

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED) FOR THE THREE MONTHS PERIOD
ENDED 30 JUNE 2022
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)
FOR THE THREE MONTHS PERIOD ENDED 30 JUNE 2022

<u>INDEX</u>	<u>PAGE</u>
Independent auditor's limited review report	-
Condensed consolidated interim statement of financial position (unaudited)	2
Condensed consolidated interim statement of profit or loss and other comprehensive income (unaudited)	3
Condensed consolidated interim statement of changes in equity (unaudited)	4
Condensed consolidated interim statement of cash flows (unaudited)	5
Notes to the condensed consolidated interim financial statements (unaudited)	6-22

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 (Collectively referred to as "the Group") as at 30 June 2022 and the condensed consolidated Interim statements of profit or loss and other comprehensive income for the three month period ended 30 June 2022 and the statement of changes in equity and statement of cash flows for the three 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 at 30 June 2022, 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 Professional Services Company

Mohammed Bin Farhan Bin Nader
License No. 435

Riyadh, Saudi Arabia
17 Muharram 1444 H (15 August 2022)



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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2022

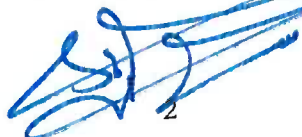
	Note	30 June 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Assets			
Non-current assets			
Property, plant and equipment, net		81,491,904	81,708,303
Investment properties, net		38,158,598	38,260,921
Intangible assets, net		4,315	4,647
Right-of-use assets, net	5	10,747,961	12,638,457
Goodwill, net	6	12,402,482	12,402,482
Financial investments at fair value through other comprehensive income	7	6,881,232	8,337,040
Total non-current assets		149,686,492	153,351,850
Current assets			
Inventory, net	8	116,298,413	89,115,646
Accounts receivable, net	9	28,477,950	33,221,552
Prepaid expenses and other receivables	10	26,494,692	26,187,360
Cash and banks balances		10,028,453	8,512,401
Total current assets		181,299,508	157,036,959
Total assets		330,986,000	310,388,809
Equity and Liabilities			
Equity			
Share capital	1	200,000,000	200,000,000
Statutory reserve	11	5,342,552	5,342,552
Retained earnings		33,872,753	29,558,183
Revaluation reserve of financial investments at fair value through other comprehensive income	7	2,251,735	3,707,543
Remeasurement reserve of employees benefit obligations		(907,863)	(907,863)
Total equity		240,559,177	237,700,415
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	5	4,636,288	5,931,347
Employees benefits obligations		6,445,754	6,253,792
Total non-current liabilities		11,082,042	12,185,139
Current liabilities			
Bank facilities	12	45,559,219	29,168,302
Lease liabilities- current portion	5	5,021,523	5,245,421
Accounts payable		16,109,412	12,661,595
Accrued expenses and other credit balances	13	8,946,065	10,469,375
Zakat provision		3,708,562	2,958,562
Total current liabilities		79,344,781	60,503,255
Total liabilities		90,426,823	72,688,394
Total equity and liabilities		330,986,000	310,388,809

The accompanying notes from (1) to (20) 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 MONTH PERIOD ENDED 30 JUNE 2022

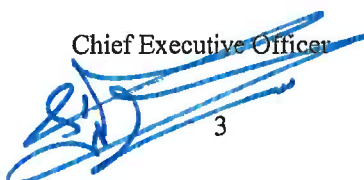
	Note	For the three month period ended 30 June	
		2022 SAR (unaudited)	2021 SAR (unaudited)
Profit or Loss			
Sales, net		62,942,996	45,377,767
Cost of sales		(46,513,478)	(34,891,793)
Gross profit		16,429,518	10,485,974
Rental revenue, net		719,921	754,650
General and administrative expenses		(5,707,009)	(3,964,092)
Selling and marketing expenses		(6,065,229)	(4,526,014)
Profit from main operations		5,377,201	2,750,518
Finance costs		(401,471)	(564,431)
Other revenue		2,084	5,113
Dividends from financial investments at fair value through other comprehensive income	7	86,756	88,872
Net profit for the period before zakat		5,064,570	2,280,072
Zakat		(750,000)	(370,000)
Net profit for the period		4,314,570	1,910,072
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	7	(1,455,808)	1,235,744
Total (other comprehensive loss)/ other comprehensive income for the period		(1,455,808)	1,235,744
Total comprehensive income for the period		2,858,762	3,145,816
Earnings per share	14		
Basic and diluted earnings per share from net profit for the period		0.22	0.10

The accompanying notes from (1) to (20) are an integral part of these condensed consolidated Interim financial statements.

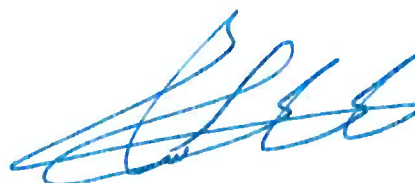
Chief Financial Officer



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 CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022

	Share capital	Statutory reserve	Retained earnings	Revaluation reserve of financial investments at fair value through other comprehensive income	Remeasurement reserve of employees benefit obligations	Total equity
	SAR	SAR	SAR	SAR	SAR	SAR
Balance as at 1 April 2021 (audited)	200,000,000	3,832,255	25,965,508	3,072,743	(289,500)	232,581,006
Net profit for the period	-	-	1,910,072	-	-	1,910,072
Other comprehensive income for the period	-	-	-	1,235,744	-	1,235,744
Total comprehensive income for the period	-	-	1,910,072	1,235,744	-	3,145,816
Balance as at 30 June 2021 (unaudited)	200,000,000	3,832,255	27,875,580	4,308,487	(289,500)	235,726,822
Balance as at 1 April 2022 (audited)	200,000,000	5,342,552	29,558,183	3,707,543	(907,863)	237,700,415
Net profit for the period	-	-	4,314,570	-	-	4,314,570
Other comprehensive loss for the period	-	-	-	(1,455,808)	-	(1,455,808)
Total comprehensive income for the period	-	-	4,314,570	(1,455,808)	-	2,858,762
Balance as at 30 June 2022 (unaudited)	200,000,000	5,342,552	33,872,753	2,251,735	(907,863)	240,559,177

The accompanying notes from (1) to (20) 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 THREE MONTH PERIOD ENDED 30 JUNE 2022

	For the three month period ended 30 June	
	2022 SAR (unaudited)	2021 SAR (unaudited)
Cash flows from operating activities:		
Net profit for the period before zakat	5,064,570	2,280,072
Adjustments to reconcile net profit for the period before zakat:		
Depreciation of property, plant, and equipment	811,102	710,821
Depreciation of right-of-use assets	1,890,496	1,580,768
Depreciation of investment property	102,323	105,871
Amortizations of intangible assets	332	53,585
Charge/ (Reversal) to Provision for expected credit losses	776,051	(45,194)
Charge/ (Reversal) to provision for damaged and slow moving inventory	1,124,930	(553,404)
Profit from sale of property, plant and equipment	-	(3,472)
Finance cost	401,471	564,431
Provision for employees benefits obligations	212,211	163,778
	10,383,486	4,857,256
Changes in operating assets and liabilities:		
Inventory	(28,307,697)	(15,125,657)
Accounts receivable	3,967,551	1,087,005
Prepaid expenses and other receivables	(307,332)	(25,031)
Accounts payable	3,447,817	367,211
Accrued expenses and other credit balances	(1,410,775)	2,399,854
Cash used in operations	(12,226,950)	(6,439,362)
Finance costs paid	(389,597)	(311,161)
Employees benefits obligations paid	(20,249)	(15,678)
Net cash used in operating activities	(12,636,796)	(6,766,201)
Cash flows from investing activities		
Purchase of property, plant, and equipment	(594,703)	(483,557)
Proceeds from disposal of property, plant, and equipment	-	3,478
Additions to investment properties	-	(56,750)
Net cash used in investing activities	(594,703)	(536,829)
Cash flows from financing activities		
Net change in bank facilities	16,390,917	3,934,272
Lease liabilities paid	(1,643,366)	(1,773,540)
Net cash available from financing activities	14,747,551	2,160,732
Net change in cash and banks balances	1,516,052	(5,142,298)
Cash and banks balances at the beginning of the period	8,512,401	20,213,473
Cash and banks balances at the end of the period	10,028,453	15,071,175
Non-cash transactions		
Additions to the right of use assets corresponding to lease liabilities	-	1,999,663

The accompanying notes from (1) to (20) 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)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

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.

The company's capital, is 200,000,000 Saudi riyals, consists of 20,000,000 shares of 10 Saudi riyals each.

The condensed consolidated interim financial statements for the three months period ended 30 June 2022 include the financial statements for Parent Company and its branches and the subsidiary and the details of branches are as follows:

Branches of Parent Company:

<u>Branch</u>	<u>CR No.</u>	<u>Place of</u>	<u>Activity</u>
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, rosaries and umbrellas, retailing of devices, equipment and supplies medical.
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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

1-ORGANIZATION AND ACTIVITIES (CONTINUED)

Branches of Parent Company (continued):

<u>Branch</u>	<u>CR No.</u>	<u>Place of</u>	<u>Activity</u>
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.

Subsidiary company

<u>Company's name</u>	<u>CR No.</u>	<u>Country of incorporation</u>	<u>Activity</u>	<u>Ownership percentage</u>	
				<u>As at 30 June 2022</u>	<u>As at 31 March 2022</u>
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

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Branches of Subsidiary Company (continued):

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
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 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 Statement of compliance

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 Chartered and Professional Accountants. These condensed consolidated interim financial statements do not include all information and disclosures required to issue the complete set of financial statements also, the results for the period ended 30 June 2022 are not necessarily indicative of the results that can be expected for the year ending 31 March 2023 (refer to Note 4). It should also be read along with the latest financial statements for the year ended 31 March 2022. However, selected accounting policies and explanatory notes have also been included to explain important events and transactions to understand the changes in the consolidated financial position and consolidated financial performance of the Group since 31 March 2022.

2-2 Preparation of condensed consolidated interim financial statements

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

2-3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Riyals, which is the Group's functional currency and the amounts in these financial statements are rounded to the nearest Saudi Riyal.

2-4 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 statements. All significant inter-company profits and losses are also eliminated on consolidation of condensed consolidated interim financial statements.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

There are no new standards issued, however, there are number of amendments to standards which are effective from 1 January 2022 and has been explained in Group annual Consolidated Financial Statements, but they do not have a material effect on the Group's Condensed Consolidated Interim Financial Statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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

In preparing these Condensed Consolidated Interim Financial Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual Consolidated Financial Statements.

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 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".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

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:

<u>Statement</u>	<u>Depreciation %</u>
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.

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

Investment real estate is real estate held with the aim of returns from its rental or capital growth or both, and includes real estate under construction designated for these two purposes. Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the items.

Land is not depreciated. Capital work in progress is transferred to the appropriate investment property category upon completion and is depreciated from the date when it is ready for use. Depreciation is calculated on buildings on a straight line basis over the estimated useful life of 20 years. Significant parts are depreciated from the investment property item separately. Investment properties are derecognised upon disposal or when they are permanently withdrawn from use so that no future economic benefits are expected from their disposal. If the investment property becomes an owner-occupied property, it is reclassified to property and equipment.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the consolidated statement of profit or loss in the period of derecognition. The Group discloses the fair values of real estate investments in the notes to the annual consolidated financial statements.

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, if any.

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:

<u>Statement</u>	<u>Amortisation%</u>
Programs	25%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

At each reporting 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements;
 - It has a material impact on the company preparing its condensed consolidated interim financial statements. or
 - He is a member of the top management of the company whose condensed consolidated interim financial statements are prepared or the parent company of the company that prepares its condensed consolidated interim 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 condensed consolidated interim 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.
 - 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 condensed consolidated interim financial statements.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

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 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)

Listed shares owned by the Group and traded in an active financial market are classified as financial assets at Fair value through other comprehensive income. Gains and losses that arise from changes in fair value are included within the statement of other comprehensive income items and are added to the accumulated changes in fair value of investments account within equity except for impairment losses which are included in the condensed consolidated interim statement of profit and loss.

When investment is disposed or when it suffer an impairment by a precise amount, as well as profits and losses resulted from previous valuation 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 of 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 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 condensed consolidated interim statement of profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

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.

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 Group's 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 date of preparing the condensed consolidated interim financial statements.

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

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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.

Employee Benefits 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 earning 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.

Loans

Borrowings are initially recognized at fair value (proceeds received), net of eligible transaction costs incurred, if any. After initial recognition, long-term loans are measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the condensed consolidated interim statement of profit or loss over the term of the loans using the effective interest rate method.

Loans are removed from the condensed consolidated interim statement of financial position when the obligation specified in the contract is discharged, canceled or expires. The difference between the carrying amount of a financial liability that has been amortized or transferred to another party and the consideration paid, including any transferred non-cash assets or liabilities assumed, is recognized in profit or loss as income or other finance costs.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized during the period of time required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take an extended period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific loans pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

Accounts payable

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

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

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.

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

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the Zakat, Tax and Customs Authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.

Withholding taxes

The company attracts taxes on transactions with non-resident parties in the Kingdom of Saudi Arabia and on dividends paid to non-resident shareholders in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia.

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.

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 condensed consolidated interim statement of financial position. Operating lease receivables represents the amount of lease receivable arising from operating leases as recognized as lease revenue.

Other Revenue

Other revenues are recognized when realized.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Earnings per share

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

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.

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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

5- LEASES

Right-of-use assets related to building lease contracts, and are depreciated on a straight-line basis over the lease term, from two to ten years.

A- Movement on right of use assets (Buildings):

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Cost		
Balance at the beginning of the period/ year	28,576,654	22,767,350
Additions during the period/ year	-	6,752,088
Disposal during the period/ year	-	(942,784)
Balance at the end of the period/ year	28,576,654	28,576,654
Accumulated Depreciation		
Balance at the beginning of the period/ year	15,938,197	9,747,148
Charged for the period/ year*	1,890,496	6,924,326
Disposal during the period/ year	-	(733,277)
Balance at the end of the period/ year	17,828,693	15,938,197
Net book value		
At the end of the period/ year	10,747,961	12,638,457

B- Movement on leases contract liabilities:

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	11,176,768	12,114,157
Additions during the period/ year	-	6,752,088
Amortization of finance cost during the period/ year	124,409	584,948
Paid during the period/ year	(1,643,366)	(8,274,425)
Balance at the end of the period/ year	9,657,811	11,176,768

Lease liabilities are allocated as follows:

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Non-current portion	4,636,288	5,931,347
Current portion	5,021,523	5,245,421
	9,657,811	11,176,768

6- GOODWILL

During 2012, and in accordance with the recommendations of the company's board of directors to the Extraordinary General Assembly, it was approved on 6 September 2012 by the Assembly to fully acquire the shares of Al-Moujah Trading Company (a limited liability company) registered in the Kingdom of Saudi Arabia and its main activity is wholesale For office tools and stationery, and wholesale sale of children's toys, computers and their accessories, in return for issuing 4,012,335 shares of Abdullah Saad Mohammed Abu Moati Library Company. The market value of the number of issued shares amounted to SAR 59,827,849 as the acquisition resulted in goodwill with an amount of SAR 19,704,499 on the date of the consolidated financial statements for the year ended 31 March 2022 the group appointed a consultant to evaluate the subsidiary company, and the testing process resulted in a impairment in the goodwill value by SAR 7,302,017. the goodwill balance as at 31 March 2022 to SAR 12,402,482 (30 June 2022 amounted to SAR 12,402,482).

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

7-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:

Statement	Number of Shares	Reserve for the revaluation of investments at FVOCI				Fair value as at 30 June 2022 (Unaudited) SAR
		Cost as at 1 April 2022 (Audited) SAR	As at 1 April 2022 (Audited) SAR	Revaluation losses SAR	As at 30 June 2022 (Unaudited) SAR	
Jarir Marketing Company	42,320	4,629,497	3,707,543	(1,455,808)	2,251,735	6,881,232

- During the financial period ended on 30 June 2022, the Group received cash dividends from Jarir Marketing Company amounted to SAR 86,756 (the period ended on 30 June 2021 amount: SAR 88,872).

8- INVENTORY, NET

	30 June 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Stationery, office supplies and accessories	95,755,574	75,806,237
Printers inks and computers supplies	20,574,843	16,905,290
Goods in transit	7,193,984	2,505,177
Provision for slow moving goods	(7,225,988)	(6,101,058)
	116,298,413	89,115,646

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

	30 June 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Balance at the beginning of the period/ year	6,101,058	5,633,842
Charged during the period/ year	1,124,930	3,690,544
Reversal during the period/ year	-	(1,850,000)
Used during the period/ year	-	(1,373,328)
Balance at the end of the period/ year	7,225,988	6,101,058

9- ACCOUNTS RECEIVABLE, NET

	30 June 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Accounts receivable	33,291,661	37,259,212
(Less): Provision for expected credit loss	(4,813,711)	(4,037,660)
	28,477,950	33,221,552

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

	30 June 2022 SAR (Unaudited)	31 March 2022 SAR (Audited)
Balance at the beginning of the period/ year	4,037,660	3,303,171
Charged during the period/ year	776,051	800,000
Used during the period/ year	-	(65,511)
Balance at the end of the period/ year	4,813,711	4,037,660

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

9- ACCOUNTS RECEIVABLE, NET (CONTINUED)

The following table shows the aging of receivables with the Group as at:

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
From 1 to 30 days	7,875,293	10,348,837
From 31 to 60 days	6,393,960	4,158,401
From 61 to 90 days	5,441,945	4,291,196
From 91 to 180 days	6,847,498	12,363,319
From 181 to 365 days	3,046,663	2,192,517
More than 365 days	3,686,302	3,904,942
Balance at the end of the year	33,291,661	37,259,212

10- PREPAID EXPENSES AND OTHER RECEIVABLES

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Advances to the suppliers	21,729,948	21,903,799
Prepaid expenses	2,069,554	2,221,851
Letter of guarantee (Note 17)	964,928	665,578
Prepaid rent	466,878	273,938
Other receivables	1,263,384	1,122,194
	26,494,692	26,187,360

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 bank facilities from several local banks represented in the form of loans and /or opening letters of credit and/or issuing letters of guarantee and/or treasury products and others, and purchasing goods and materials whose maturity periods are from 1-180 days by deducting from the group's current accounts. The group bears financing costs in return for these loans, these loans are secured by promissory notes duly signed by the main shareholders and Al-Moujah Trading Company (a subsidiary company), an agency to buy and an authorization to sell goods, and a no-objection letter from Al-Moujah Trading Company (a subsidiary company) to use some of the facilities granted to the company. The outstanding balance of these loans amounted to SAR 45,559,219 as at 30 June 2022 (31 March 2022: SAR 29,168,302).

The movement on the balance of bank facilities is as follows:

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	29,168,302	62,248,426
Proceed during the period/ year	43,151,609	81,555,659
Paid during the period/ year	(26,760,692)	(114,635,783)
Balance at the end of the period/ year	45,559,219	29,168,302

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

13- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	30 June 2022	31 March 2022
	SAR	SAR
	(Unaudited)	(Audited)
Value added tax	2,177,207	2,604,670
Accrued salaries and wages	1,896,947	1,836,455
Suppliers payable	1,535,880	1,583,494
Deferred revenue	766,867	1,164,427
Accrued remuneration of board of directors	1,233,752	981,000
Advances from customers	553,511	298,069
Accrued Finance charges	159,338	271,873
Others	622,563	1,729,387
	8,946,065	10,469,375

14- 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 period amounting to 20,000,000 shares.

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

The following is a summary of the financial sectoral information in Saudi riyals as at 30 June 2022 (unaudited), 31 March 2022 (audited) respectively, according to the nature of the activity:

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
As at 30 June 2022 (Unaudited)	SAR	SAR	SAR	SAR
Total current assets	144,235,949	37,063,559	-	181,299,508
Total non-current assets	111,420,191	107,703	38,158,598	149,686,492
Total assets	255,656,140	37,171,262	38,158,598	330,986,000
Total current liabilities	76,995,074	2,349,707	-	79,344,781
Total non-current liabilities	10,349,219	732,823	-	11,082,042
Total liabilities	87,344,293	3,082,530	-	90,426,823
	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
As at 31 March 2021 (Audited)	SAR	SAR	SAR	SAR
Total current assets	118,631,836	38,405,123	-	157,036,959
Total non-current assets	114,974,860	116,069	38,260,921	153,351,850
Total assets	233,606,696	38,521,192	38,260,921	310,388,809
Total current liabilities	57,843,162	2,660,093	-	60,503,255
Total non-current liabilities	11,483,894	701,245	-	12,185,139
Total liabilities	69,327,056	3,361,338	-	72,688,394

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

15- SEGMENT INFORMATION (CONTINUED)

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the three-month period ended 30 June 2022 (Unaudited)	SAR	SAR	SAR	SAR
Sales, net	48,571,231	14,371,765	-	62,942,996
Cost of sales	34,225,071	12,288,407	-	46,513,478
Gross profit for the period	14,346,160	2,083,358	-	16,429,518
Depreciation	802,737	8,365	102,323	913,425
Finance cost	339,487	61,984	-	401,471
Net profit for the period	2,484,492	1,110,157	719,921	4,314,570
	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the three-month period ended 30 June 2021 (Unaudited)	SAR	SAR	SAR	SAR
Sales, net	28,827,131	16,550,636	-	45,377,767
Cost of sales	20,298,676	14,593,117	-	34,891,793
Gross profit for the period	8,528,455	1,957,519	-	10,485,974
Depreciation	695,996	14,825	105,871	816,692
Finance cost	421,813	142,618	-	564,431
Net profit for the period	(56,945)	1,158,867	808,150	1,910,072

16- 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 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 at 30 June 2022 (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	19,711,197	13,580,464	-	-	33,291,661
Total	19,711,197	13,580,464	-	-	33,291,661
Liabilities					
Employees' benefits obligations	-	-	-	6,445,754	6,445,754
Lease liabilities	1,751,456	4,056,359	3,849,996	-	9,657,811
Bank facilities	10,427,395	35,131,824	-	-	45,559,219
Accounts payables	16,109,412	-	-	-	16,109,412
Accrued expenses and other payables	8,946,065	-	-	-	8,946,065
Zakat provision	3,708,562	-	-	-	3,708,562
Total	40,942,890	39,188,183	3,849,996	6,445,754	90,426,823

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED)

16- LIQUIDITY RISKS (CONTINUED)

The following is the aging of assets and accruals of liabilities as at 31 March 2022 (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	18,798,434	18,460,778	-	-	37,259,212
Total	18,798,434	18,460,778	-	-	37,259,212
Liabilities					
Employees' benefits obligations	-	-	-	6,253,792	6,253,792
Lease liabilities	-	5,245,421	5,931,347	-	11,176,768
Bank facilities	21,890,694	7,277,608	-	-	29,168,302
Accounts payables	12,661,595	-	-	-	12,661,595
Accrued expenses and other payables	10,469,375	-	-	-	10,469,375
Zakat provision	2,958,562	-	-	-	2,958,562
Total	47,980,226	12,523,029	5,931,347	6,253,792	72,688,394

17- CONTINGENT LIABILITIES

The Group has contingent liabilities arising from an outstanding letter of guarantee amounted to SAR 12,243,052 as at 30 June 2022 (31 March 2021: amounted to SAR 14,453,405) (note 10).

18- GENERAL

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

19- SUBSEQUENT EVENTS

On 28 July 2022 the Board of Directors, in its meeting held on that date, recommended to the General Assembly the distribution of dividends for the financial year ended on 31 March 2022 at the rate of 50 Halalas per share, which represents 5% of the nominal value of the share and in the amount of SAR 10,000,000.

Except for the above event and in the opinion of management, there were no other significant subsequent events after 30 June 2022 and until the date of the approval of the condensed consolidated interim financial statements that is expected to have a significant impact on these condensed consolidated interim financial statements as at 30 June 2022.

20- 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 17 Muharram 1444 H (15 August 2022).