RSM Allied Accountants
Dr. Abdulqadir Bannaga & Partners Co

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

INDEX **PAGE**

Independent auditor's report	-
Consolidated statement of financial position	6
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10-38

RSM
RSM Allied Accountants
Dr. Abdelgadir Bannaga & Partners Co.

Al Oruba Road, Al Olaya District
1st Floor, Building No. 3193
VAT Number 300103434300003
P.O. Box Riyadh 12333 - 8335 K.S.A.
Tel: +966 11 416 9361
Fax: +966 11 416 9349
Kingdom of Saudi Arabia
www.rsmksa.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders

Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of **Abdullah Saad Mohammed Abo Moati For Bookstores Company**, a Saudi joint-stock company, ("the Company") and its subsidiary (together "the Group") which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes accompanying to the consolidated financial statements and summary of the significant accounting policies.

In our opinion, the accompanying co\nsolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021 and its financial performance and its cash flows for the year then ended on that date 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 Auditors and Accountants.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing that endorsed in the Kingdom of Saudi Arabia. Our responsibilities under these 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 Group's consolidated financial statements and we have fulfilled our 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.

Key Audit Matters

Key Audit Matters those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters. Below is an explanation of each of the key audit matters and how we have addressed these matters:

Key Audit Matter	How we addressed the matter during our audit
Investment properties As at 31 March 2021, the value of the investment properties amounted to SAR 38.6 million (as at 31 March 2020: SAR 39 million), which represents a substantial percentage of the total non-current assets of the Group, which were shown at cost after deducting accumulated depreciation and impairment, if any. For the purposes of the impairment testing and the disclosure of the fair value in the group's consolidated financial statements, the investment properties are evaluated by a certified independent external appraisal expert "the valuer" who performs the valuation process using recognized valuation methods and methodology based on assumptions and estimates related to several factors that effect the fair value of the investment properties. We considered this to be a key audit matter as the impairment testing of investment properties requires significant judgment by management and also includes key judgments. Refer to Note (4) the accounting policies and Note (8) for the related disclosures about the accompanying consolidated financial statements.	**We have performed the following procedures in respect of investment properties:** • Evaluate the objectivity, independence and expertise of the valuer. • Comparing the fair value of investment properties at the end of the financial year with the valuation results shown in the evaluators report submitted by the valuator. • Review the evaluation methods and methodology used by the valuer. • Review, on a sample basis, the real estate valuations executed by the valuer, to ensure the reasonableness of the main assumptions that were used to determine the fair values of investment properties. • Obtaining the title deeds of investment properties and discussing their current status with the management. • We conducted an assessment of the appropriateness of the disclosures related to the investment properties of the Group in Note No. (6) of the consolidated financial statements.

Commercial Registration No. 4030228773
License No. 323 / 11 / 168
JCC : 120082

RSM

RSM Allied Accountants
Dr. Abdelgadir Bannaga & Partners Co

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)
Key Audit Matters (Continued)

Key Audit Matter	How we addressed the matter during our audit
Evaluation of the impairment in goodwill The Group as at 31 March 2021 has goodwill arising from the investment in its subsidiary in the amount of SAR 19.7 million (as at 31 March 2020: SAR 19.7 million), In accordance with International Accounting Standard No. (36) "Impairment in the value of assets, which requires an entity to report the impaiment in the value of goodwill acquired in a business combination at least annually, regardless of whether there is any indication of impairment. Goodwill is monitored by management at the cash-generating unit level. As at 31 March 2021, management has performed an impairment test of the recoverable amount based on the price expressed in cash or cash equivalents at which it is probable that the asset would be transferred between a willing and able buyer and between a willing and able hypothetical seller acting freely in an unconstrained market. One of them is compelled to buy or sell, and each of them has adequate knowledge and knowledge of all relevant facts. This test did not result in any impairment loss that must be recognized. We considered the impairment test of goodwill performed by management to be a key audit matter as the assessment of the recoverable amount of goodwill on the basis of value in use is complex and requires a great deal of judgment on the part of management. The important elements of management evaluation judgments are: (a) Assumptions about expected economic conditions, in particular growth in markets in which the Group primarily operates; (b) Assumptions of the effect of the future actions of the Group's major competitors on the revenue assumptions and the expected gross profit margin; And, (c) the sales growth rate and terminal value growth rate (including terminal value multiples, where applicable) used in the value in use model. Refer to Note No. (4) Accounting Policies and Note No. (9) for the relevant disclosures about the accompanying financial statements.	**We have performed the following procedures in respect with the verification of management's assessment of the goodwill impairmen:** • Evaluating the methodology used by management to determine the recoverable amount based on the value in use of assets in each cash-generating unit and comparing it with what is required by IAS 36, we inquired and discussed with management regarding any changes made to the impairment model in the current year , we also tested the computational accuracy of the model used.Test a sample of sales and verify proper application of the revenue recognition policy. • Testing the accuracy and relevance of the input data used in the model by referring to the supporting evidence, such as approved budgets, and examining the reasonableness of these budgets in comparison with the historical results of the group's performance against budgets. • Examine the applied methodology that supports value in use calculations and use key assumptions including sales growth rates and terminal value growth rates (including terminal value multiples where applicable). • Perform sensitivity analyzes on key assumptions, primarily sales growth rate and terminal value growth rates (including terminal value multiples where applicable) in order to assess the possible impact of a range of potential outcomes. We also examined the adequacy of the group's disclosures included in the accompanying consolidated financial statements in order to comply with the relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)
Key Audit Matters (Continued)

Key Audit Matter	How we addressed the matter during our audit
Revenue Revenue is an important component of the Group's performance and profitability. Auditing standards state the importance of assessing risks of overriding internal controls by the management in revenue recognition. Such overriding could lead to inherent risks by recognizing overstated revenues to increase profitability. Given the importance of revenue amount and risks inherent in overstating revenue more than its actual value, revenue recognition is considered a key audit matter. Refer to Note No. (4) the accounting policies for the relevant disclosures about the accompanying consolidated financial statements.	**We have performed following procedures in respect of revenue:** • Test the control procedures and their operational effectiveness related to revenue recognition and accounts receivable. Also, cut-of procedures to ensure that the revenues are recorded in the correct period. • Test a sample of sales and verify proper application of the revenue recognition policy. • Conducting analytical procedures to verify the validity of the proven revenues. • The adequacy of the accounting policies to recognize the group's revenue and assessing the extent to which those policies comply with International Financial Reporting Standard No. "15".

Other Matters

The consolidated financial statements of the Group for the year ended 31 March 2020 have been audited by another auditor who expressed an unqualified opinion on those financial statements on 7 Dhul Qidah 1441 H (corresponding to 27 June 2020).

Other Information

Management is responsible for the other information. The other information includes the information included in the Group's annual report but does not include the consolidated financial statements and our audit report thereon. It is expected that the annual report will be available to us after the date of this report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

About our audit of the consolidated financial statements, it is our responsibility to read this other information as specified above when it becomes available, and when we do so, we take into account whether that other information is materially inconsistent with the consolidated financial statements or with our knowledge that was acquired, during the audit or appears on it. Other than that, it contains fundamental errors. When we read the annual report, and we realize that there are fundamental errors in this information, we are required to report this fact to those responsible for governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Auditors and Accountants and Regulations for Companies and the Company's by-laws and such internal control as management determines is necessary to enable the preparation of the consolidated 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.

Those charged with governance i.e. are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)

Auditor's Responsibility for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control of the Group.
- 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 material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.
- Obtaining sufficient and 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 execution of the Group review process. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Among the matters that, we communicate with those charged with governance are those matters that were of the utmost importance when auditing the consolidated financial statements for the current year, and accordingly they are the main matters for the audit, and we explain these matters in our report except for what laws or legislation prohibit public disclosure about, or in cases of very rare, we consider that the matter should not be reported in our report because it is reasonably expected that the negative consequences of doing so will outweigh the public interest benefits of that reporting.

Allied Accountants
Dr Abdelgadir Bannaga & Partners Co.

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Saudi Arabia
On 18 Dhul Qi'dah 1442 AH (corresponding to June 28, 2021 AD).

Allied Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31 March 2021 SAR	31 March 2020 (Adjusted Note 30) SAR
Assets			
Non-current assets			
Property and equipment, net	5	**81,340,559**	83,119,056
Investment properties, net	6	**38,670,216**	39,045,621
Intangible assets, net	7	**168,429**	382,771
Right-of-use assets, net	8	**13,020,202**	11,419,106
Goodwill	9	**19,704,499**	19,704,499
Financial Investments at FVOCI	10	**7,702,240**	5,408,496
Total non-current assets		**160,606,145**	159,079,549
Current assets			
Inventory, net	11	**98,348,709**	107,990,150
Accounts receivable, net	12	**37,610,978**	42,731,389
Prepaid expenses and other receivables	13	**14,991,962**	14,947,660
Cash and cash equivalents	14	**20,213,473**	20,865,223
Total current assets		**171,165,122**	186,534,422
Total assets		**331,771,267**	345,613,971
Equity and Liabilities			
Equity			
Share capital	1	**200,000,000**	200,000,000
Statutory reserve	15	**3,832,255**	3,299,036
Retained earnings		**25,965,508**	31,166,540
Reserve for the revaluation of investments at FVOCI	10	**3,072,743**	778,999
Reserve for the remeasurement of employees' defined benefit plan obligations		**(289,500)**	361,605
Total equity		**232,581,006**	235,606,180
Liabilities			
Non-current liabilities			
Bank facilities- non-current portion	16	-	169,983
Lease liabilities - non-current portion	8	**8,776,503**	7,534,573
Employees' defined benefit plan obligations	17	**4,894,898**	3,994,091
Total non-current liabilities		**13,671,401**	11,698,647
Current liabilities			
Bank facilities- current portion	16	**62,248,426**	80,635,757
Lease liabilities - current portion	8	**3,337,654**	3,172,177
Trade payables		**7,872,997**	6,905,941
Accrued expenses and other payables	18	**9,418,125**	4,980,505
Zakat provision	19	**2,641,658**	2,614,764
Total current liabilities		**85,518,860**	98,309,144
Total liabilities		**99,190,261**	110,007,791
Total equity and liabilities		**331,771,267**	345,613,971

The accompanying notes from (1) to (34) are an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Chairman of the Board of Directors

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

Profit or Loss	Note	2021 SAR	2020 (Adjusted Note 30) SAR
Sales		231,177,003	297,072,159
Cost of sales		(182,925,732)	(236,904,805)
Gross profit		48,251,271	60,167,354
Rental income, net	20	2,358,660	1,630,562
General and administrative expenses	21	(24,219,825)	(23,915,900)
Selling and marketing expenses	22	(17,247,802)	(16,595,592)
Profit from main operations		9,142,304	21,286,424
Finance costs	23	(2,792,072)	(5,140,166)
Other income, net	24	1,801,445	11,143
Dividends from financial Investments at FVOCI	10	332,213	338,560
Net profit for the year before Zakat		8,483,890	16,495,961
Zakat	19	(3,151,703)	(2,620,090)
Net profit for the year		5,332,187	13,875,871
Other comprehensive income			
Items that will not be reclassified to profit or loss :			
Change from Reserve for the revaluation of investments at FVOCI	10	2,293,744	(1,286,528)
Actuarial (losses)/ profit from remeasurement of employees' defined benefit plan obligations	17	(651,105)	361,605
Total other comprehensive income / (other comprehensive loss) for the year		1,642,639	(924,923)
Total comprehensive income for the year		6,974,826	12,950,948
Earnings per share			
Earnings per share (basic and diluted) from net profit for the year	25	0.27	0.69

The accompanying notes from (1) to (34) are an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman of the Board of Directors

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Reserve for the revaluation of investments at FVOCI SAR	Reserve for the remeasuremet of employees' defined benefit plan obligations SAR	Total Shareholders' equity SAR
Balance as at 1 April 2019	160,000,000	13,066,203	55,523,502	2,065,527	-	230,655,232
Net profit for the year (Adjusted - Note 30)	-	-	13,875,871	-	-	13,875,871
Other comprehensive income	-	-	-	(1,286,528)	361,605	(924,923)
Total comprehensive income for the year	-	-	13,875,871	(1,286,528)	361,605	12,950,948
Dividends (Note 29)	-	-	(8,000,000)	-	-	(8,000,000)
Transferred to statutory reserve	-	1,477,587	(1,477,587)	-	-	-
Additional capital - bonus issue of shares (Note 1)	40,000,000	(11,244,754)	(28,755,246)	-	-	-
Balance as at 31 March 2020	200,000,000	3,299,036	31,166,540	778,999	361,605	235,606,180
Net profit for the year	-	-	5,332,187	-	-	5,332,187
Other comprehensive income	-	-	-	2,293,744	(651,105)	1,642,639
Total comprehensive income for the year	-	-	5,332,187	2,293,744	(651,105)	6,974,826
Dividends (Note 29)	-	-	(10,000,000)	-	-	(10,000,000)
Transferred to statutory reserve	-	533,219	(533,219)	-	-	-
Balance as at 31 March 2021	**200,000,000**	**3,832,255**	**25,965,508**	**3,072,743**	**(289,500)**	**232,581,006**

The accompanying notes from (1) to (34) are an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman of the Board of Directors

ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 SAR	2020 SAR
Cash flows from operating activities		
Net profit for the year before zakat	8,483,890	16,495,961
Adjustments to reconcile the net profit for the year before zakat:		
Depreciation of property and equipment	2,904,411	2,850,360
Depreciation of right-of-use assets	4,619,974	2,464,493
Depreciation of investment properties	409,015	357,335
Amortization of intangible assets	214,342	214,342
Losses from sale of property and equipment	18,995	-
Provision for the expected credit losses	476,295	789,359
Provision for damaged and slow moving inventory	3,283,404	4,709,325
Finance costs	2,792,072	5,140,166
Provision for employees defined benefits plan obligations	716,573	627,825
	23,918,971	33,649,166
Changes in operating assets and liabilities:		
Inventory	6,358,037	24,142,857
Accounts receivable	4,644,116	3,118,923
Prepaid expenses and other receivables	(44,302)	166,402
Trade payables	967,056	1,033,600
Accrued expenses and other payables	4,595,415	2,143,122
Generated from operations	40,439,293	64,254,070
Finance costs paid	(2,455,404)	(4,295,307)
Employees' defined benefits plan obligations paid	(466,871)	(361,775)
Zakat provision paid	(3,124,809)	(2,446,333)
Net cash available from operating activities	34,392,209	57,150,655
Cash flows from investing activities		
Purchase of property and equipment	(1,169,594)	(3,323,128)
Proceeds from sale of property and equipment	24,685	2,650,010
Additions to the investment properties	(33,610)	(3,856,697)
Net cash used in investing activities	(1,178,519)	(4,529,815)
Cash flows from financing activities		
Receipts from bank facilities	142,387,122	176,094,600
Bank facilities Payments	(160,944,436)	(209,503,592)
Lease liabilities paid	(5,308,126)	(3,895,715)
Dividends paid	(10,000,000)	(8,000,000)
Net cash used in financing activities	(33,865,440)	(45,304,707)
Net change in cash and cash equivalents	(651,750)	7,316,133
Cash and cash equivalents at the beginning of the year	20,865,223	13,549,090
Cash and cash equivalents at the end of the year	20,213,639	20,865,223
Non-cash transactions		
Write-off from expected credit losses provision	348,570	975,175
Write-off from from damaged and slow moving inventory provision	132,145	1,448,991
Addition to the right of use assets and corresponding lease liabilities	6,221,070	13,883,600
Transferred from statutory reserve to increase the capital	-	11,244,754
Transferred from retained earnings to increase the capital	-	28,755,246

The accompanying notes from (1) to (34) are an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Chairman of the Board of Directors

1- ORGANIZATION AND ACTIVITIES

Abdullah Saad Mohammed Abo Moati For Bookstores Company (The "Company") - A Saudi Joint Stock Company - registered under the Commercial Registration No. 1010125151, issued in Riyadh at 3/1/1415 H (corresponding to 13/6/1994). In accordance with the decision of the Minister of Commerce No. (24/Q) dated 20/1/1429 H (corresponding to 29/1/2008), the Company's activity is in retail and wholesale trading in prints, stationeries, school and office supplies, education supplies, art material, gifts and wrapping, paper supplies, printers, inks, computers and its accessories, children's toys, export for the benefit of others, it also include purchase of properties to invest and acquisition of lands to construct buildings on it for sale or lease.

In accordance with the resolution of the Extraordinary General Assembly dated 12 Dhul Hijjeh 1435H (corresponding to 7 September 2014) the Company's capital was increased from SAR 132,000,000 to SAR 160,000,000 , by an increase of SAR 28 million by granting the shareholders (1) bonus share in exchange for (5) shares owned by the shareholders who were registered in the Company's records on the day of the extraordinary general meeting, to provide that the fractions of the shares are collected and sold to the shareholders and the proposed increase in the capital is covered by transferring SAR 19,704,499 from other reserves and transferring an amount SAR 8,295,501 from the balance of retained earnings shown in the consolidated financial statements for the year ended 31 March 2014.

In accordance with the resolution of the Extraordinary General Assembly dated 20 Dhul Qa'dah 1440H (corresponding to 21 August 2019) the company's capital was increased from SAR 160,000,000 to SAR 200,000,000, by an increase of SAR 40 million by granting the shareholders (1) bonus share in exchange for (4) shares owned by the shareholders they are registered in the company's records on the day of the extraordinary general meeting, to provide that the fractions of the shares are collected and sold to the shareholders and the proposed increase in the capital is covered by transferring SAR 11,244,754 from the statutory reserve account and an amount of 28,755,246 from retained earnings account. Then the number of company's shares becomes 20,000,000 shares, 10 Saudi riyals for each.

The consolidated financial statements for the year ended 31 March 2021 include the financial statement for the Company and its branches and a subsidiary and its branches as follows:

Branches of Parent Company:

Branch	CR No.	Place of	Activity
Microware trading branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1010226765	Riyadh	Wholesale of office stationery, wholesale of children's toys, wholesale of computers and their accessories, including (selling printers and their inks), wholesale of gifts and luxuries, retail of computers and their accessories, including (printers and their inks).
Branch of Abdullah Saad Mohammed Abo Moati Co.	1010439451	Riyadh	Wholesale of gifts and luxuries, retail sale of cosmetics and toilet soap, refrigerated food stores, general stores that contain a variety of goods, management and rental of owned or leased (residential) properties, management and leasing of owned or leased (non-residential) properties.
Branch of Abdullah Saad Mohammed Abo Moati Co. (ilahui)	1010467810	Riyadh	Wholesale of cosmetics and soaps, retailing of household appliances and miscellaneous handicrafts, including (cutting tools, ceramics, glassware and pottery .... etc.), retailing of luxuries and clothing accessories, including gloves, neck ties, bras, swimming pools and umbrellas, retailing of devices, equipment and supplies medical.

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Branch	CR No.	Place of	Activity
Branch of Abdullah Saad Mohammed Abu Moati for Bookstores Co	1113101191	Shaqra	Retail sale of stationery, stationery, newspapers and magazines Libraries, retail sale of toys and games in specialty stores, retail of men's ready-to-wear, retail of women's ready-to-wear, retail of cosmetics and toilet soap, retail of business, handicrafts, antiques and gifts.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2050092621	Dammam	Wholesale of books, magazines, newspapers and educational aids, including import of written, drawn or written intellectual production, wholesale of stationery, wholesale of children's toys, retail sale of books, magazines, newspapers, and educational aids, retail sale of stationery, stationery, newspapers, magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4030293226	Jeddah	Wholesale of office and stationery items, retailing of household appliances and miscellaneous handicrafts, including (cutting tools, ceramics, glassware and pottery, etc.), retailing of books, magazines, newspapers, and educational aids.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	5855036143	Khamis Mushait	Wholesale of office supplies and stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of books, magazines, newspapers, and educational aids, retail of stationery, stationery, newspapers and magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	5900037192	Jazan	Wholesale of office supplies and stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of books, magazines, newspapers, and educational aids, retail of stationery, stationery, newspapers and magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4650207523	Medina	Wholesale of office stationery, Wholesale of art and drawing, Wholesale of gifts and accessories, Retail of books, magazines, newspapers and teaching aids.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1131302797	Al Qassim	Wholesale of pharmaceutical goods, Wholesale of stationery, Wholesale of art supplies, Wholesale of paper rolls, Wholesale of gifts and luxuries, General stores of a variety of merchandise.

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Subsidiary company

Company's name	CR No.	Country of incorporation	Activity	Ownership percentage	
				As at 31 March 2021	As at 31 March 2020
AL Moujah for Trade Co.	1010141412	KSA	Wholesale of office stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of computers and their accessories, including (printers and their inks), retail of stationery, office tools, newspapers and magazines (libraries).	100%	100%

Branches of Subsidiary Company:

Branch	CR No.	Place of issue	Activity
Branch of Moujah for Trade Co.	2051026138	Al Khobar	Import, export, wholesale and retail trade in office and school supplies, stationery, educational aids, gifts, packaging materials, paper products, photocopiers and their inks, non-fired children's toys, computers, printing machines and their inks, import and export services and marketing for others.
Branch of Moujah for Trade Co.	4030130807	Jeddah	wholesale of stationery, wholesale of computers and accessories, wholesale and retail of packaging equipment and tools, wholesale of papers (paper rolls), wholesale of educational equipment and aids, wholesale and retail of gifts and luxuries, retail of computers and their accessories, retail of photocopiers and equipment Precious, sale of printing machinery and equipment computers and its supplies.

The head office of the Company is Riyadh - Atayif Street Al – Alatayif Center for Office Supplies, P.O.-Box 9994, Postal Code 11423, Kingdom of Saudi Arabia.

2- BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standard ("IFRS") and its interpretations as issued by the International Accounting Standards Board ("IASB") as endorsed in KSA and other standards and pronouncements that are endorsed by the Saudi Organization for Auditors and Accountants.

The Capital Market Authority has allowed listed companies to use the fair value model or the revaluation model to measure the investment properties starting from 1 January 2022. It also obligated listed companies to continue of use the cost model to measure property, equipment, and intangible assets.

2-2 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared on a historical cost basis unless IFRS requires the use of another measurement basis, as indicated in the summary of significant accounting policies (Note 4), and in accordance with the accrual principle and going concern.

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Saudi Riyals, which is the Group's functional and presentation currency.

2- BASIS OF PREPARATION (CONTINUED)

2-4 BASIS OF CONSOLIDATION

These consolidated financial statements include the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows as well as the notes complementing the consolidated financial statements of the Group, as they include the assets, liabilities, and results of the Group's business and its subsidiaries as well. It is shown in note (1). Subsidiaries are companies controlled by a Group. The Group controls the Group when it has the right to various revenues as a result of its participation in the Group and its ability to influence these revenues through its control of the Group. Subsidiary companies are consolidated from the date on which the Group controls the subsidiaries until the cessation of exercising that control. The Group uses the purchase method to account for the consolidation of operations when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the assets acquired. The excess of the cost of acquisition plus the fair value of non-controlling interests over the net identifiable assets acquired is recognized as goodwill in the consolidated statement of financial position. Non-controlling interests are measured by the proportion of their share of the net assets of the controlling Group at the date of acquisition. The share in profit or loss and net assets not owned by the Group are presented and are presented as a separate item in the consolidated statement of profit or loss and other comprehensive income and within the shareholders' equity in the consolidated statement of other comprehensive income. Both transactions, as well as balances and unrealized profits and losses arising from intra-Group transactions, are eliminated. Accounting policies of subsidiaries are modified when necessary to ensure consistency with the policies adopted by the Group. The Group and its subsidiaries prepare their financial statements for the same reporting periods.

Goodwill represents the excess of the cost of the acquisition of the investment over the fair value of the net assets acquired upon business combination. To review the impairment of goodwill, goodwill is allocated to each cash-generating unit (or Group of cash-generating units) from which the business combination is expected to benefit. Goodwill is evaluated annually to determine the amount of impairment and is recorded at cost less impairment losses. Impairment losses are not reversed after they have been recorded. Gain or loss on disposal of an entity includes the carrying value of the goodwill relating to the entity sold.

If the cost of the investment acquired is less than its fair value on the date of acquisition, then this difference is settled by reducing the fair values of the non-current assets of the acquired Group in proportion to its carrying value, except for long-term investments in securities.

If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of profit or loss. Any investment retained is recognized at fair value when control is lost.

Transactions eliminated when consolidating the financial statements

Balances, transactions, unrealized expenses, and income arising from transactions between the Group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only if there is no indication of impairment.

3- NEW STANDARDS, AMENDMENTS TO THE STANDARDS AND IT'S INTERPRETATIONS

No new standards were issued. However, there are an amendments to the standards effective as of January 1, 2021 that do not have any material financial impact on the consolidated financial statements of the Group.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are a summary of significant accounting policies that have been applied by the Group:

Use of Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions at reporting date that affect the reported amounts of assets, liabilities, revenues, and expenses. However, these estimates and assumptions are based upon management's 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 prospectively.

The following are information about the assumptions and estimates that have a material impact on the amounts reported in the consolidated financial statements:

- **Going concern**

  The management has evaluated the ability of the Group to continue as a going concern and believes the Group has sufficient recourses to continue its business in the near future. Therefore, the consolidated financial statements are prepared on the basis of the going concern.

- **Estimated useful lives of property, equipment, investment properties and intangible assets**

  Management reviews the useful lives of property and equipment and investment properties and intangible assets to calculate depreciation and amortization. These estimates are determined after taking into account the expected use of assets, obsolescence, and damage. The management reviews the residual value and useful lives annually and changes in depreciation expenses in current and future periods, if any-.

- **Provision for slow-moving inventory items**

  Management makes provisions for slow-moving and obsolete inventories. Inventory is measured at the lower of cost or net realizable value. Estimating of net realizable value is based on the most reliable evidence at the time the estimates are made. These estimates take into account price fluctuations or costs directly related to events that occur after the date of the consolidated financial statements.

- **Impairment 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 are 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 of 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 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.

- **Impairment of non-derivative financial assets**

  The Group recognizes allowances for expected credit losses ("ECL") for financial assets measured at amortized cost such as accounts receivable. The Group assesses future credit losses using the ECL model for financial assets measured at amortized cost. For accounts receivable, the Group applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all accounts receivable since the initial recognition. To assess the ECL, accounts receivable are Grouped based on shared risk characteristics and aging. The expected loss rates were calculated based on historical information of the Group and adjusted to reflect the expected future results which include future information on macroeconomic factors such as inflation and GDP growth rate. Other financial assets such as employees' receivables and bank balances have low credit risk and applying the ECL model is considered insignificant.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Judgments and Estimates (continued)

- **Fair value measurements of financial instruments including derivative financial instruments**

  When the fair value of the financial assets and liabilities in the consolidated statement of financial position cannot be measured based on quoted prices in an active market, when IFRS require those assets or liabilities to be measured based on fair value, their fair value is determined using valuation techniques including using the present value of expected cash flows or any other techniques as stated in IFRS 13. The inputs to these techniques are taken from active markets, where possible. However, If this is not possible, a degree of judgment is required to determine the fair value and such estimates take liquidity risk, credit risk, and volatility into account. Changes in the assumptions relating to these factors can affect the reported fair value of the financial instruments.

- **Defined-benefit plans obligations (Employee benefits)**

  Post-employment defined benefits and the current value of those benefits are determined actuarial valuations. The actuarial valuation includes further assumptions regarding variables that are required such as discount rates, rate of salary increase and returns on assets, mortality rates, increase in future pensions. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. All actuarial assumptions are reviewed at the date of every consolidated statement of financial position.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

Fair value

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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

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.

Classification of assets and liabilities as "current" or "non-current"

The Group presents assets and liabilities in the statement of financial position on a current / non-current basis. The assets are considered current as follows:

- When it is expected to be realized or is intended to be sold or consumed during the normal cycle of operations.
- If it is acquired primarily for the purpose of trading.
- When it is expected to be achieved within twelve months after the fiscal year, or
- When they are cash and cash equivalents, unless there are restrictions on their replacement or use to pay any liabilities for a period of not less than twelve months after the financial year.

All other assets are classified as "non-current".

The liabilities are considered current as follows:

- When it is expected to be paid during the normal business cycle
- If it is acquired primarily for the purpose of trading.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of assets and liabilities as "current" or "non-current"(continued)

- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

All other liabilities are classified as "non-current".

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of assets. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Expenditures on maintenance and repairs are expensed, while expenditures for improvements are capitalized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. Sold or disposed assets and their accumulated depreciation are written-off at the date of sale or disposal.

The annual estimated rates of depreciation for the main items of the assets are as follows:

Statement	Depreciation %
Buildings	5%
Motor vehicles	25%
Office supplies and computer systems	25%
Furniture and fixtures	10%

Depreciation method and useful lives are reviewed periodically to ensure that the depreciation method is appropriate with the expected economic benefits of property and equipment.

The Group has selected to apply the cost model to measure the property and equipment, in accordance with the resolution of Capital Market Authority which obligates listed entities to apply the cost model dated 16/1/1438H (17/10/2016).

Projects under Construction

Projects under construction represent the expenses incurred by the Group in building and constructing new equipment and facilities. Projects under construction are transferred to property and equipment or to the investment properties when the asset is intended for use in its purpose.

Investment properties

Real estate investments includes {lands, buildings (or a part or both from them)} held by the Group for lease or capital appreciation, or both. Investment properties are measured at cost, net of accumulated depreciation and any impairment losses, if any. Depreciation is calculated based on the amount subject to depreciable, which is the cost of the asset or any other amount less residual amount. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will acquire the property at the end of the lease term. Cost is depreciated by the straight-line method over the estimated useful lives of the assets. When parts of a real estate investment have different useful lives, they are accounted for as separate items. The cost of replacing a part of an item of investment property is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of that part is derecognized. The daily service cost of investment property is recognized in the consolidated statement of profit or loss income when incurred.

Capital work-in-progress are stated at cost which represent construction works at the Group's projects, including consultancy, demolition, site development, rocks removal, construction works and other costs related to assets that are ready to be transferred to the location and to get ready for their intended use. Gains or losses on the disposal of an investment property (which represent the difference between sales proceeds and carrying amounts of disposed investment property) are recognized in the consolidated statement of profit or loss.

The annual estimated rates of depreciation of the principal classes of assets are as follows:

Statement	Depreciation %
Buildings	5%

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets that include technical programs which the Group has acquired and have a useful life of more than 1 year are measured at cost, less accumulated amortization, and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in a specific asset to which they relate, and all other expenses that are internally generated are recognized in the consolidated statement of profit or loss when incurred. Amortization of costs of intangible assets are calculated less the residual value using the straight-line basis over their estimated useful lives and are recognized in the consolidated statement of profit or loss.

The annual estimated rates of Amortization of the Intangible assets are as follows:

Statement	Amortization%
Programs	25%

Impairment of assets

At each statement of financial position date, the Group reviews the carrying amounts of its property and equipment and Intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication that assets have suffered an impairment loss, the recoverable amount of any affected asset (or Group of assets) is estimated and compared to its carrying amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

When an impairment loss subsequently reverses other than goodwill, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in consolidated statement of profit or loss.

Related party transactions

Related party

A related party is a person or entity associated with the Group that prepares its financial statements.

A) If the person or a member of his family is closely related to the company whose consolidated financial statements are prepared:

- Has joint control or control over the company preparing its consolidated financial statements;
- It has a material impact on the company preparing its consolidated financial statements. or
- He is a member of the top management of the company whose consolidated financial statements are prepared or the parent company of the company that prepares its consolidated financial statements.

B) If the facility is related to the company that prepares its consolidated financial statements if any of the following conditions are fulfilled:

- The establishment and the company that prepares its consolidated financial statements are members of the same Group (which means that both the parent company, subsidiaries, and associates have a relationship with the other).
- One of the two companies is an associate or a joint venture of the other company (or an associate or a joint venture of a member of the Group of which the other company is a member).
- Both companies are joint ventures of the same third party.
- One of the two companies is a joint venture of a third company and the other company is an associate of the third company.
- A company is a post-employment benefit plan for the employees of any company that prepares its financial reports or a company related to the company that prepares its consolidated financial statements. If the company preparing its consolidated financial statements is the same as preparing those plans, the sponsoring work sponsors are also related to the company that prepares its consolidated financial statements.
- The company is jointly controlled or controlled by a person specified in Paragraph (a).
- The person identified in paragraph (a) has a material influence on the company or is a member of the top management in the company (or the parent company).

The company or any member of the Group provides part of the services of senior management employees of the company that prepares its consolidated financial statements or to the parent company of the company that prepares its financial statements.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that relate directly to the purchase or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through the consolidated statement of profit or loss) are added to the fair value of financial assets and financial liabilities or deducted from them, as appropriate, upon initial recognition. Transaction costs that are directly related to the purchase of financial assets and liabilities and are measured at fair value through the consolidated statement of profit or loss are recognized directly in the consolidated statement of profit or loss.

First: Financial assets

Financial assets are classified into the following specified categories: Financial assets 'at fair value through profit or loss' (FVTPL), Financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. A regular way purchase or sale of financial assets is recognized using trade date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

a) Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through the statement of profit or loss if they have been acquired or held for the purpose or selected to be classified in this category.

Financial assets are classified as held for trading if:

- If they were acquired mainly to be sold in the near future.
- If they represent a known portfolio of financial instruments managed by the Group and include the actual pattern of a financial instrument that generates profits in the short term.
- If they represent a derivative but not classified or effective as a hedging instrument.

Financial assets measured at fair value through the statement of profit or loss are stated at their fair value, and any gain or loss resulting from the revaluation is recognized in the consolidated statement profit or loss.

Net profit or loss includes any dividends or interest due from the financial asset and is included in the consolidated statement of profit or loss.

b) Financial assets measured at Fair value through other comprehensive income (FVOCI)

Quoted shares owned by the Group which they are traded in an active financial market classified as financial assets at Fair value through other comprehensive income. Gains and losses arising from changes in fair value are included in the statement of other comprehensive income and are added to statement of accumulated changes in fair value of investments within equity other than impairment losses which are included in the consolidated statement of profit and loss. If investment is disposed or suffered an impairment, profits and losses resulted from previous evaluation which were recognized in investment revaluation reserve are included in the statement of other comprehensive income.

Dividends income from investments are recognized in equity instruments at fair value through the statement of other comprehensive income when the Group's right to receive payment has been established and is shown as income in the consolidated statement of profit or loss unless dividends clearly represent a recovery of part of the investment cost. Other profits and losses are recognized in statement of other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

c) Financial assets measured at amortized cost

Accounts receivable, including trade and other receivables, Cash and cash at banks are measured at amortized cost using the effective interest method less any impairment loss and charged to the consolidated statement profit or loss.

Interest income is determined using the effective interest rate, except for short-term receivables when the discount effect is insignificant.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Second: Financial liabilities
Financial liabilities (including loans and trade payables) are measured subsequently at mortised cost using the effective interest method.
The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the consolidated statement of profit or loss.

Effective interest rate method
The effective interest method is an accounting practice used for calculating the amortized cost of a debt instrument and for distributing interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received, which form an integral part of the effective interest rate, transaction costs, installments or other discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Inventory
Inventories are stated at the lower of cost and net realizable value, except for spare parts and raw materials that are stated at cost. Costs of inventories include cost of purchase, direct and indirect costs to place inventory on site and in the current situation. The cost is determined using the weighted average basis. A provision for obsolete and slow-moving items based on management estimates at the reporting date.

Accounts receivable
Accounts receivable are stated at the original amount of invoice, less provision for expected credit losses. An allowance against expected credit losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off as incurred against related provisions. Provisions are charged to the consolidated statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded under revenues.

Cash and cash equivalents
Cash and cash equivalents are include cash in hand and in banks, murabaha facilities, and other short-term high-liquid investments that can be converted into cash with an original maturity of three months or less from the acquisition date which are available to the Group without restrictions and which are subject toan insignificant risk of changes in value.

Leases

Group as a lessor
a) The Group recognizes lease payments received under the lease contracts as income in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

Group as a lessee
On initiation of non-cancellable operating leases, the leased asset is identified and defined as the "right to use leased asset" and measured at cost with an appropriate discount to the relevant components of the lease term and payment obligations including initial direct cost and terms and incentives mentioned in the basic lease agreement after the measurement After initial recognition, the 'right to use leased asset' is measured periodically using a cost model that includes initially measured and any re-measurement adjustments less accumulated depreciation.
The Group amortizes the right-of-use asset over the estimated term of the lease on a straight-line basis.
On the commencement date of the lease at the net present value of all unpaid lease payments as on that date discounted at an appropriate rate. After the initial measurement, the lease liability is measured periodically by increasing its carrying cost to reflect the interest cost of the unpaid future lease liability and any re-measurement adjustment minus the lease payments made up to that date. An appropriate rate of depreciation and an appropriate rate of profit are applied to the "Right of Use of the Leased Asset" and "Leases Liabilities" respectively. This depreciation, interest and finance expenses are charged to the statement of profit or loss.

Short-term and low-value leases
The Group has chosen not to prove the assets (right to use) and lease liabilities for short-term leases of 12 months or less and low-value lease contracts, the Group recognizes the lease payments associated with these contracts as expenses in the consolidated statement of profit or loss on a straight-line basis over a period lease.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade payables

Liabilities are recognized for amounts to be paid in the future for services received, whether billed or not by suppliers.

Zakat provision

The estimated zakat is an obligation on the company and it is redeemed in the attached financial statements by uploading it to the profit or loss statement in accordance with the zakat standard and the opinion issued by the Saudi Organization for Certified Public Accountants, where it is calculated for the year as an estimate according to the accrual principle.

Zakat is calculated at the end of the year on the basis of the adjusted net income or the Zakat base, whichever is greater, according to the regulations of the General Authority for Zakat and Income in the Kingdom of Saudi Arabia.

Differences between the provision and the final assessment are addressed in the year in which the assessment is received.

EMPLOYEES' DEFINED BENEFITS PLAN OBLIGATIONS

-End-of-service indemnities

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurements, comprising actuarial gains and losses, are reflected immediately in the consolidated statement of financial position and the gains and losses are recognized in other comprehensive income in the period in which they occur, remeasurements recognized within retained earinings in other comprehensive income and are not recharged to the consolidated statement of profit or loss.

-Retirement benefits

The Group contributes for a defined benefit plan to the General Organization for Social Insurance in respect of its Saudi employees. These payments are expensed when incurred.

-Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits related to wages and salaries are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the un-discounted amount of the benefits expected to be paid in exchange for the related service.

Loans

Loans are initially recognized at the transaction price (I.e. the present value of the bank's due to funding bodies, including transaction costs). Loans are measured at amortized cost.

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 the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured to the best of the expected fair value of the liability as at the balance sheet date, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount are confirmed and the amount can be measured reliably.

Revenues

Revenue is recognized when the Group fulfills its obligations in contracts with customers with an amount that reflects the material compensation that the entity expects for goods or services. Specifically, the standard provides a five-step model for revenue recognition:

Step 1: Identify the contract with the customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)
The following are a description of the main activities from which the Group recognize revenue:

- **Retail outlets sales**

The Group owns and operates a number of retail outlets, and sells stationery, children's toys, computers and its supplies, gifts and luxuries, perfumes, cosmetics, office supplies, school supplies, and books. Sales revenue is recognized when the product sold by the Group is acquired by the customer. The transaction price is paid immediately upon purchase of the product by the customer.

- **Wholesales**

The Group sells office supplies, school supplies and computer supplies to other retailers. Sales are recognized when control of the products is transferred, that is, when the products are delivered to the retailers and there is no unperformed obligation that may affect the acceptance of the products by the retailers.

Rental income
Revenue from rental of investment properties and subleasing contracts within real estate In which the Group is the lessee is recognized on a straight-line basis over the lease term and is recognized as rental income in the consolidated statement of profit or loss.
The unearned revenue represents the rents collected from the lessees that do not pertain to the reporting period and are presented among the current liabilities in the consolidated financial position. Operating lease receivables represents the amount of lease receivable arising from operating leases as recognized as rental income.

Other income
Other income are recognized when realized.

Cost of sales and operation expenses
Cost of sales included costs previously included in measuring inventory sold to customers, warehouse costs, distribution cost to retail stores, and all retail store costs including salaries, wages, utilities, operating expenses, and depreciation costs. other operating expenses are classified as either general and administrative expenses or selling and marketing expenses.

Expenses
All direct expenses related to sales comprise of salaries, wages, materials and Indirect costs and are charged to cost of sales. Selling and marketing expenses include all expenses related to the selling and marketing function. All other expenses are classified as general and administrative expenses. Common expenses are allocated between general and administrative expenses, selling, marketing expenses. Common expenses are allocated on consistent basis.

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

Board of Directors remunerations
The remuneration of the members of the Board of Directors is recognized in the period approved by the shareholders of the Group in the consolidated statement of profit or loss.

Earnings per share
Basic and diluted earnings per share are calculated based on the weighted average number of shares outstanding at end of the period.

Finance costs
Borrowing costs directly attributable to construction or production of an asset that necessarily takes a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. All other borrowing costs are recognized as an expense in the period in which they are incurred. . Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Segment information

A segment is a distinguishable component of the Group that is engaged either in selling/providing products or services (a business segment) or in selling / providing products or services within a particular economic environment (a geographic segment), and its profits and losses differ from the profits and losses of other segments.. The Group follows the business segment only, as most of its activities are practiced in the Kingdom of Saudi Arabia.

Foreign currency transaction

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position 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.

5- PROPERTY AND EQUIPMENT, NET

	Lands SAR	Buildings SAR	Motor vehicles SAR	Office supplies and computer systems SAR	Furniture and fixtures SAR	Projects under construction* SAR	Total SAR
Cost							
Balance as at 1 April 2020	57,903,830	24,720,696	1,675,293	7,495,301	8,401,622	452,003	100,648,745
Additions during the year	-	-	-	197,855	136,820	834,919	1,169,594
Transferred from projects under construction	-	-	-	227,891	484,788	(712,679)	-
Disposals during the year	-	-	(90,000)	(116,728)	(36,636)	-	(243,364)
Balance as at 31 March 2021	57,903,830	24,720,696	1,585,293	7,804,319	8,986,594	574,243	101,574,975
Accumulated depreciation							
Balance as at 1 April 2020	-	7,138,756	1,481,299	5,452,722	3,456,912	-	17,529,689
Charged for the year	-	1,236,035	70,728	844,470	753,178	-	2,904,411
Disposals during the year	-	-	(89,999)	(76,727)	(32,958)	-	(199,684)
Balance as at 31 March 2021	-	8,374,791	1,462,028	6,220,465	4,177,132	-	20,234,416
Net book value							
As at 31 March 2021	57,903,830	16,345,905	123,265	1,583,854	4,809,462	574,243	81,340,559

* The projects under construction represents the works of prepration and installation of the decorations and equipment at Groups's branches.

Depreciation expenses are allocated as at 31 March as follows:

	2021 SAR	2020 SAR
General and administrative expenses (Note 21)	1,860,746	1,933,715
Selling and marketing expenses (Note 22)	1,043,665	916,645
	2,904,411	2,850,360

5- PROPERTY AND EQUIPMENT, NET (CONTINUED)

	Lands SAR	Buildings SAR	Motor vehicles SAR	Office supplies and computer systems SAR	Furniture and fixtures SAR	Projects under construction SAR	Total SAR
Cost							
Balance at the beginning of the year	60,553,840	21,111,387	1,623,893	5,759,519	6,426,850	4,500,138	99,975,627
Additions during the year	-	-	51,400	873,295	35,801	2,362,632	3,323,128
Transferred from projects under construction	-	3,609,309	-	862,487	1,938,971	(6,410,767)	-
Disposals during the year	(2,650,010)	-	-	-	-	-	(2,650,010)
Balance at the end of the year	57,903,830	24,720,696	1,675,293	7,495,301	8,401,622	452,003	100,648,745
Accumulated depreciation							
Balance at the beginning of the year	-	5,993,338	1,404,619	4,410,747	2,870,625	-	14,679,329
Charged for the year	-	1,145,418	76,680	1,041,975	586,287	-	2,850,360
Balance at the end of the year	-	7,138,756	1,481,299	5,452,722	3,456,912	-	17,529,689
Net book value							
As at 31 March 2020	57,903,830	17,581,940	193,994	2,042,579	4,944,710	452,003	83,119,056

6- INVESTMENT PROPERTIES, NET

Movement on investment properties as at 31 March 2021 is as follows:

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance at the beginning of the year	34,233,193	8,152,278	42,385,471
Additions during the year	-	33,610	33,610
Balance at the end of the year	**34,233,193**	**8,185,888**	**42,419,081**
Accumulated depreciation			
Balance at the beginning of the year	-	3,339,850	3,339,850
Charged for the year (Note 20)	-	409,015	409,015
Balance at the end of the year	-	**3,748,865**	**3,748,865**
Net book value			
As of 31 March 2021	**34,233,193**	**4,437,023**	**38,670,216**

- The value of those investment properties was recorded according to the cost model, The Group evaluated its investment properties with a net book value of SAR 38,670,216 at fair value by an Independent Valuation Expert licensed by the Saudi Authority for Accredited Valuers (TAQEEM) "Rabe Muhammad Al-Natifi Office" License No. 121000385 as on March 31, 2021 the fair value of these investment properties amounting to SAR 48,340,000 as at 31 March 2021 (As at 31 March 2020: SAR 47,705,310), The fair value was determined using the income method, as the method used to derive the fair value is within the level (3).

Movement on investment properties as of 31 March 2020 is as follows:

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance at the beginning of the year	31,583,182	6,945,592	38,528,774
Additions during the year	2,650,011	1,206,686	3,856,697
Balance at the end of the year	34,233,193	8,152,278	42,385,471
Accumulated depreciation			
Balance at the beginning of the year	-	2,982,515	2,982,515
Charged for the year (Note 20)	-	357,335	357,335
Balance at the end of the year	-	3,339,850	3,339,850
Net book value			
Balance at the end of the year	34,233,193	4,812,428	39,045,621

7- INTANGIBLE ASSETS, NET

Intangible assets are represented in system used in the Group's operating activities where they are amortized over (4) years, and the following is the movement on intangible assets as follows:

	31 March 2021 SAR	31 March 2020 SAR
Cost		
Balance at the beginning of the year	857,368	857,368
Additions during the year	-	-
Balance at the end of the year	**857,368**	857,368
Accumulated amortization		
Balance at the beginning of the year	474,597	260,255
Charged for the year (Note 21)	**214,342**	214,342
Balance at the end of the year	**688,939**	474,597
Net book value		
Balance at the end of the year	**168,429**	382,771

8- LEASES

The following table shows the movement during the year on both the right-of-use assets and leases liabilities:

A- Movement in right-of-use assets:

	31 March 2021 SAR	31 March 2020 SAR
Cost		
Balance at the beginning of the year	16,546,280	-
Impact of the application of IFRS 16 as at 1 April 2019	-	9,705,601
Additions during the year	**6,221,070**	7,025,243
Disposal during the year	-	(184,564)
Balance at the end of the year	**22,767,350**	16,546,280
Accumulated Depreciation		
Balance at the beginning of the year	5,127,174	-
Impact of the application of IFRS 16 as at 1 April 2019	-	2,662,681
Charged for the year*	**4,619,974**	2,464,493
Balance at the end of the year	**9,747,148**	5,127,174
Net book value		
Balance at the end of the year	**13,020,202**	11,419,106

* Right of use assets depreciation is allocated as at 31 March as follows:

	2021 SAR	2020 SAR
General and administrative expenses (Note 21)	**180,151**	180,030
Selling and marketing expenses (Note 22)	**4,439,823**	2,284,463
	4,619,974	2,464,493

B-Movement in lease contract liabilities:

	31 March 2021 SAR	31 March 2020 SAR
Balance at the beginning of the year	**10,706,750**	6,105,444
Additions during the year	**6,221,070**	7,830,874
Amortization of interest during the year (Note 23)	**494,463**	666,147
Paid during the year	**(5,308,126)**	(3,895,715)
Balance at the end of the year	**12,114,157**	10,706,750

8- LEASES (CONTINUED)

Lease liabilities are allocated as follows:

	31 March 2021 SAR	31 March 2020 SAR
Non-current portion	8,776,503	7,534,573
Current portion	3,337,654	3,172,177
	12,114,157	10,706,750

9- GOODWILL

The goodwill arose as a result of the Group's acquisition of the ownership percentage of Al-Moujah Trading Company during the year 2012 and the goodwill balance on 31 March 2021 was SAR 19,704,499 (31 March 2020: SAR 19,704,499).

The company has appointed a consultant to evaluate the subsidiary company to ensure that there is no impairment on investment in the subsidiary company, as the group management tests the goodwill resulting from the acquisition of Al-Moujah Trading Company annually. The test is conducted to ensure that there are any indications of impairment in its value by comparing the book value of each cash-generating unit with the recoverable value that was determined on the basis of the information that was used in calculating the present value of the expected cash flows based on financial forecasts approved by management. The discount rate applied in calculating cash flows varies according to each cash-generating unit. The residual value was calculated at the end of the forecast period by applying multiple profits to the net income for the final year in the forecast period.

10- FINANCIAL INVESTMENTS AT FVOCI

Financial investments represent investments in equity instruments of listed companies that are accounted for at FVOCI. The following is a statement of these investments:

			Reserve for the revaluation of investments at FVOCI			
Statement	**Number of Shares**	Cost as at 1 April 2020 SAR	**As at 1 April 2020 SAR**	**Movement during the year SAR**	**As at 31 March 2021 SAR**	**Fair value as at 31 March 2021 SAR**
Jarir Marketing Company	**42,320**	4,629,497	**778,999**	**2,293,744**	**3,072,743**	**7,702,240**

During the financial year ending on 31 March 2021, the parent Group received cash dividends from Jarir Marketing Company amounted to to SAR 332,213 (31 March 2020: SAR 338,560).

11- INVENTORY, NET

	31 March 2021 SAR	31 March 2020 SAR
Stationery, office supplies and accessories	86,290,256	83,481,383
Printers inks and computers supplies	14,585,126	28,140,912
Goods in transit	3,107,169	-
Provision for slow moving goods	(5,633,842)	(3,632,145)
	98,348,709	107,990,150

11- INVENTORY, NET (CONTINUED)

The movement in the provision for slow-moving goods is as follows:

	31 March 2021 SAR	31 March 2020 SAR
Balance at the beginning of the year	3,632,145	371,811
Additions during the year	3,283,404	4,709,325
Reversal during the year	(1,149,562)	-
Utilized during the year	(132,145)	(1,448,991)
Balance at the end of the year	5,633,842	3,632,145

*Inventory provided during the year are allocated as follows:

	31 March 2021 SAR	31 March 2020 SAR
General and administrative expenses (Note 21)	2,660,645	3,877,159
Selling and marketing expenses (Note 22)	622,759	832,166
	3,283,404	4,709,325

12- ACCOUNTS RECEIVABLE, NET

	31 March 2021 SAR	31 March 2020 SAR
Accounts receivable	40,914,149	46,502,258
(Less): Provision for expected credit losses	(3,303,171)	(3,770,869)
	37,610,978	42,731,389

The movement in the provision for expected credit losses is as follows:

	31 March 2021 SAR	31 March 2020 SAR
Balance at the beginning of the year	3,770,869	3,956,685
Provided during the year (Note 21)	476,295	789,359
Reversal during the year (Note 24)	(595,423)	-
Utilized during the year	(348,570)	(975,175)
Balance at the end of the year	3,303,171	3,770,869

The following table shows the ages of receivables with the Group as in:

	31 March 2021 SAR	31 March 2020 SAR
From 1 to 30 days	10,395,881	10,618,315
From 31 to 60 days	12,972,276	10,713,892
From 61 to 90 days	8,390,789	9,374,649
From 91 to 180 days	2,502,069	8,871,135
From 181 to 365 days	2,548,654	2,652,518
More than 365 days	4,104,480	4,271,749
Balance at the end of the year	40,914,149	46,502,258

13- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 March 2021 SAR	31 March 2020 SAR
Advances to the suppliers	10,407,525	10,733,254
Prepaid expenses	1,550,667	1,361,747
Letter of guarantee insurance (Note28)	1,076,297	1,236,987
Prepaid rent	579,046	187,766
Other receivables	1,378,427	1,427,906
	14,991,962	14,947,660

14- CASH AND CASH EQUIVALENT

	31 March 2021 SAR	31 March 2020 SAR
Cash on hand	351,281	309,624
Cash at banks	11,122,623	20,555,599
Checks under collection	8,739,569	-
	20,213,473	20,865,223

15- STATUTORY RESERVE

As per the Regulations for Companies in Saudi Arabia, a statutory reserve of 10% of net income must be appropriated until the reserve equals 30% of the share capital. The reserve is not available for distribution as dividends to Shareholders.

16- BANK FACILITIES

A) Riyad bank

The Group has short-term bank facility agreements with Riyad Bank in the form of loans and /or opening letters of credit and/or issuing letters of guarantee and/or treasury products and others, The balance of the limit of the facilities granted to the Group amounted to SAR 30 million, the facilities used amounted to SAR 4,290,239 as at 31 March 2021 (31 March 2020: SAR 2,152,573).

B) Samba bank

The Group has short-term bank facility agreements with Samba Financial Group (Samba bank), with the permission of the Al-Moujah for Trade Company (subsidiary Company) to use these facilities, The balance of the limit of the facilities granted to the Group amounted to SAR 45 million, The limit of bank facilities against letters of credit amounted to SAR 22 million, and the limit of letters of guarantee amounted to SAR 13 million and Murabaha financing to customers directly reached SAR 10 million, The loan agreement included conditions regarding the Group's commitment to certain financial ratios and conditions and a promissory note of SAR 45 million for Samba Financial Group (Samba Bank), The facilities used amounted to SAR 13,059,566 as at 31 March 2021 (31 March 2020: nil).

C) Saudi Investment bank

The Group has short-term bank facility agreements with Saudi investment bank, The balance of the limit of the facilities granted to the Group amounted to SAR 70 million, The loan agreement included conditions regarding the Group's commitment to certain financial ratios and conditions and a promissory note of SAR 70 million for Saudi investment bank. these facilities are secured by a performance guarantee signed by Al-Moujah for Trade Company (subsidiary company), and an agency to purchase and an authorization to sell goods, and a no-objection letter from Al-Moujeh Trading Company (a subsidiary company) to use the facilities granted to the company, The facilities used amounted to SAR 21,530,836 as at 31 March 2021 (31 March 2020: 20,641,330).

16- BANK FACILITIES (CONTINUED)

D) Aalahli bank

The Group has short-term bank facility agreements with Aalahli bank, The balance of the limit of the facilities granted to the Group amounted to SAR 40 million, The loan agreement included conditions regarding the Group's commitment to certain financial ratios and conditions, The facilities used amounted to SAR 7 million as at 31 March 2021 (March 31, 2020: 11,438,837).

E) Aljazira bank

The Group has short-term bank facility agreements with Aljazira bank, The balance of the limit of the facilities granted to the Group amounted to SAR 50 million, The loan agreement included conditions regarding the Group's commitment to certain financial ratios and conditions and a promissory note of SAR 50 million for Saudi investment bank, The facilities used amounted to SAR 16,367,785 million as at 31 March 2021 (March 31, 2020: 46,573,000).

The movement on Bank facilities balance as follows:

	31 March 2021 SAR	31 March 2020 SAR
Balance at the beginning of the year	**80,805,740**	114,214,732
Proceeds during the year	**142,387,122**	176,094,600
Paid during the year	**(160,944,436)**	(209,503,592)
Balance at the end of the year	**62,248,426**	80,805,740
The balance of bank facilities classified as follows:		
Current portion	**62,248,426**	80,635,757
Non-current portion	**-**	169,983

17- EMPLOYEES' DEFINED BENEFIT PLAN OBLIGATIONS

The Group determines the current value of the defined employee benefit plan obligations by making an actuarial valuation using the projected credit unit method, after taking into account the following set of assumptions:

	31 March 2021	31 March 2020
Discount rate	**%2.75**	%3.86
salaries increase rate	**%3**	%3

The movement in defined employees benefit plan liabilities as at 31 March is as follows:

	31 March 2021 SAR	31 March 2020 SAR
Employees' defined benefits plan obligations balance at the beginning of the year	**3,994,091**	4,089,646
Charged to the consolidated statement of profit or loss		
Current service cost	**562,060**	469,401
Interest cost	**154,513**	158,424
Charged to the consolidated statement of other comprehensive income		
Actuarial re-measurement of employees' defined benefit plan obligations	**651,105**	(361,605)
Paid during the year	**(466,871)**	(361,775)
Employees' defined benefits plan obligations balance at the end of the year	**4,894,898**	3,994,091

18- ACCRUED EXPENSES AND OTHER PAYABLES

	31 March 2021 SAR	31 March 2020 SAR
Advances from customers	**1,970,025**	720,158
Value added tax	**1,717,670**	45,244
Accrued salaries and wages	**1,489,913**	1,009,412
Deferred revenue	**1,055,698**	861,910
Accrued remuneration of board of directors	**981,000**	81,000
Finance charges due	**249,902**	407,697
Professional and consulting fees due	**62,500**	157,500
Others	**1,891,417**	1,697,584
	9,418,125	4,980,505

19- ZAKAT PROVISION

A) The principal elements of the zakat base for the Group are the following:

	31 March 2021 SAR	31 March 2020 SAR
Equity, provisions at the beginning of the year and other adjustments	**250,727,060**	239,145,412
Long term assets	**(160,606,145)**	(159,079,549)
Adjusted net income	**11,215,177**	22,249,810

B) The following is the movement in Zakat provision:

	31 March 2021 SAR	31 March 2020 SAR
Balance at the beginning of the year	**2,614,764**	2,441,007
Provided during the year	**2,609,776**	2,620,090
Zakat differences for previous years	**541,927**	-
Paid during the year	**(3,124,809)**	(2,446,333)
Balance at the end of the year	**2,641,658**	2,614,764

C) Zakat status:

The group submitted its consolidated zakat returns for company and the subsidiary until the date of 31 December 2019 and obtained the required certificates.

- The Zakat, Tax and Customs Authority made zakat assessments for the group for the years from 2015 to 2018, and the assessment resulted in differences of SAR 597,885 . The group submitted objections to those assessments and these objections were not completed until the date of these consolidated financial statements.

20- RENTAL REVENUES, NET

	2021 SAR	2020 SAR
Rental revenues	**2,930,831**	1,987,897
Less:		
Discount of rental revenues	**163,156**	-
Depreciation of investment properties (Note 6)	**409,015**	357,335
	2,358,660	1,630,562

21- GENERAL AND ADMINISTRATIVE EXPENSES

	2021 SAR	2020 SAR
Salaries, wages and other benefits	**8,818,247**	10,452,474
Governmental expenses	**3,750,186**	1,219,576
Provision for slow moving goods (Note 11)	**2,660,645**	3,877,159
Depreciation of property and equipment (Note 5)	**1,860,746**	1,933,715
Board members' allowances and remuneration	**1,800,000**	900,000
Professional and consulting fees	**899,717**	583,875
Bank charges	**749,888**	373,678
Provision for expected credit losses (Note 12)	**476,295**	789,359
Provision for employees' defined benefits plan obligations (Note 17)	**469,974**	412,944
Medical and property and equipment insurance	**441,385**	464,136
Commissions and administrative fees	**322,428**	236,784
Other benefits	**241,620**	225,080
Amortization of intangible assets (Note 7)	**214,342**	214,342
Rentals	**194,751**	167,246
Repair and maintenance	**183,262**	303,299
Depreciation of right of use assets (Note 8)	**180,151**	180,030
Hospitality and cleaning expenses	**40,415**	87,975
Stationery and printing	**16,278**	20,845
Travel expenses	**6,239**	308,874
Damaged inventory expense	-	162,829
Others	**893,256**	1,001,680
	24,219,825	23,915,900

22- SELLING AND MARKETING EXPENSES

	2021 SAR	2020 SAR
Salaries, wages and other benefits	**6,038,700**	6,953,897
Depreciation of right of use assets (Note 8)	**4,439,823**	2,284,463
Governmental expenses	**1,543,729**	1,415,679
Depreciation of property and equipment (Note 5)	**1,043,665**	916,645
Rentals	**766,254**	839,033
Transportation and shipment expenses	**686,766**	982,681
Provision for slow moving goods (Note 11)	**622,759**	832,166
Other benefits	**480,934**	477,818
Marketing and packaging expenses	**433,297**	380,907
Medical and property and equipment insurance	**260,022**	304,070
Provision for employees' defined benefits plan obligations (Note 17)	**246,599**	214,881
Bank charges	**204,504**	380,694
Repair and maintenance	**134,055**	196,835
Hospitality cleaning expenses	**45,045**	46,468
Travel expenses	**25,862**	27,888
Stationery and printing expenses	**10,756**	96,788
Others	**265,032**	244,679
	17,247,802	16,595,592

23- FINANCE COSTS

	2021 SAR	2020 SAR
Bank facilitates financing costs	**2,297,609**	4,474,019
Amortization of lease liabilities interest (Note 8)	**494,463**	666,147
	2,792,072	5,140,166

24- OTHER INCOME, NET

	2021 SAR	2020 SAR
Rental discounts	**1,216,603**	-
Reversals from expected credit loss (Note 12)	**595,423**	-
Exchange rate differences	**(7,672)**	537
Losses from sale of property and equipment	**(18,995)**	-
Others	**16,086**	10,606
	1,801,445	11,143

25- EARNINGS PER SHARE

Earnings per share from net income is calculated by dividing the net income for the year by the weighted average number of shares outstanding as at the end of the year amounting to 20,000,000 shares.

26- SEGMENT INFORMATION

Segmental information relates to the Group's business and activities, which the Group's management relied on as a basis for preparing its financial information, in line with the internal reporting methods. Transactions between segments are carried out on the same terms as transactions with third parties.

The assets, liabilities and operating activities of the segments include items directly related to a particular segment and items that can be allocated to different segments on a reasonable basis. Items that cannot be allocated between segments are classified under common assets and liabilities. The company's sectors are as follows:

- Retail and wholesale trade, where the company does wholesale of stationery, wholesale of computers and their accessories, and other wholesale and retail sales.
- Inks sector, where the company sells computers, printers and their inks.
- Real estate and rent sector, where the company leases buildings for commercial and residential purposes.

The following is a summary of the financial sectoral information in Saudi riyals as at 31 March 2021 , 2020 respectively, according to the nature of the activity:

26- SEGMENT INFORMATION (CONTINUED)

As at 31 March 2021	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Total current assets	121,757,449	48,736,768	670,905	171,165,122
Total non-current assets	121,778,504	157,425	38,670,216	160,606,145
Total assets	243,535,953	48,894,193	39,341,121	331,771,267
Total current liabilities	81,243,572	3,219,589	1,055,699	85,518,860
Total non-current liabilities	13,008,880	662,521	-	13,671,401
Total liabilities	94,252,452	3,882,110	1,055,699	99,190,261

As at 31 March 2020	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Total current assets	126,913,306	59,492,445	128,671	186,534,422
Total non-current assets	119,805,925	228,004	39,045,620	159,079,549
Total assets	246,719,231	59,720,449	39,174,291	345,613,971
Total current liabilities	95,922,675	1,524,559	861,910	98,309,144
Total non-current liabilities	11,130,281	568,366	-	11,698,647
Total liabilities	107,052,956	2,092,925	861,910	110,007,791

For the year ended 31 March 2021	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales	134,901,490	96,275,513	-	231,177,003
Cost of sales	97,733,949	85,191,783	-	182,925,732
Gross profit for the year	37,167,540	11,083,731	-	48,251,271
Net profit for the year	(1,124,375)	4,097,900	2,358,662	5,332,187

For the year ended 31 March 2020	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales	194,773,314	102,298,845	-	297,072,159
Cost of sales	146,022,848	90,881,957	-	236,904,805
Gross profit for the year	48,750,466	11,416,888	-	60,167,354
Net profit for the year	10,243,469	2,001,840	1,630,562	13,875,871

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Credit risks

Credit risk is the risk that one party may fail to discharge an obligation and will cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances and receivables as follows:

	31 March 2021 SAR	31 March 2020 SAR
Cash at banks	11,122,623	20,555,599
Accounts receivable, net	37,610,978	42,731,389
	48,733,601	63,286,988

Liquidity risks

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments that the Group commits to in the interest of others.

To reduce the liquidity risk and associated losses that may affect the business of the Group. The Group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group avoids financing long-term capital requirements through short-term borrowing and operations related to current accounts with related parties. Long-term projects are currently funded with long-term loans only.

The Group also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funding to meet these liabilities in a timely manner.

The following is the aging of assets and accruals at liabilities as of 31 March 2021:

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable	31,758,946	9,155,203	-	-	40,914,149
Total	31,758,946	9,155,203	-	-	40,914,149
Liabilities					
Employees' defined benefits plan obligations	-	-	-	4,894,898	4,894,898
Lease liabilities	-	3,337,654	8,776,503	-	12,114,157
Bank facilitates	27,081,234	35,167,192	-	-	62,248,426
Trade payables	7,872,997	-	-	-	7,872,997
Accrued expenses and other payables	9,418,125	-	-	-	9,418,125
Zakat provision	2,641,658	-	-	-	2,641,658
Total	47,014,014	38,504,846	8,776,503	4,894,898	99,190,261

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Liquidity risks (continued)

The following is the aging of assets and accruals at liabilities as of 31 March 2020:

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
Assets					
Accounts receivable, prepaid expenses and other receivables	30,706,856	15,795,402	-	-	46,502,258
Total	30,706,856	15,795,402	-	-	46,502,258
Liabilities					
Employees defined benefits plan obligations	-	-	-	3,994,091	3,994,091
Lease liabilities	1,078,555	2,093,622	7,534,573	-	10,706,750
Bank facilitates	28,481,009	52,154,748	169,983	-	80,805,740
Trade payables	6,905,941	-	-	-	6,905,941
Accrued expenses and other payables	3,996,616	983,889	-	-	4,980,505
Zakat provision	2,614,764	-	-	-	2,614,764
Total	43,076,885	55,232,259	7,704,556	3,994,091	110,007,791

Market price risk

Market risk is the risk that arises from changes in the fair value of future cash flows of financial instruments due to changes in market prices. Market rates have 3 types: Interest rate risk. Currency risk and other price risks such as shares price risk and commodity price risk, and includes financial liabilities affected by market price risk on loans, accounts receivable, and payables.

Interest rate risk

Interest rate risk is the risk that arises from changes in the fair value of future cash flows of financial instruments because of a change in the interest rate of the market. The Group's financial assets and liabilities as of the balance sheet date, except for long-term loans, are not exposed to interest rate risk. Long-term loans carry interest in addition to credit margin based on prevailing market interest rates.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's primary transactions are in Saudi riyals and US dollars. Management monitors currency fluctuations.

Fair value

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. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

Fair values are categorized into different levels in the fair value hierarchy based on the inputs used in the valuation methods as follows:

Level 1: Quoted market prices in active markets for identical assets.

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.

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Fair value (continued)

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	7,702,240	-	-	7,702,240

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	5,408,496	-	-	5,408,496

Capital risks management

The Group's policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market and to maintain the future development of business. The Group monitors its capital base using the ratio of net debt to equity, net debt is calculated based on murabaha less cash and cash equivalents.
The following is the net debt to equity ratio of the Group at the end of the year:

	31 March 2021 SAR	31 March 2020 SAR
Bank facilities	62,248,426	80,805,740
Less: Cash and cash equivalents	(20,213,473)	(20,865,223)
Net debt	42,034,953	59,940,517
Total Equity	232,581,006	235,606,180
Net debt-to-equity ratio	%18	%25

28- CONTINGENT LIABILITIES

The Group has contingent liabilities arising from an outstanding letter of guarantee amounting to SAR 6,115,931 as of 31 March 2021 (31 March 2020: amounting to SAR 12,486,987) (Note 13).

29- DIVIDENDS

The Ordinary General Assembly which was held on 21 Muharram1442H (corresponding to 9 September 2020), agreed to distribute cash dividends to the shareholders of the Group for the financial year ending 31 March 2021 by (0.50) fifty Halalas per share, with a total value of (10,000,000) million Saudi riyals (Dividends for the year ended 31 March 2020: SAR 8 million).

30- COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the classification of the current period, the remuneration of the members of the Board of Directors was classified as a separate item in the consolidated statement of changes in shareholders' equity, has been reclassified to the consolidated statement of profit or loss and other comprehensive income. The effect of reclassification was as follows:

Statement	Balance before reclassification SAR	Reclassification SAR	Balance after reclassification SAR
General and administrative expenses	23,015,900	900,000	23,915,900
Net profit for the year	14,775,871	(900,000)	13,875,871
Total comprehensive income for the year	13,850,948	(900,000)	12,950,948
Retained Earnings	31,166,176	364	31,166,540
Statutory reserve	3,299,400	(364)	3,299,036

31- GENERAL

The figures in these consolidated financial statements are rounded to the nearest Saudi Riyals.

32- SIGNIFICANT EVENTS DURING THE PERIOD

Since the beginning of the year 2020, due to the spread of coronavirus (COVID-19) in the region and in the world which is considered a pandemic causing disruption in commercial and economic activities and affecting the demand for the Group's products.

Although it is difficult to predict the full long term and duration of the commercial and economic impacts, the Group's management studied the potential impacts of the Covid-19 pandemic on the Group's operations and concluded that the operational operations will be affected by that pandemic and believes that there will be a decrease in business results as a result of that pandemic, and therefore the Group's management has studied Practical steps to confront this pandemic, such as rationalizing expenditures and others, as the Group is watching the ever-evolving scenarios. Any change in principal judgments and estimates will be reflected as part of the operating results and cash flows of future reporting periods.

33- SUBSEQUENT EVENTS

In the management's opinion, there were no other events subsequent to the reporting date and occurring before the date of approval of these consolidated financial statements that are expected to have significant impact on these consolidated financial statements.

34- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved for issue by the Board of Directors of the Group On 18 Dhul Qi'dah 1442 AH (corresponding to June 28, 2021 AD).