6,056,815,940)	(10,475,818,005)	(149,794,006)	(16,682,427,951)
Current liabilities	(1,955,123,015)	(1,126,541,781)	(285,200,365)	(3,366,865,161)
Net assets	451,574,212	6,052,418,513	141,671,493	6,645,664,218
Net assets attributable to NCI	114,889,506	1,214,564,913	8,539,244	1,337,993,663
Revenue	4,232,513,102	1,856,358,833	65,124,570	6,153,996,505
(Loss) / Profit	(1,110,255,606)	486,720,435	13,564,390	(609,970,781)
(Loss) / Profit allocated to NCI	(353,929,300)	97,636,552	2,636,234	(253,656,514)

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31. Commitments and contingencies

During the current year, the Group received a demand letter from the Zakat, Tax and Customs Authority claiming additional Value added tax (VAT) of SR 24.6 million and penalties of SR 40.8 million for the period from February 2018 till 31 December 2019. The penalties were waived by ZATCA based on the Royal decree No. (45089) dated 23/7/1441 (corresponding 17/3/2020). objected the demand and has deposited SR 24.6 million under appeal. The ruling has been issued in favor of the Group by the General Secretariat of the Tax Committees (GSTC) on December 2021 and the amount paid will be refunded / adjusted against future VAT liability of the Group. However, subsequent to the year, ZATCA has filed an appeal to Higher Appeal committee against the notification issued by GSTC.

As at the reporting date, the Group is committed to capital expenditures of SR 187 million (2021: SR 255 million) to purchase property and equipment.

At 31 March, the Group had contingent liabilities and commitments as follows:

	<i>Note</i>	31 March 2022	31 March 2021
Commitments for projects under construction	(i)	3,712,610,975	4,782,467,423
Commitments for acquisition of investment		--	68,856,933
Letters of credit	(ii)	413,457,212	468,253,215
Letters of guarantee	(iii)	611,200,068	570,835,607

- i. These commitments majorly pertain to construction of shopping malls across the Kingdom of Saudi Arabia, and to purchase property and equipment.
- ii. These commitments pertain to the purchase of retail trading inventory.
- iii. These commitments pertain to the did bonds, contracts advance payments, guarantees for loans and performance bonds.

32. Standards issued but not yet effective

There are no new standards issued that were effective from 1 April 2021, however, there are number of amendments to the existing standards but they do not have a material effect on the consolidated financial statements of the Group except as detailed in note 5.

A number of new pronouncements are effective for annual years beginning on or after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements:

- Onerous contracts – Cost of fulfilling a contract (Amendments to IAS 37)
- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)
- COVID-19 Related rent concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of accounting estimate (Amendments to IAS 8)

These amended standards and interpretations are not expected to have a significant impact on the consolidated financial statements.

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33. Impact of COVID-19

The COVID-19 pandemic, which commenced at the beginning of 2020 has caused significant disruption in the economic and commercial sectors in general at both the global and local levels. The government of the Kingdom of Saudi Arabia has taken stimulus measures and launched initiatives to support the economy to reduce the adverse effects of this pandemic.

The Group's management has proactively assessed its impacts on its operations / investments, key credit facilities, liquidity, solvency and performance indicators and has taken a series of preventive measures to ensure the health and safety of its employees, cash flows and financial position by renegotiating the terms of financing arrangements with an objective to ensure sound credit / liquidity positions. The Group's management has also considered potential impacts of the current economic uncertainties and volatility in determination of the reported amounts of the Group's financial and non-financial assets, and these are considered to represent management's best assessment based on observable information on the period end date. However, market remains volatile. The Group has taken the following measures to reduce the adverse effect of this pandemic.

- i. On May 21, 2020, The Group announced rent relief and support packages, offered waiver of contractual base rent and service charge for all tenants from 16 March 2020 for a period of six weeks (45 days). For tenants whose stores were mandatorily closed by government decision will also benefit from the rent relief program starting the date of government closure until the earlier of (i) date of closure is lifted or (ii) 30 June 2020. Further, all escalations on the contracts will be halted for two years 2020 and 2021. Accordingly, as of 31 March 2021, The Group has approved a total discount of **SR 579 million** which will be amortized over the remaining period of lease. The impact of rent relief for the year ended 31 March 2022 is SR 174 million (31 March 2021: SR 241 million).
- ii. With respect to Retail business, The Group has taken necessary measures to counter the adverse effects consequential to this pandemic. As the situation stabilizes, the Company believes that sales will move to normal levels and the profitability will improve in the future.

The Group's management continues to study and follow up all the variables that affect the Group's activities. The Group does not anticipate any significant adverse implication in future related to the Group remaining as a going concern.

34. Liabilities held for disposal

The Group had passed resolution on 28 March 2021 to dispose off its investment in Fawaz Abdulaziz Al Hokair & Company for Projects Limited (a subsidiary) to shareholders of the Group. This was transferred to the shareholders of the Group in the current year at its book value. The carrying amount are as follows:

	<u>31 March 2022</u>	<u>31 March 2021</u>
Liabilities held for disposal	--	93,927,913
Total	--	93,927,913

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35. Loss from Discontinued Operations

During the year 2021, the Group transferred the Fursy Energy Group LLC, Ukraine with its rights and obligations, to the ultimate shareholders to the Group at a net consideration of SR 3.9 million. As part of the transfer arrangement, the parties agreed that any liability arising from the previous operations of the company since its incorporation (whether registered or not registered in books) or in the future operation of the company will be borne by the ultimate shareholders to the Group (the buyers).

The results from the operations of the transferred entity have been disclosed as 'Loss from discontinued operations' in these consolidated financial statements until 31 October 2021, i.e. the date of disposal.

The following is a statement of the assets and liabilities disposed of as at 31 October 2021:

	SR
Assets	
Non-current assets	
Property and equipment	20,821,059
Intangible assets	184,410,980
Total non-current assets	<u>205,232,039</u>
Current assets	
Trade receivables	2,387,805
Other debit balances	42,524,354
Cash and cash equivalents	18,259,120
Total current assets	<u>63,171,279</u>
Total assets	<u>268,403,318</u>
Liabilities	
Current liabilities	
Trade payables	140,057,235
Due to related parties	115,545,098
Accrued expenses and other current liabilities	8,884,892
Total current liabilities	<u>264,487,225</u>
Total liabilities	<u>264,487,225</u>
Net assets	<u>3,916,093</u>

The following are the results of the company's business that was disposed from period ending on 31 October 2021 which is classified as discontinued operations:

	SR
Revenue	3,657,859
Cost of revenues	(229,396)
Gross profit	<u>3,428,463</u>
General and administrative expense	(1,954,194)
Operating profit	<u>1,474,269</u>
Finance cost	(5,090,754)
Loss for the period before tax	<u>(3,616,485)</u>
Tax	--
Loss for the period	<u>(3,616,485)</u>

For the purposes of preparing the consolidated statement of cash flows, the effect of each item of cash and cash equivalents and due to related parties has been eliminated.

Saudi FAS Holding Company and its Subsidiaries (a Closed Saudi joint stock company)
Notes to the consolidated financial statements

Year ended 31 March 2022

36. Subsequent events

- a) On 15 May 2022, there was partial fire outbreak at the Mall of Dahrhan in the Eastern Province of Saudi Arabia. The mall was closed for a short period and reopened its doors on 7 June 2022, with an exception to some damaged area that is currently under restoration. The Group has estimated the financial impact of the incident on the Group's consolidated financial statement of approximately SR 50 million. Surveyors are in the process of assessing the extent of loss, following which the Group will file a claim for reimbursement with the insurance Company.
- b) On 29 June 2022, one of the subsidiary's shareholders in their extra-ordinary general meeting have approved the reduction in the share capital by SR 952 million (through cancellation of 95,233,552 shares of SR 10 each) to absorb the accumulated losses as at 31 December 2021. The reduction was effective from 30 June 2022.
- c) On 07 June 2022 the share capital of one of the wholly owned subsidiary of the Group has increased from SR 100,000 to SR 150 million through the additional capital account.

37. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

38. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors for issuance on 10 Jumada I 1444 H (corresponding to 04 December 2022).