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ABDULLAH SAAD MOHAMMED ABO MOATI FOR BOOKSTORES COMPANY
(SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2020
WITH INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
FOR THE THREE AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

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INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

To the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Abdullah Saad Mohammed Abo Moati For Bookstores Company, a Saudi Joint Stock Company ("the Company"), and its subsidiary ("the Group") as of 31 December 2020 and the condensed consolidated Interim statements of profit or loss and other comprehensive income for the three and nine months period ended 31 December 2020 and the statement of changes in shareholders' equity and statement of cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410), "Review of condensed consolidated interim financial information performed by the independent auditor of the entity", as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as of 31 December 2020, are not prepared in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia.

Allied Accountants
Dr Abdelgadir Bannaga & Partners Co.

Mohammed Bin Farhan Bin Nader
License No. 435

Riyadh, Saudi Arabia
26 Jumada al-Alkhirah 1442 H (Corresponding to 8 February 2021)

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF 30 DECEMBER 2020

	Note	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net		81,649,984	83,119,056
Investment properties, net		38,772,539	39,045,621
Intangible assets, net		222,015	382,771
Right-of-use assets, net	6	8,895,456	11,419,106
Goodwill	7	19,704,499	19,704,499
Financial Investments at fair value through other comprehensive income	8	7,338,288	5,408,496
Total non-current assets		156,582,781	159,079,549
Current assets			
Inventory, net		106,192,880	107,990,150
Accounts receivable, net	9	37,177,204	42,731,389
Prepaid expenses and other receivables	10	11,241,948	14,947,660
Cash and cash at banks		20,551,802	20,865,223
Total current assets		175,163,834	186,534,422
Total assets		331,746,615	345,613,971
Shareholders' equity and Liabilities			
Shareholders' equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve	11	3,299,400	3,299,400
Retained earnings		25,663,723	31,166,176
Revaluation reserve of financial investments at fair value through other comprehensive income	8	2,708,791	778,999
Remeasurement reserve of defined employees benefit plan obligations		361,605	361,605
Total shareholders' equity		232,033,519	235,606,180
Liabilities			
Non-current liabilities			
Bank facilities- non-current portion	12	-	169,983
Lease obligations - non-current portion	6	3,978,575	7,534,573
Employees defined benefits plan obligations		4,133,328	3,994,091
Total non-current liabilities		8,111,903	11,698,647
Current liabilities			
Bank facilities- current portion	12	73,457,031	80,635,757
Lease obligations - current portion	6	3,065,167	3,172,177
Accounts payable		2,211,901	6,905,941
Accrued expenses and other credit balances	13	10,825,212	4,980,505
Zakat provision		2,041,882	2,614,764
Total current liabilities		91,601,193	98,309,144
Total liabilities		99,713,096	110,007,791
Total shareholders' equity and liabilities		331,746,615	345,613,971

The accompanying notes from (1) to (23) are an integral part of these condensed consolidated Interim financial statements.

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

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

		For the three months period ended 31 December		For the nine months period ended 31 December	
	Note	2020 SAR (unaudited)	2019 SAR (unaudited)	2020 SAR (unaudited)	2019 SAR (unaudited)
Sales, net		68,393,807	84,594,206	164,814,310	221,545,684
Cost of sales		(54,500,599)	(67,308,047)	(130,626,756)	(177,298,265)
Gross profit		13,893,208	17,286,159	34,187,554	44,247,419
Rental revenue, net		697,659	390,572	1,648,910	1,200,950
General and administrative expenses		(5,605,098)	(7,420,218)	(16,899,800)	(18,104,602)
Selling and marketing expenses		(4,075,581)	(4,001,775)	(9,869,313)	(11,166,133)
Profit from main operations		4,910,188	6,254,738	9,067,351	16,177,634
Finance costs		(605,900)	(1,191,564)	(2,224,488)	(4,107,103)
Other revenue/(expenses), net		1,559	7,218	(18,649)	6,746
Dividends from financial Investments at fair value through other comprehensive income		88,872	105,800	232,760	245,456
Net profit for the period before Zakat		4,394,719	5,176,192	7,056,974	12,322,733
Zakat		(1,399,427)	(400,000)	(2,559,427)	(2,200,000)
Net profit for the period		2,995,292	4,776,192	4,497,547	10,122,733
Other comprehensive income					
Items that will not be subsequently reclassified to profit or loss					
Change in fair value of financial investments at fair value through other comprehensive income	8	(592,480)	321,632	1,929,792	313,168
Total comprehensive income for the period		2,402,812	5,097,824	6,427,339	10,435,901
Earnings per share	15				
Basic and diluted earnings per share from main operations		0.25	0.31	0.45	0.81
Basic and diluted earnings per share from net profit for the period		0.15	0.24	0.22	0.51

The accompanying notes from (1) to (23) are an integral part of these condensed consolidated Interim financial statements.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Revaluation reserve of financial investments at fair value through other comprehensive income SAR	Remeasuremet reserve of defined employees benefit plan obligations SAR	Total Shareholders' equity SAR
Balance as at 1 April 2019 (audited)	160.000.000	13.066.203	55.523.503	2.065.527	-	230.655.233
Dividends (note18)	-	-	(8.000.000)	-	-	(8.000.000)
Net profit for the period (adjusted note19)	-	-	10.122.733	-	-	10.122.733
Other comprehensive income	-	-	-	313.168	-	313.168
Additional share capital – free stock dividends (note1)	40.000.000	(11.244.754)	(28.755.246)	-	-	-
Balance as at 30 Decmber 2019 (unaudited)	200.000.000	1.821.449	28.890.990	2.378.695	-	233.091.134
Balance as at 1 April 2020 (audited)	200,000.000	3,299,400	31.166.176	778.999	361.605	235.606.180
Dividends (note18)	-	-	(10,000,000)	-	-	(10,000,000)
Net profit for the period	-	-	4,497,547	-	-	4,497,547
Other comprehensive income	-	-	-	1,929,792	-	1,929,792
Balance as at 31 December 2020 (unaudited)	**200,000,000**	**3,299,400**	**25,663,723**	**2,708,791**	**361,605**	**232,033,519**

The accompanying notes from (1) to (23) are an integral part of these condensed consolidated Interim financial statements.

Chief Financial Officer	Chief Executive Officer	Chairman of Board of Directors

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	For the nine months period ended 31 December 2020 SAR (unaudited)	(Adjusted note19) For the nine months period ended 31 December 2019 SAR (unaudited)
Cash flows from operating activities:		
Net profit for the period before Zakat	7,056,974	12,322,733
Adjustments to reconcile net profit for the period before Zakat:		
Depreciation of property, plant, and equipment	2,183,666	2,050,850
Depreciation of right-of-use assets	2,523,650	1,623,275
Depreciation of investment property	306,691	260,460
Amortizations of intangible assets	160,756	160,756
Provision for expected credit losses	302,759	300,000
Provision for damaged and slow moving inventory	1,224,813	3,044,039
Losses from sale of property, plant and equipment	18,996	-
Finance cost	2,224,488	4,107,103
Provision for employees defined benefits plan obligations	551,835	636,651
	16,554,628	24,505,867
Changes in operating assets and liabilities:		
Inventory	572,457	26,239,786
Accounts receivable	5,251,426	3,028,531
Prepaid expenses and other receivables	3,705,712	(83,199)
Accounts payable	(4,694,040)	9,268,729
Accrued expenses and other credit balances	5,744,250	1,234,702
Cash generated from operations	27,134,433	64,194,416
Finance costs paid	(1,787,039)	(4,155,347)
Employees defined benefits plan obligations paid	(412,598)	(376,193)
Zakat provision paid	(3,132,309)	(2,380,261)
Net cash available from operating activities	21,802,487	57,282,615
Cash flows from investing activities		
Paid for purchase of property, plant, and equipment	(758,273)	(3,953,557)
Proceeds from disposal of property, plant, and equipment	24,683	-
Additions to investment properties	(33,609)	-
Net cash used in investing activities	(767,199)	(3,953,557)
Cash flows from financing activities		
Net change in bank facilities	(7,348,709)	(45,030,028)
Lease obligations paid	(4,000,000)	(2,062,978)
Dividends paid	(10,000,000)	(8,000,000)
Net cash used in financing activities	(21,348,709)	(55,093,006)
Net change in cash and bank balances	(313,421)	(1,763,948)
Cash and cash at banks at the beginning of the period	20,865,223	13,549,090
Cash and cash at banks at the end of the period	20,551,802	11,785,142

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	For the nine months period ended 31 December 2020 SAR (unaudited)	(Adjusted note19) For the nine months period ended 31 December 2019 SAR (unaudited)
Non-cash transactions		
Used from expected credit losses provision	348,568	
Used from slow moving inventory provision	287,409	357,234
Transferred from statutory reserve to for capital increase	-	(11,244,754)
Transferred from retained earnings for capital increase	-	(27,755,246)

The accompanying notes from (1) to (23) are an integral part of these condensed consolidated Interim financial statements

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

1- ORGANIZATION AND ACTIVITIES

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

In accordance with the resolution of the Extraordinary General Assembly dated 12 Dhul Qa'dah 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) free share in exchange for (5) shares owned by the shareholders registered in the company's records on the day of the extraordinary general meeting, provided 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 March 31, 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) free share in exchange for (4) shares owned by the shareholders registered in the company's records on the day of the extraordinary general meeting, provided 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. the number of company's shares becomes 20,000,000 shares, 10 Saudi riyals for each.

The condensed consolidated interim financial financial statements for the nine months period ended 31 December 2020 include the financial statment for Parent Company and its branch and the subsidiary and its branch as follows:

Branchs of Parent Company:

Branch	CR No.	Place of issue	Activity
Microware trading bransh of Abdullah Saad Mohammed Abo Moati For Bookstores CO	1010226765	Riyadh	Wholesale of stationery office supplies, children's games, computers and its supplies.
Bransh of Abdullah Saad Mohammed Abo Moati CO	1010439451	Riyadh	Wholesale of gifts and luxuries, And retail sale of perfumes and cosmetics.
Bransh of Abdullah Saad Mohammed Abo Moati CO (ilahui)	1010467810	Riyadh	Wholesale of perfumes and cosmetics.
Bransh of Abdullah Saad Mohammed Abo Moati CO	1113101191	Shagra	Retail sale of stationery office supplies , newspapers and magazines.
Microware trading bransh of Abdullah Saad Mohammed Abo Moati For Bookstores CO	2050092621	Dammam	Wholesale and retail sale of stationery office supplies, and Wholesale of books, newspapers and magazines.
Bransh of Abdullah Saad Mohammed Abo Moati CO	4030293226	Jeddah	Wholesale and retail sale of stationery office supplies, and retail sale of household supplies.
Bransh of Abdullah Saad Mohammed Abo Moati CO	5855036143	Khamis Mushait	Wholesale and retail sale of stationery office supplies, and wholesale of books, newspapers and magazines.

1-ORGANIZATION AND ACTIVITIES (continued)

Branchs of Parent Company (continued):

Bransh of Abdullah Saad Mohammed Abo Moati CO	5900037192	Jizan	Wholesale and retail sale of stationery office supplies, and wholesale of books, newspapers and magazines.
Bransh of Abdullah Saad Mohammed Abo Moati CO	4650207523	Almadina Almonawara	Wholesale of computers and its supplies.
Bransh of Abdullah Saad Mohammed Abo Moati CO	1131302797	Qassim	Wholesale of pharmaceutical and medical goods and wholesale of stationery office supplies.

Subsidiary company

Company's name	Country of incorporation	Activity	ownership percentage	
			As at 31 December 2020	As at 31 March 2020
Moujah for trade CO	KSA	Wholesale of stationery office supplies, and retail sale of children's games, computers and its supplies.	100%	100%

Branch	CR No.	Place of issue	Activity
Moujah for trade CO	1010141412	Riyadh	Wholesale of stationery office supplies, and retail sale of children's games, computers and its supplies.
Bransh of Moujah for trade CO	2051026138	Khobar	Import, export, wholesale and retail trade in office and school supplies, stationery, gifts and packaging materials
Bransh of Moujah for trade CO	4030130807	Jeddah	Wholesale of stationery office supplies, and retail sale computers and its supplies.

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

2- BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2-1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants.

These condensed consolidated interim financial statements do not include all information and disclosures required to issue the complete set of financial statements in accordance with International Financial Reporting Standards and should be read in conjunctin with the Group's annual consolidated financial statments as at 31 March 2020.

The Capital Market Authority has allowed listed companies to use the fair value model or the revaluation model to measure the property, and investment property within fiscal years starting January 1, 2022 and obligated listed companies to continue to use the cost model to measure plant, equipment, and intangible assets.

These condensed consolidated interim financial statements have been prepared on a historical cost convention unless IFRS requires the use of another measurement basis, as indicated in the applied accounting policies and in accordance with the accrual basis and going concern. The condensed consolidated interim financial statements are presented in Saudi Riyals which is the functional and presentation currency of the Group.

2- BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2-2 Basis of consolidation interim condensed financial statements

The accompanying condensed consolidated interim financial statements include the financial statements of the company and the subsidiary as shown in note (1). A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities. To estimate control, potential voting rights which are currently exercised are taken into account. The condensed interim financial statements of the subsidiary are included in the condensed consolidated interim financial statements from the date the control achieved.
All significant inter-company transactions and balances between the Company and its subsidiaries are eliminated on consolidation of condensed interim financial statments. All significant inter-company profits and losses are also eliminated on consolidation of condensed interim financial statments.

Loss of control

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

Transactions eliminated of when consolidating the interim condensed financial statements

Balances, transactions, unrealized expenses and income arising from transactions between 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 STANDARDS AND INTERPRETATIONS

No new standards were issued, however, the application of the following amendments to the current standards does not have any material financial impact on the condensed consolidated interim financial statements of the Group in the current or previous periods, and it is expected that they will not have a significant impact in future periods:

- Amendments to References to the Conceptual Framework in IFRS.
- Definition of a business (Amendments to IFRS 3).
- The definition of Material (Amendments to IAS 1 and IAS 8).
- Interest rate benchmark reform (Amendments to IFRS 9, IAS 39, and IFRS 7).

AMENDMENTS ISSUED BUT NOT YET EFFECTIVE

A number of new amendments for annual periods beginning on or after 1 January 2021, with early application permitted. However, the Group did not implement the new or revised standards early in preparing these condensed consolidated interim financial statements.

Standard / Interpretation	Statement	Effective from periods beginning on or after the following date
IAS (1)	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1))	1 January 2022

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies are applied by the Group:

Use of Judgments and Estimates

The preparation of the condensed consolidated interim financial statements in conformity with International Financial Reporting Standards (IFRSs) endorsed in Kingdom of Saudi Arabia requires from the management to use estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates and assumptions are based on management's best knowledge of current events and actions and other factors that form a base for estimating the carrying amount of assets and liabilities which can not be easily determined from other sources. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognized prospectively.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Judgments and Estimates (continued)

Below are estimation and assumptions that have a material impact on the amounts reported in the condensed consolidated interim 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. In addition, the management has material uncertainty related to the ability of the Company to continue as a going concern. Therefore, the condensed consolidated interim financial statements are still prepared on the basis of the going concern.

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

  Management reviews the useful lives of property, plant, and equipment and investment properties to calculate depreciation. 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 inventories**

  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 condensed consolidated interim 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 is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing off the asset. The value in use calculation is based on a Discounted Cash Flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company 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 trade accounts receivable. The Group assesses future credit losses using ECL model for financial assets measured at amortized cost. For trade accounts receivable, the Group applies the simplified approach, which measures the loss allowance at an amount equal to lifetime expected credit losses for all trade accounts receivable since the of 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 includes 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.

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

  When the fair value of the financial assets and liabilities in the condensed consolidated interim 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.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Judgments and Estimates (continued)

- **Benefits and defined-benefit plans (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, 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 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.

Classification of assets and liabilities from "current" to "non-current"

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

All liabilities are 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.
• 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".

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.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment

Property, plant, 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, plant, and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, 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 asset and its accumulated depreciation are written-off at the date of sale or disposal.

The annual estimated rates of depreciation of the principal classes of 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, plant, and equipment.

The Group has selected to apply the cost model to measure the property, plant, 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).

Investment properties

Real estate investments Include (lands, buildings, part of buildings, lands, or both) 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 Company, 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 condensed consolidated interim statement of profit or loss income when incurred.

Capital work-in-progress are stated at cost which represent construction works at the Group's project, 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 condensed consolidated interim 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 condensed consolidated interim statement of profit or loss when incurred. Amortisation 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 condensed consolidated interim statement of profit or loss.

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

Statement	Amortisation%
Programs	25%

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the condensed consolidated interim statement of profit or loss.

When an impairment loss subsequently reverses, 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 the condensed consolidated interim statement of profit or loss.

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 condensed consolidated interim 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 condensed consolidated interim statement of profit or loss are recognized directly in the condensed consolidated interim 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.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

First: Financial assets (continued)

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 Company 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 condensed consolidated interim statement profit or loss.

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

c) Financial assets measured at amortized cost

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

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

Second: Financial liabilities

Financial liabilities (including loans and accounts payable) are measured subsequently at mortised cost using the effective interest method.

The Group derecognizes financial liabilities when, and only when, the Company'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 condensed consolidated interim 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.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill

Goodwill is the difference between the cost of the business purchased and the group's share of the net fair value of the group's identifiable assets acquired and the potential assets and liabilities of the business purchased at the date of purchase.

That goodwill is reviewed for impairment on an annual basis or when there are events or changes in circumstances that indicate that the carrying value has been impaired. Impairment loss is not reversed in goodwill.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill is increased. The units or groups of units are determined at the lowest level at which goodwill is monitored for internal management purposes, as they are the operating segments.

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.

Cash and cash at banks

Cash and cash at banks comprise bank balances, 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.

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 Company 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 condensed consolidated interim statement of profit or loss. Any receivables recovered subsequently that were previously written off are recorded under revenues.

Leases

a) Group as a lessee

The Group recognizes the asset (right of use) and leases liability on the commencement date of the lease. The asset (right of use) is initially measured at the cost that consists of the initial amount of the modified lease obligation for any lease payments made on or before the start date. The asset (right of use) is subsequently depreciated using the straight-line method from the start date of the lease contract to the end of the asset's useful life (Right of use) or the end of the lease term, whichever is earlier. The estimated useful lives of (right-of-use) assets are determined on the same basis used for property and equipment. In addition, the asset (right-of-use) is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of lease payments that were not settled at the commencement date of the lease and discounted using the interest rate implicit in the lease agreement or if that rate is difficult to determine reliably, the Group uses the additional borrowing rate.

For short-term leases and low-value leases, the Group has chosen not to recognize (right-of-use) assets and lease obligations for short-term leases of 12 months or less and lower-value leases, the group recognizes lease payments related to these contracts as an expense. The interim condensed consolidated statement of profit or loss on a straight-line basis over the term of the lease.

b) Group as a lessor

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

Accounts payable

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

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Zakat provision

Estimated Zakat is a liability on the group and charged to the condensed consolidated interim statement of profit or loss for in the accompanying condensed consolidated interim financial statements in accordance with Zakat standard and circular issued by SOCPA. As it is calculating as estimate for the period within the condensed consolidated interim financial statements by using the average zakat expense charged to previous years by the ratio of sales for the period to the expected total sales for the year.

The Zakat charge is computed at the end of the period on Zakat base or adjusted net income whichever is higher, in accordance with the regulations of the General Authority of Zakat and Income Tax in Saudi Arabia.

Differences rising from final assessment are accounted for in the reporting period in which such assessment are finalized.

EMPLOYEE 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 condensed consolidated interim statement of financial position and the gains and losses are recognised in other comprehensive income in the period in which they occur, remeasurements recognised within retained earining in other comprehensive income and are not recharged to the condensed consolidated interim statement of profit or loss.

- **Retirement benefits**

The Group makes contributions for a defined contribution retirement 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.

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.

Revenue

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 is 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.

Lease revenues
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 condensed consolidated interim 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 interim condensed consolidated balance sheet.

Other Revenue
Other revenues 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 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 condensed consolidated interim statement of profit or loss.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Earnings per share

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

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.

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 translation

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 condensed consolidated interim statement of profit or loss.

5- INTERIM FINANCIAL RESULTS FOR THE PERIOD

The management of the Group has prepared all the reconciliations considered important in order to present the condensed consolidated interim financial statements and the condensed consolidated interim financial position of the Company as of 31 December 2020 and the results of its interim operations for the period then ended. The interim financial results for that period may not be an accurate indication of the financial results for the entire year.

6- LEASES

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

A- Movement on right of use assets:

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Balance at the beginning of the period / year	11,419,106	7,042,920
Additions during the period / year	-	7,025,243
Disposals during the period / year	-	(184,564)
Depreciation of right-of-use assets during the period / year	(2,523,650)	(2,464,493)
Balance at the end of the year	8,895,456	11,419,106

B- Movement on leases contract obligations:

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Balance at the beginning of the period / year	10,706,750	6,105,444
Additions during the period / year	-	7,830,874
Amortization of interest during the period / year	336,992	666,147
Paid during the period / year	(4,000,000)	(3,895,715)
Balance at the end of the period / year	7,043,742	10,706,750
Non-current portion	3,978,575	7,534,573
Current portion	3,065,167	3,172,177

7- GOODWILL

During the year 2012, and in accordance with the recommendations of the company's board of directors to the extraordinary general assembly, on September 6, 2012, the association approved the full acquisition of the shares of Al-Moujah for Trade Company (a limited liability company) registered in the Kingdom of Saudi Arabia and its main activity is the wholesale of stationery and wholesale of children's toys, computers, and their accessories, in exchange for the issuance of 4,012,335 shares of Abdullah Saad Mohammed Abo Moati For Bookstores Company. The market value of the number of issued shares reached SAR 59,827,849, as the acquisition resulted in goodwill of SAR 19,704,499.

8- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

		Revaluation reserve of financial investments at fair value through other comprehensive income			
Statment	Cost as of 31 March 2020 SAR	Revaluation reserve as of 31 March 2020 SAR	Movement during the period SAR	Revaluation reserve as of 31 December 2020 SAR	Fair value as of 31 December 2020 SAR
Jarir Marketing Company	4,629,497	778,999	1,929,792	2,708,791	7,338,288

9-ACCOUNTS RECEIVABLE, NET

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Accounts receivable	40,902,263	46,502,258
(Less): Provision for expected credit loss	(3,725,059)	(3,770,869)
	37,177,204	42,731,389

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

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Balance at the beginning of the period / year	3,770,869	3,956,685
Provided during the period / year	302,759	789,359
Utilized during the period / year	(348,569)	(975,175)
Balance at the end of the period / year	3,725,059	3,770,869

10- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Advances to the suppliers	6,432,727	10,733,254
letter of guarantee insurance (note17)	1,475,534	1,236,987
Prepaid rental	310,590	187,766
Others	3,023,097	2,789,653
	11,241,948	14,947,660

11- 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.

12- BANK FACILITIES

The Group has credit facilities agreements with a bank amounting to SAR 238,505,000 million as of 31 December 2020 (31 March 2020: 244,469,000) in the form of long and short-term loans and short-term payments to finance payments to suppliers, letters of credit, and letters of guarantee. The facilities utilized as of December 31, 2020 amounted to SAR 73,457,031 (31 March 2020:80,805,74). These facilities are guaranteed by warrant bonds and are subject to commission rates in line with the prevailing market interest rates. The bank facility agreement includes financial covenants that require the maintenance of financial ratios, net tangible rights, and specific dividends.
The movement on Bank facilities balance as follows:

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Balance at the beginning of the period / year	80,805,740	114,214,732
Proceeds during the period / year	107,389,913	176,094,600
Paid during the period / year	(114,738,622)	(209,503,592)
Balance at the end of the period / year	73,457,031	80,805,740
The balance of bank facilities classified as follows:		
Current portion	73,457,031	80,635,757
Non-current portion	-	169,983

13- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31 December 2020 SAR (Unaudited)	31 March 2020 SAR (Audited)
Value added tax	3,016,829	45,244
Advances from customers	2,098,265	720,115
Deferred revenue	1,326,259	861,910
Accrued employees leaves	985,340	724,411
Finance charges due	508,154	407,697
Accrued remuneration of board of directors	450,000	-
Accrued salaries and wages	254,544	285,001
Others	2,185,821	1,936,127
	10,825,212	4,980,505

14- EARNINGS PER SHARE

Earnings per share from net income is calculated by dividing the net income for the period by the weighted average number of shares outstanding as at the end of the period.

Earnings per share from main operations are calculated by dividing the income from main operations for the period by the weighted average number of outstanding shares at the end of the period amounting to 20,000,000 shares.

15- 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 company 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 of liabilities as of 31 December 2020 (Unaudited):

	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	30,642,212	10,260,051	-	-	40,902,263
Total	30,642,212	10,260,051	-	-	40,902,263
Liabilities					
Employees defined benefits plan obligations	-	-	-	4,133,328	4,133,328
Lease obligations	645,948	2,419,219	3,978,575	-	7,043,742
Bank facilitates	45,700,253	27,756,778	-	-	73,457,031
Accounts payable	1,723,016	488,885	-	-	2,211,901
Accrued expenses and other credit balances	10,309,401	515,811	-	-	10,825,212
Zakat provision	-	2,041,882	-	-	2,041,882
Total	58,378,618	33,222,575	3,978,575	4,133,328	99,713,096

15-LIQUIDITY RISKS (CONTINUED)

The following is the aging of assets and accruals of liabilities as of 31 March 2020 (Audited):

	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	35,660,724	10,841,534	-	-	46,502,258
Total	35,660,724	10,841,534	-	-	46,502,258
Liabilities					
Employees defined benefits plan obligations	-	-	-	3,994,091	3,994,091
Lease obligations	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
Accounts payable	6,611,330	294,611	-	-	6,905,941
Accrued expenses and other credit balances	3,996,616	983,889	-	-	4,980,505
Zakat provision	2,614,764	-	-	-	2,614,764
Total	42,782,274	55,526,870	7,704,556	3,994,091	110,007,791

16- SEGMENT INFORMATION

Condensed consolidated interim statement of financial position

As of 31 December 2020 (Unaudited)	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Total current assets	124,498,039	50,029,574	636,221	175,163,834
Total non-current assets	117,637,992	172,250	38,772,539	156,582,781
Total assets	242,136,031	50,201,824	39,408,760	331,746,615
Total current liabilities	86,759,533	3,515,401	1,326,259	91,601,193
Total non-current liabilities	7,490,578	621,325	-	8,111,903
Total liabilities	94,250,111	4,136,726	1,326,259	99,713,096

As of 31 March 2020 (Audited)	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

16- SEGMENT INFORMATION (CONTINUED)

Condensed consolidated interim statement of profit or loss

Fot the nine months period ended 31 December 2020 (Unaudited)	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales, net	98,868,339	65,945,971	-	164,814,310
Cost of sales	(72,052,355)	(58,574,401)	-	(130,626,756)
Gross profit for the period	26,815,984	7,371,570	-	34,187,554
Net profit for the period	347,737	2,500,900	1,648,910	4,497,547

Fot the nine months period ended 31 December 2019 (Unaudited)	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales, net	145,974,192	75,571,492	-	221,545,684
Cost of sales	(110,018,451)	(67,279,814)	-	(177,298,265)
Gross profit for the period	35,955,741	8,291,678	-	44,247,419
Net profit for the period	7,274,429	1,647,354	1,200,950	10,122,733

17- CONTINGENT LIABILITIES

The Company has contingent liabilities arising from an outstanding letter of guarantee amounting to SAR 13,374,842 as of 31 December 2020 (31 March 2020: amounting to SAR 12,486,987) (note10).

18- 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 company for the financial year ending 31 March 2020 by (0.50) fifty Halalas per share, with a total value of (10,000,000) ten million Saudi riyals (Dividends for the year ended March 31, 2019: SAR 8 million).

19- 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 condensed consolidated interim statement of changes in shareholders' equity, has been reclassified to the condensed consolidated Interim 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	17,204,602	900,000	18,104,602
Net profit for the period	11,022,733	(900,000)	10,122,733
Total comprehensive income for the period	11,335,901	(900,000)	10,435,901

20- GENERAL

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

21- APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM

The condensed consolidated interim financial statements have been approved for issue by the Board of Directors of the Company on 26 Jumada al-Alkhirah 1442 H (Corresponding to 8 February 2021).

22- 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.

23- SUBSEQUENT EVENTS

There were no other significant events subsequent to 31 December 2020 until the date of the approval of the condensed consolidated interim that is expected to have a significant impact on these condensed consolidated interim financial statements as of 31 December 2020.