المحاسبون المتحدون للاستشارات المهنية
Allied Accountants Professional Services

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

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INDEX	**PAGE**

Allied Accountants Professional Services

Riyadh - Olaya District - Al Oruba Street
1st Floor, Building No. 3193
P.O. Box 8335, Riyadh - 12333
Tel.: +966 11 416 9361
Fax: +966 11 416 9349
Kingdom of Saudi Arabia
www.rsmksa.com
C.R: 4030228773

RSM
المحاسبون المتحدون للإستشارات المهنية

الريـاض – حي العليا - طريق العروبة
مبنى رقم ٣١٩٣ ، الطابق الأول
ص. ب ٨٣٣٥ ، الرياض - ١٢٣٣٣
هـاتف: ٩٣٦١ ٤١٦ ١١ ٩٦٦+
فاكس: ٩٣٤٩ ٤١٦ ١١ ٩٦٦+
المملكة العربية السعودية
www.rsmksa.com
س.ت ٤٠٣٠٢٢٨٧٧٣

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Abdullah Saad Mohammed Abo Moati For Bookstores Company**, a Saudi joint-stock company, ("the Company") and its subsidiary (together "the Group") which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes accompanying to the consolidated financial statements and summary of the significant accounting policies.

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

Basis of Opinion

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

Key Audit Matters

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

Key Audit Matter	How we addressed the matter during our audit
Investment properties As at 31 March 2022, the value of the investment properties amounted to SAR 38.2 million (as at 31 March 2021: SAR 38.6 million), which represents a substantial percentage of the total non-current assets of the Group, which were shown at cost after deducting accumulated depreciation and impairment, if any. For the purposes of the impairment testing and the disclosure of the fair value in the group's consolidated financial statements, the investment properties are evaluated by a certified independent external appraisal expert "the valuer" who performs the valuation process using recognized valuation methods and methodology based on assumptions and estimates related to several factors that effect the fair value of the investment properties. We considered this to be a key audit matter as the impairment testing of investment properties requires significant judgment by management and also includes key judgments. Refer to Note (4) the accounting policies and Note (6) for the related disclosures about investment properties of the accompanying consolidated financial statements.	**We have performed the following procedures in respect of investment properties:** • Evaluated the objectivity, independence and expertise of the valuer. • Compared the fair value of investment properties at the end of the financial year with the valuation results shown in the evaluators report submitted by the valuer. • Reviewed the evaluation methods and methodology used by the valuer. • Reviewed on a sample basis, the real estate valuations executed by the valuer, to ensure the reasonableness of the main assumptions that were used to determine the fair values of investment properties. • Obtained the title deeds of investment properties and discussing their current status with the management. • We conducted an assessment of the appropriateness of the disclosures related to the investment properties of the Group in Note No. (6) of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To: the Shareholders
Abdullah Saad Mohammed Abo Moati For Bookstores Company
(A Saudi Joint Stock Company)
Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter	How we addressed the matter during our audit
Evaluation of the impairment in goodwill The Group as at 31 March 2022 has goodwill arising from the investment in its subsidiary in the amount of SAR 12.4 million (as at 31 March 2021: SAR 19.7 million), In accordance with International Accounting Standard (36) "Impairment of assets", which requires the entity to test goodwill atleast annually regardless of whether there is any indication of impairment, while other non-financial assets are tested to verify the existence of a possible impairment in value if there are indications of decline in value. Goodwill is monitored by management at the cash-generating unit level and is the key operating elements of the business. Management has performed an impairment exercise in respect of the goodwill assigned to Al Mouja Trading Company by determining the recoverable amount based on the value in use derived from the discounted cash flow model, which used the latest five year business plan prepared by management. The management concluded that book value of goodwill exceed its recoverable amount, which led to the recognition of impairment losses amounting to 7,302,017 Saudi riyals during the year ended March 31, 2022. We considered the impairment test of goodwill performed by management as a key audit matter as the assessment of the recoverable amount of goodwill on the basis of value in use is complex and requires a great deal of judgment on the part of management. The important elements of management evaluation judgments are: (A) Assumptions about expected economic conditions, in particular growth in markets in which the Group primarily operates; (B) the sales growth rate and terminal value growth rate (including terminal value multiples, where applicable) used in the value in use model. Refer to Note No. (4) accounting policies and Note No. (9) of the accompanying financial statements for the relevant disclosures.	**We have performed the following procedures in respect with the verification of management's assessment of the goodwill impairment:** • Evaluated the methodology used by management to determine the recoverable amount based on the value in use of assets in each cash-generating unit and comparing it to what is required by IAS 36. We have inquired and discussed with management regarding any changes made to the impairment model in the year Currently, we also tested the computational accuracy of the model used. • Tested the accuracy and relevance of the input data used in the model by referring to the supporting evidence, such as approved budgets, and examining the reasonableness of these budgets in comparison with the historical results of the group's performance against budgets. • Examined the applicable methodology, that supports value in use calculations and use key assumptions including sales growth rates and terminal value growth rates (including terminal value multiples where applicable). • Evaluated the objectivity, independence and expertise of the evaluator. • Performed sensitivity analyzes on key assumptions, primarily sales growth rate and terminal value growth rates (including terminal value multiples where applicable) in order to assess the possible impact of a range of potential outcomes. • We also examined the adequacy of the group's disclosures included in the accompanying consolidated financial statements in order to comply with the relevant accounting standards.

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

<u>Report on the Audit of the Consolidated Financial Statements (Continued)</u>

Other Information

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

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

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

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

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

Those charged with governance i.e. Board of Directors are responsible for overseeing the company`s financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

Report on the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the Group audit. We remain solely responsible for the audit opinion.

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

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

Among the matters communicated with those charged with governance, we detemine those matters that were of the utmost importance when auditing the consolidated financial statements for the current year, and accordingly they are the key audit matters and we explain these matters in our report unless laws or legislation prohibit public disclosure about them, or in cases of extremely rare circumstances, we consider that the matter should not be reported in our report because it is reasonably expected that the adverse consequences of doing so will outweigh the public interest benefits of such communication.

Allied Accountants Professional Services Company

Mohammed Bin Farhan Bin Nader
License No. 435
Riyadh, Saudi Arabia
29 Dhu al-Qa'dah 1443 (corresponding to 28 June 2022).

C.R.4030228773
Allied Accountants Professional Services

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	31 March 2022 SAR	31 March 2021 SAR
Assets			
Non-current assets			
Property and equipment, net	5	**81,708,303**	81,340,559
Investment properties, net	6	**38,260,921**	38,670,216
Intangible assets, net	7	**4,647**	168,429
Right-of-use assets, net	8	**12,638,457**	13,020,202
Goodwill	9	**12,402,482**	19,704,499
Financial Investments at FVOCI	10	**8,337,040**	7,702,240
Total non-current assets		**153,351,850**	160,606,145
Current assets			
Inventory, net	11	**89,115,646**	98,348,709
Accounts receivable, net	12	**33,221,552**	37,610,978
Prepaid expenses and other receivables	13	**26,187,360**	14,991,962
Cash and cash equivalents	14	**8,512,401**	20,213,473
Total current assets		**157,036,959**	171,165,122
Total assets		**310,388,809**	331,771,267
Equity and Liabilities			
Equity			
Share capital	1	**200,000,000**	200,000,000
Statutory reserve	15	**5,342,552**	3,832,255
Retained earnings		**29,558,183**	25,965,508
Reserve for the revaluation of investments at FVOCI	10	**3,707,543**	3,072,743
Reserve for the remeasurement of employees' benefit obligations		**(907,863)**	(289,500)
Total equity		**237,700,415**	232,581,006
Liabilities			
Non-current liabilities			
Lease liabilities - non-current portion	8	**5,931,347**	8,776,503
Employees' benefit obligations	17	**6,253,792**	4,894,898
Total non-current liabilities		**12,185,139**	13,671,401
Current liabilities			
Bank facilities	16	**29,168,302**	62,248,426
Lease liabilities - current portion	8	**5,245,421**	3,337,654
Trade payables		**12,661,595**	7,872,997
Accrued expenses and other payables	18	**10,469,375**	9,418,125
Zakat provision	19	**2,958,562**	2,641,658
Total current liabilities		**60,503,255**	85,518,860
Total liabilities		**72,688,394**	99,190,261
Total equity and liabilities		**310,388,809**	331,771,267

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

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

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

Profit or Loss	Note	2022 SAR	2021 SAR
Sales	26	282,295,052	230,027,441
Cost of sales	26	(217,435,073)	(182,925,732)
Gross profit		64,859,979	47,101,709
Rental income, net	20	2,964,535	2,358,660
General and administrative expenses	21	(19,981,247)	(24,219,825)
Selling and marketing expenses	22	(22,357,966)	(17,247,802)
Profit from main operations		25,485,301	7,992,742
Finance costs	23	(1,951,359)	(2,792,072)
Impairment of goodwill	9	(7,302,017)	-
Other income, net	24	2,334,792	2,951,007
Dividends from financial Investments at FVOCI	10	317,400	332,213
Net profit for the year before Zakat		18,884,117	8,483,890
Zakat	19	(3,781,145)	(3,151,703)
Net profit for the year		15,102,972	5,332,187
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Change from reserve for the revaluation of investments at FVOCI	10	634,800	2,293,744
Actuarial losses from remeasurement of employees' benefit obligations	17	(618,363)	(651,105)
Total other comprehensive income for the year		16,437	1,642,639
Total comprehensive income for the year		15,119,409	6,974,826
Earnings per share			
Earnings per share (basic and diluted) from net profit for the year	25	0.76	0.27

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Reserve for the revaluation of investments at FVOCI SAR	Reserve for the remeasuremet of employees' benefit obligations SAR	Total Shareholders' equity SAR
Balance as at 1 April 2020	200,000,000	3,299,036	31,166,540	778,999	361,605	235,606,180
Net profit for the year	-	-	5,332,187	-	-	5,332,187
Other comprehensive income	-	-	-	2,293,744	(651,105)	1,642,639
Total comprehensive income for the year	-	-	5,332,187	2,293,744	(651,105)	6,974,826
Dividends (Note 29)	-	-	(10,000,000)	-	-	(10,000,000)
Transferred to statutory reserve	-	533,219	(533,219)	-	-	-
Balance as at 31 March 2021	200,000,000	3,832,255	25,965,508	3,072,743	(289,500)	232,581,006
Net profit for the year	-	-	**15,102,972**	-	-	**15,102,972**
Other comprehensive income	-	-	-	**634,800**	**(618,363)**	**16,437**
Total comprehensive income for the year	-	-	**15,102,972**	**634,800**	**(618,363)**	**15,119,409**
Dividends (Note 29)	-	-	**(10,000,000)**	-	-	**(10,000,000)**
Transferred to statutory reserve	-	**1,510,297**	**(1,510,297)**	-	-	-
Balance as at 31 March 2022	**200,000,000**	**5,342,552**	**29,558,183**	**3,707,543**	**(907,863)**	**237,700,415**

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 SAR	2021 SAR
Cash flows from operating activities		
Net profit for the year before zakat	18,884,117	8,483,890
Adjustments to reconcile the net profit for the year before zakat:		
Depreciation of property and equipment	3,120,220	2,904,411
Depreciation of right-of-use assets	6,924,326	4,619,974
Depreciation of investment properties	409,295	409,014
Amortization of intangible assets	169,092	214,342
Losses from sale of property and equipment	151,584	18,995
Provision for the expected credit losses	800,000	476,295
Reversal for the expected credit losses	-	(595,423)
Provision for damaged and slow moving inventory	3,690,544	3,283,404
Reversal for the expected credit losses	(1,850,000)	(1,149,562)
Impairment in goodwill	7,302,017	-
Loss on disposal of leases	209,507	-
Finance costs	1,951,359	2,792,072
Provision for employees benefits obligations	886,041	716,573
	42,648,102	22,173,985
Changes in operating assets and liabilities:		
Inventory	7,392,519	7,507,599
Accounts receivable	3,589,426	5,239,539
Prepaid expenses and other receivables	(11,195,398)	(44,302)
Trade payables	4,788,598	967,056
Accrued expenses and other payables	1,029,279	4,595,416
Generated from operations	48,252,526	40,439,293
Finance costs paid	(1,344,440)	(2,455,404)
Employees' benefits obligations paid	(145,510)	(466,871)
Zakat provision paid	(3,464,241)	(3,124,809)
Net cash available from operating activities	43,298,335	34,392,209
Cash flows from investing activities		
Purchase of property and equipment	(3,660,418)	(1,169,594)
Proceeds from sale of property and equipment	20,870	24,685
Purchase of intangible assets	(5,310)	-
Additions to the investment properties	-	(33,610)
Net cash used in investing activities	(3,644,858)	(1,178,519)
Cash flows from financing activities		
Proceed from bank facilities	81,555,659	142,387,122
Bank facilities Payments	(114,635,783)	(160,944,436)
Lease liabilities paid	(8,274,425)	(5,308,126)
Dividends paid	(10,000,000)	(10,000,000)
Net cash used in financing activities	(51,354,549)	(33,865,440)
Net change in cash and cash equivalents	(11,701,072)	(651,750)
Cash and cash equivalents at the beginning of the year	20,213,473	20,865,223
Cash and cash equivalents at the end of the year	8,512,401	20,213,473
Non-cash transactions		
Addition to the right of use assets and corresponding lease liabilities	6,752,088	6,221,070
Transferred from projects under construction to property and equipment	2,145,243	712,679
Write-off from from damaged and slow moving inventory provision	1,373,328	132,145
Write-off from expected credit losses provision	65,511	348,570

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

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

1-ORGANIZATION AND ACTIVITIES

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

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

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

The consolidated financial statements for the year ended 31 March 2022 include the financial statement for the Company and its branches and a subsidiary and its branches as follows:

Branches of Parent Company:

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

1-ORGANIZATION AND ACTIVITIES (CONTINUED)

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

2-ORGANIZATION AND ACTIVITIES (CONTINUED)

Subsidiary company

Company's name	CR No.	Country of incorporation	Activity	Ownership percentage As at 31 March 2022	Ownership percentage As at 31 March 2021
AL Moujah for Trade Co.	1010141412	KSA	Wholesale of office stationery, wholesale of computers and their accessories, including (sale of printers and their inks), retail of computers and their accessories, including (printers and their inks), retail of stationery, office tools, newspapers and magazines (libraries).	100%	100%

Branches of Subsidiary Company:

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

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

2-BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2-1 STATEMENT OF COMPLIANCE

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

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

2-2 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

2-3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2- BASIS OF PREPARATION (CONTINUED)

2-4 BASIS OF CONSOLIDATION

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

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

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

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

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

3-NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

3-1The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2021.

3-1-1 Amendments to IFRS (7) and IFRS (16) interest rate benchmark reform – Phase 2

The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS (39) and IFRS (9) hedge accounting requirements to hedging relationships directly affected by IBOR reform.

3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS (CONTINUED)

3-1-2 Amendment to IFRS (16), 'Leases' – COVID-19 related rent concessions

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the International Accounting Standards Board ("IASB") published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can select to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period (s) in which the event or condition that triggers the reduced payment occurs.

The adoption of above amendments does not have any material impact on the Financial Statements consolidation during the year.

3-2 Standards issued but not yet effective

Following are the new standards and amendments to standards which are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted; however, the Company has not early adopted them in preparing these Financial Statements.

3-2-1 Amendments to IAS (1), 'Presentation of financial statements' on classification of liabilities

These narrow-scope amendments to IAS (1), 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS (1) means when it refers to the 'settlement' of a liability.

3-2-2 Amendments to IFRS (3), IAS (16), IAS (37)

- IFRS (3), 'Business combinations' update a reference in IFRS (3) to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS (16), 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS (37), 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

3-2-3 Amendments to IAS (1), Practice statement 2 and IAS (8)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies

3-2-4 Amendment to IAS (12) – deferred tax related to assets and liabilities arising from a single transaction

These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Judgments and Estimates

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions at reporting date that affect the reported amounts of assets, liabilities, revenues, and expenses. However, these estimates and assumptions are based upon management's experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

-Estimated useful lives of property, equipment, investment properties

Management reviews the useful lives of property 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 inventory items

Provision is made for slow moving inventory to meet any expected losses on inventory items. This provision is determined based on group policy. A continuous evaluation of the inventory is made during the year to determine any potential additions to the provision. Management makes an estimate based on the best facts and circumstances, which includes, among other things, an estimate of the future use of each class of merchandise independently, and therefore the amount and timing of expenses recorded for any period may vary based on the estimates or judgments used. An increase in the provision for slow moving inventory leads to an increase in the group's recorded expenses and a decrease in current assets.

-Impairment of non-derivative financial assets

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

-Employee benefit obligations

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

Derecognition

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

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The liabilities are considered current as follows:

- When it is expected to be paid during the normal business cycle
- If it is acquired primarily for the purpose of trading.
- When it matures within twelve months after the fiscal year, or
- When there is no unconditional right to defer the payment of liabilities for a period of not less than twelve months after the financial year.

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

Property and equipment

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

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

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

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

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.

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

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

Statement	Amortization%
Programs	25%

Impairment of assets

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

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

Related party transactions

Related party

A related party is a person or entity associated with the Group that prepares its financial statements.
A) If the person or a member of his family is closely related to the company whose consolidated financial statements are prepared:
- Has joint control or control over the company preparing its consolidated financial statements;
- It has a material impact on the company preparing its consolidated financial statements. or
- He is a member of the top management of the company whose consolidated financial statements are prepared or the parent company of the company that prepares its consolidated financial statements.

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

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

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

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

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

First: Financial assets

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

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

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

Financial assets are classified as held for trading if:

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

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

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

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

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

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

c) Financial assets measured at amortized cost

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

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

Second: Financial liabilities

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

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled, or have expired. The difference between the carrying amount of disposed financial liabilities and the amount paid is charged to the consolidated statement of profit or loss.

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.

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

Cash and cash equivalents

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

Lease contracts

Group as a lessee

The group recognizes an asset (right to use) and a lease liability at the start date of the lease. The asset (right of use) is initially measured at cost consisting of the initial amount of the lease liability modified for any lease payments made on or before the start date. (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 as those of the assets, in addition, the (right-of-use) asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that have not been made at the commencement date of the lease and discounted using the interest rate implicit in the lease or, if that rate is difficult to determine reliably, the institution uses the incremental borrowing rate.

With respect to short-term leases and low-value leases, the Group has elected not to recognize assets (right of use) and lease liabilities for short-term leases of (12) months or less and low-value leases, the Corporation recognizes the lease payments associated with these Contracts are expensed in the consolidated statement of activities on a straight-line basis over the lease term.

Group as a lessor

The entity recognizes lease payments received under lease contracts as revenue in the consolidated statement of activities on a straight-line basis over the term of the lease.

Employees' 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 consolidated statement of financial position and the gains and losses are recognized in other comprehensive income in the period in which they occur, remeasurements recognized within retained earinings in other comprehensive income and are not recharged to the consolidated statement of profit or loss.

-Retirement benefits

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

-Short-term employee benefits

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

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

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statement of profit or loss over the term of the loans using the effective interest rate method.

Loans are removed from the 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.

Trade payables

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.

Zakat provision

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

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

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

Revenues

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

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

The following are a description of the main activities from which the Group recognize revenue:

- **Retail outlets sales**

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

- **Wholesales**

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

4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental income

Revenue from rental of investment properties and subleasing contracts within real estate In which the Group is the lessee is recognized on a straight-line basis over the lease term and is recognized as rental income in the consolidated statement of profit or loss.

The unearned revenue represents the rents collected from the lessees that do not pertain to the reporting period and are presented among the current liabilities in the consolidated financial position. Operating lease receivables represents the amount of lease receivable arising from operating leases as recognized as rental income.

Other income

Other income are recognized when realized.

Cost of sales and operation expenses

Cost of sales represents the costs previously included in the measurement of inventory sold to customers. Salaries, wages, benefits, operating expenses, depreciation and occupancy costs and other operating expenses are classified as either general and administrative expenses or selling and marketing expenses.

Expenses

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 at end of the period.

Offset

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

Board of Directors remunerations

The remuneration of the members of the Board of Directors is recognized in the period approved in the consolidated 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 transaction

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

5-PROPERTY AND EQUIPMENT, NET

	Lands SAR	Buildings SAR	Motor vehicles SAR	Office supplies and computer systems SAR	Furniture and fixtures SAR	Projects under construction* SAR	Total SAR
Cost							
Balance as at 1 April 2021	57,903,830	24,720,696	1,585,293	7,804,319	8,986,594	574,243	101,574,975
Additions during the year	-	-	19,000	191,596	-	3,449,822	3,660,418
Transferred from projects under construction	-	-	-	509,898	1,635,345	(2,145,243)	-
Disposals during the year	-	-	(65,020)	(58,790)	(213,716)	-	(337,526)
Balance as at 31 March 2022	57,903,830	24,720,696	1,539,273	8,447,023	10,408,223	1,878,822	104,897,867
Accumulated depreciation							
Balance as at 1 April 2021	-	8,374,791	1,462,028	6,220,465	4,177,132	-	20,234,416
Charged for the year	-	1,236,035	66,898	817,420	999,867	-	3,120,220
Disposals during the year	-	-	(65,018)	(45,998)	(54,056)	-	(165,072)
Balance as at 31 March 2022	-	9,610,826	1,463,908	6,991,887	5,122,943	-	23,189,564
Net book value							
As at 31 March 2022	57,903,830	15,109,870	75,365	1,455,136	5,285,280	1,878,822	81,708,303

* The projects under construction represents the works of prepration and installation of the decorations and equipment at Groups's branches as the group's management expects to complete these projects during the year 2023.

Depreciation expenses are allocated as at 31 March as follows:

	2022 SAR	2021 SAR
General and administrative expenses (Note 21)	1,748,257	1,860,746
Selling and marketing expenses (Note 22)	1,371,963	1,043,665
	3,120,220	2,904,411

5- PROPERTY AND EQUIPMENT, NET (CONTINUED)

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

6- INVESTMENT PROPERTIES, NET

Movement on investment properties as at 31 March 2022 is as follows:

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance at the beginning of the year	34,233,193	8,185,888	42,419,081
Balance at the end of the year	**34,233,193**	**8,185,888**	**42,419,081**
Accumulated depreciation			
Balance at the beginning of the year	-	3,748,865	3,748,865
Charged for the year (Note 20)	-	**409,295**	**409,295**
Balance at the end of the year	-	**4,158,160**	**4,158,160**
Net book value			
At the end of the year	**34,233,193**	**4,027,728**	**38,260,921**

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

	Lands SAR	Buildings SAR	Total SAR
Cost			
Balance at the beginning of the year	34,233,193	8,152,278	42,385,471
Additions during the year	-	33,610	33,610
Balance at the end of the year	34,233,193	8,185,888	42,419,081
Accumulated depreciation			
Balance at the beginning of the year	-	3,339,851	3,339,851
Charged for the year (Note 20)	-	409,014	409,014
Balance at the end of the year	-	3,748,865	3,748,865
Net book value			
At the end of the year	34,233,193	4,437,023	38,670,216

- The following are the measurement data for fair value in accordance with International Financial Reporting Standard No. "13" as shown below:

Real estate	Evaluation Method	Important inputs and assessment assumptions	Average fair value as on March 31, 2022 SAR	Average fair value as on March 31, 2021 SAR
Land and Buildings	Market method	Recent Transactions	**27,773,750**	21,850,000
	Income method	Recent Transactions	**23,670,000**	23,490,000
	Cost method	Recent Transactions	**3,480,000**	3,000,000
			54,923,750	48,340,000

- The valuation techniques used are categorized as Level 3 fair value
- The real estate appraisal mechanism applied in evaluating investment real estate is in compliance with the International Valuation Standards Board and with the directives of the Saudi Commission. For accredited residents (Taqeem).
- The following is the data of the evaluator who made an appraisal of investment properties:

Evaluator name	License number	Evaluator qualifications
Rabeea M. Alnitafi	121000385	Licensed by the Saudi Authority for Accredited Valuers (Taqeem)

7- INTANGIBLE ASSETS, NET

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

	31 March 2022 SAR	31 March 2021 SAR
Cost		
Balance at the beginning of the year	857,368	857,368
Additions during the year	**5,310**	-
Balance at the end of the year	862,678	857,368
Accumulated amortization		
Balance at the beginning of the year	688,939	474,597
Charged for the year (Note 21)	**169,092**	214,342
Balance at the end of the year	**858,031**	688,939
Net book value		
At the end of the year	**4,647**	168,429

8- LEASES

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

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

	31 March 2022 SAR	31 March 2021 SAR
Cost		
Balance at the beginning of the year	**22,767,350**	16,546,280
Additions during the year	**6,752,088**	6,221,070
Disposal during the year	**(942,784)**	-
Balance at the end of the year	**28,576,654**	22,767,350
Accumulated Depreciation		
Balance at the beginning of the year	9,747,148	5,127,174
Charged for the year*	**6,924,326**	4,619,974
Disposal during the year	**(733,277)**	-
Balance at the end of the year	**15,938,197**	9,747,148
Net book value		
At the end of the year	12,638,457	13,020,202

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

	2022 SAR	2021 SAR
General and administrative expenses (Note 21)	**177,874**	180,151
Selling and marketing expenses (Note 22)	**6,746,452**	4,439,823
	6,924,326	4,619,974

B-Movement in lease contract liabilities:

	31 March 2022 SAR	31 March 2021 SAR
Balance at the beginning of the year	**12,114,157**	10,706,750
Additions during the year	**6,752,088**	6,221,070
Amortization of finance cost during the year (Note 23)	584,948	494,463
Paid during the year	**(8,274,425)**	(5,308,126)
Balance at the end of the year	**11,176,768**	12,114,157

Lease liabilities are allocated as follows:

	31 March 2022 SAR	31 March 2021 SAR
Non-current portion	**5,931,347**	8,776,503
Current portion	**5,245,421**	3,337,654
	11,176,768	12,114,157

9- GOODWILL

The goodwill arose as a result of the Group's acquisition of the ownership percentage of Al-Moujah Trading Company during the year 2012 and the goodwill balance on 31 March 2022 was SAR 12,402,482 (31 March 2021: SAR 19,704,499).

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

As a result of the process of testing, the impairment of goodwill amounting to SAR 7,302,017 arose, the movement on goodwill as on March 31 is as follows:

	31 March 2022	31 March 2021
	SAR	SAR
Balance at the beginning of the year	19,704,499	19,704,499
Impairment losses	(7,302,017)	-
	12,402,482	19,704,499

The pre-tax discount rate is applied to the cash flow projections of the relevant cash-generating units, the terminal value is calculated using the Gordon growth model for the last year of the forecast period, the value in use calculation is more sensitive to the assumptions about the sales growth rate and the pre-tax discount rate. Management of group has set the values assigned to each of the above key assumptions as follows:

Assumptions	**The method used to determine the values**
Sales growth rate	Average annual growth rate over the expected five-year period, based on past performance and management's expectations of market development.
Pre-tax discount rate	The discount rate, ie the weighted average cost of capital, is applied to specific business lines based on assumptions about interest rates, tax rates and risk premiums, and is recalculated to a pre-tax rate (the "pre-tax discount rate").

Sensitivity to changes in the assumptions of the subsidiary:

a) Sales growth assumption: A future growth rate of 5% of revenue has been assumed by the management from 2024 to 2027.

b) Pre-tax discount rate: It was determined that the discount rate was 11.97% by relying on the broker and using the restricted shares study.

10- FINANCIAL INVESTMENTS AT FVOCI

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

			Reserve for the revaluation of investments at FVOCI			
Statement	**Number of Shares**	Cost as at 1 April 2021 SAR	**As at 1 April 2021 SAR**	**Movement during the year SAR**	**As at 31 March 2022 SAR**	**Fair value as at 31 March 2022 SAR**
Jarir Marketing Company	**42,320**	4,629,497	**3,072,743**	**634,800**	**3,707,543**	**8,337,040**

During the financial year ending on 31 March 2022, the parent Group received cash dividends from Jarir Marketing Company amounted to to SAR 317,400 (31 March 2021: SAR 332,213).

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

11- INVENTORY, NET

	31 March 2022 SAR	31 March 2021 SAR
Stationery, office supplies and accessories	**75,806,237**	86,290,256
Printers inks and computers supplies	**16,905,290**	14,585,126
Goods in transit	**2,505,177**	3,107,169
Provision for slow moving goods	**(6,101,058)**	(5,633,842)
	89,115,646	98,348,709

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

	31 March 2022 SAR	31 March 2021 SAR
Balance at the beginning of the year	**5,633,842**	3,632,145
Additions during the year	**3,690,544**	3,283,404
Reversal during the year	**(1,850,000)**	(1,149,562)
Used during the year	**(1,373,328)**	(132,145)
Balance at the end of the year	**6,101,058**	5,633,842

*Provision provided during the year are allocated as follows:

	31 March 2022 SAR	31 March 2021 SAR
General and administrative expenses (Note 21)	**3,084,282**	2,660,645
Selling and marketing expenses (Note 22)	**606,262**	622,759
	3,690,544	3,283,404

12- ACCOUNTS RECEIVABLE, NET

	31 March 2022 SAR	31 March 2021 SAR
Accounts receivable	**37,259,212**	40,914,149
(Less): Provision for expected credit losses	**(4,037,660)**	(3,303,171)
	33,221,552	37,610,978

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

	31 March 2022 SAR	31 March 2021 SAR
Balance at the beginning of the year	**3,303,171**	3,770,869
Provided during the year (Note 21)	**800,000**	476,295
Reversal during the year (Note 24)	-	(595,423)
Utilized during the year	**(65,511)**	(348,570)
Balance at the end of the year	**4,037,660**	3,303,171

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

	31 March 2022 SAR	31 March 2021 SAR
From 1 to 30 days	**10,348,837**	10,395,881
From 31 to 60 days	**4,158,401**	12,972,276
From 61 to 90 days	**4,291,196**	8,390,789
From 91 to 180 days	**12,363,319**	2,502,069
From 181 to 365 days	**2,192,517**	2,548,654
More than 365 days	**3,904,942**	4,104,480
Balance at the end of the year	**37,259,212**	40,914,149

The following is an analysis of the aging of trade receivables and the related allowance for expected credit losses as at March 31:

March 31, 2022	**Total SAR**	**From 1 to 30 days SAR**	**From 31 to 60 days SAR**	**From 61 to 90 days SAR**	**From 91 to 180 days SAR**	**From 181 to 365 days SAR**	**Over 365 days SAR**
Expected Credit Loss Rate	%11	%5	%7	%7	%7	%6	%50
Total book value	37,259,212	10,348,837	4,158,401	4,291,196	12,363,319	2,192,517	3,904,942
Expected Credit Loss	4,037,660	517,442	291,088	300,384	865,432	131,551	1,931,763

March 31, 2021	Total SAR	From 1 to 30 days SAR	From 31 to 60 days SAR	From 61 to 90 days SAR	From 91 to 180 days SAR	From 181 to 365 days SAR	Over 365 days SAR
Expected Credit Loss Rate	%8	%3	%2	%5	%7	%6	%48
Total book value	40,914,149	10,395,881	12,972,276	8,390,789	2,502,069	2,548,654	4,104,480
Expected Credit Loss	3,303,171	319,794	308,059	387,356	175,145	152,919	1,959,898

13- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 March 2022 SAR	31 March 2021 SAR
Advances to the suppliers	21,903,799	10,407,525
Prepaid expenses	2,221,851	1,550,667
Letter of guarantee (Note 28)	665,578	1,076,297
Prepaid rent	273,938	579,046
Other receivables	1,122,194	1,378,427
	26,187,360	14,991,962

14- CASH AND CASH EQUIVALENT

	31 March 2022 SAR	31 March 2021 SAR
Cash on hand	7,920,273	11,122,623
Cash at banks	592,128	351,281
Checks under collection	-	8,739,569
	8,512,401	20,213,473

15- STATUTORY RESERVE

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

16- BANK FACILITIES

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 29,168,302 as at 31 March 2022 (31 March 2021: SAR 62,248,426).

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

	31 March 2022 SAR	31 March 2021 SAR
Balance at the beginning of the year	62,248,426	80,805,740
Proceed during the year	81,555,659	142,387,122
Paid during the year	(114,635,783)	(160,944,436)
Balance at the end of the year	29,168,302	62,248,426

17- EMPLOYEES' BENEFIT OBLIGATIONS

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

	31 March 2022	31 March 2021
Discount rate	**3.10%**	2.75%
Salaries increase rate	**3.10%**	3%
Staff turnover	**10%**	10%

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

	31 March 2022 SAR	31 March 2021 SAR
Employees' benefits obligations balance at the beginning of the year	**4,894,898**	3,994,091
Charged to the consolidated statement of profit or loss		
Current service cost	**751,431**	562,060
Interest cost	**134,610**	154,513
Charged to the consolidated statement of other comprehensive income		
Actuarial re-measurement of employees' benefit obligations	**618,363**	651,105
Paid during the year	**(145,510)**	(466,871)
Employees' benefits obligations balance at the end of the year	**6,253,792**	4,894,898

*** The provision for employee benefits obligations for the year ended March 31 has been classified as follows:**

	31 March 2022 SAR	31 March 2021 SAR
General and administrative expenses (Note 21)	**567,495**	469,974
Selling and marketing expenses (Note 22)	**318,546**	246,599
	886,041	716,573

Sensitivity analysis for the defined benefit obligations

		31 March 2022 SAR	31 March 2021 SAR
	Basis		
Salary change rate	1% increase	**5,925,637**	4,576,659
	1% decrease	**5,218,775**	3,929,937
	Basis		
Discount rate	1% increase	**5,221,812**	3,931,988
	1% decrease	**5,929,505**	4,581,177
Assuming a statistical study of employees, membership data			
Average age of employees (in years)		**30.5**	34.5
Average previous years of experience		**5.5**	5.2

18- ACCRUED EXPENSES AND OTHER PAYABLES

	31 March 2022 SAR	31 March 2021 SAR
Value added tax	**2,604,670**	1,717,670
Accrued salaries and wages	**1,836,455**	1,489,913
Suppliers payable	**1,583,494**	1,394,039
Deferred revenue	**1,164,427**	1,055,698
Accrued remuneration of board of directors	**981,000**	981,000
Advances from customers	**298,069**	1,970,025
Finance charges due	**271,873**	249,902
Others	**1,729,387**	559,878
	10,469,375	9,418,125

19- ZAKAT PROVISION

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

	31 March 2022 SAR	31 March 2021 SAR
Equity, provisions at the beginning of the year and other adjustments	**247,187,728**	250,727,060
Long term assets	**(153,351,851)**	(160,606,145)
Adjusted net income	**21,590,778**	11,215,177

B) The following is the movement in Zakat provision:

	31 March 2022 SAR	31 March 2021 SAR
Balance at the beginning of the year	**2,641,658**	2,614,764
Provided during the year	**2,958,562**	2,609,776
Zakat differences for previous years	**822,583**	541,927
Paid during the year	**(3,464,241)**	(3,124,809)
Balance at the end of the year	**2,958,562**	2,641,658

C) Zakat status:

- The group submitted its consolidated zakat returns for itself and the subsidiary until March 31, 2021 and obtained the required certificates.

- The Zakat, Tax and Customs Authority made zakat assessments for the group for the years from 2015 to 2018, and the assessment resulted in differences of 597,885 Saudi riyals, and the group paid these amounts during the year ending on March 31, 2021.

20- RENTAL REVENUES, NET

	2022 SAR	2021 SAR
Rental revenues	**3,486,000**	2,930,830
Less:		
Discount of rental revenues	**(112,170)**	(163,156)
Depreciation of investment properties (Note 6)	**(409,295)**	(409,014)
	2,964,535	2,358,660

21- GENERAL AND ADMINISTRATIVE EXPENSES

	2022 SAR	2021 SAR
Salaries, wages and other benefits	**8,795,791**	8,818,247
Provision for slow moving goods (Note 11)	**3,084,282**	2,660,645
Depreciation of property and equipment (Note 5)	**1,748,257**	1,860,746
Governmental expenses	**999,257**	3,750,186
Board members' allowances and remuneration	**900,000**	1,800,000
Provision for expected credit losses (Note 12)	**800,000**	476,295
Provision for employees' defined benefits plan obligations (Note 17)	**567,495**	469,974
Medical and property and equipment insurance	**500,541**	441,385
Professional and consulting fees	**448,709**	899,717
Commissions and administrative fees	**384,785**	322,428
Repair and maintenance	**312,776**	183,262
Other benefits	**225,639**	241,620
Rents	**178,949**	194,751
Depreciation of right of use assets (Note 8)	**177,874**	180,151
Amortization of intangible assets (Note 7)	**169,092**	214,342
Bank charges	**166,165**	749,888
Travel expenses	**81,038**	6,239
Hospitality and cleaning expenses	**31,178**	40,415
Stationery and printing	**17,099**	16,278
Others	**392,320**	893,256
	19,981,247	24,219,825

22- SELLING AND MARKETING EXPENSES

	2022 SAR	2021 SAR
Salaries, wages and other benefits	**7,568,554**	6,038,700
Depreciation of right of use assets (Note 8)	**6,746,452**	4,439,823
Governmental expenses	**1,405,998**	1,543,729
Depreciation of property and equipment (Note 5)	**1,371,963**	1,043,665
Transportation and shipment expenses	**911,826**	686,766
Rents	**902,862**	766,254
Marketing and packaging expenses	**616,415**	433,297
Provision for slow moving goods (Note 11)	**606,262**	622,759
Bank charges	**557,382**	204,504
Other benefits	**495,509**	480,934
Provision for employees' defined benefits plan obligations (Note 17)	**318,546**	246,599
Medical and property and equipment insurance	**274,255**	260,022
Repair and maintenance	**216,283**	134,055
Travel expenses	**176,705**	25,862
Hospitality cleaning expenses	**34,612**	45,045
Stationery and printing expenses	**16,339**	10,756
Others	**138,003**	265,032
	22,357,966	17,247,802

23- FINANCE COSTS

	2022 SAR	2021 SAR
Bank facilitates financing costs	**1,366,411**	2,297,609
Amortization of lease liabilities interest (Note 8)	**584,948**	494,463
	1,951,359	2,792,072

24- OTHER INCOME, NET

	2022 SAR	2021 SAR
Return on provision for slow moving inventories (note 11)	**1,850,000**	1,149,562
Rental discounts	**586,695**	1,216,603
Reversals from expected credit loss (Note 12)	-	595,423
Exchange rate differences	-	(7,672)
Losses from sale of property and equipment	**(151,584)**	(18,995)
Others	**49,681**	16,086
	2,334,792	2,951,007

25- EARNINGS PER SHARE

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

26- SEGMENT INFORMATION

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

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

- Retail and wholesale trade, where the 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 31 March 2022, 2021 respectively, according to the nature of the activity:

As at 31 March 2022	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total 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

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

For the year ended 31 March 2022	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales	202,362,949	79,932,103	-	282,295,052
Cost of sales	144,519,199	72,915,874	-	217,435,073
Gross profit for the year	57,843,751	7,016,228	-	64,859,979
Depreciation	3,078,863	41,357	409,295	3,529,515
Finance cost	1,394,482	556,877	-	1,951,359
Net profit for the year	7,363,011	4,775,426	2,964,535	15,102,972

26- SEGMENT INFORMATION

For the year ended 31 March 2021	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
Sales	133,751,928	96,275,513	-	230,027,441
Cost of sales	97,733,949	85,191,783	-	182,925,732
Gross profit for the year	36,017,979	11,083,730	-	47,101,709
Depreciation	2,833,831	70,580	409,014	3,313,425
Finance cost	2,206,183	585,889	-	2,792,072
Net profit for the year	(1,124,375)	4,097,900	2,358,662	5,332,187

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT

Credit risks

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

	31 March 2022 SAR	31 March 2021 SAR
Cash at banks	7,920,273	11,122,623
Accounts receivable, net	37,259,212	40,914,149
	45,179,485	52,036,772

Liquidity risks

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

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

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

The following is the aging of assets and accruals at liabilities as at 31 March 2022:

	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 facilitates	21,890,694	7,277,608	-	-	29,168,302
Trade 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

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Liquidity risks (continued)

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

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

Market price risk

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

Interest rate risk

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

Currency risk

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

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value definition includes the assumption that the Group will continue its operations where there is no intention or condition to physically limit the volume of its operations or conduct a transaction with negative terms.

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

27- FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

Fair value (continued)

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	8,337,040	-	-	8,337,040

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

Capital risks management

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

The following is the net debt to equity ratio of the Group at the end of the year:

	31 March 2022 SAR	31 March 2021 SAR
Bank facilities	29,168,302	62,248,426
Less: Cash and cash equivalents	(8,512,401)	(20,213,473)
Net debt	20,655,901	42,034,953
Total Equity	237,700,415	232,581,006
Net debt-to-equity ratio	%9	%18

28- TRANSACTIONS WITH COMPANY'S SENIOR EXECUTIVES

Related parties represent non-executive directors, key management personnel of the Company who are considered those personnel exercising authority and responsibility for planning, managing and controlling the activities of the Company, directly or indirectly, including the managers. Transactions for the year ended 31 March are:

	31 March 2022 SAR	31 March 2021 SAR
Remuneration for board members	900,000	900,000
Executive management salaries and allowances	1,730,000	1,742,000
	2,630,000	2,642,000

29- CONTINGENT LIABILITIES

The Group has contingent liabilities arising from an outstanding letter of guarantee amounting to SAR 14,453,405 as at 31 March 2022 (31 March 2021: amounting to SAR 14,365,931) (Note 13).

30- DIVIDENDS

The Ordinary General Assembly which was held on 9 Safar 1443 H (corresponding to 16 September 2021), agreed to distribute cash dividends to the shareholders of the Group for the financial year ended on 31 March 2021 by (0.50) fifty Halalas per share, with a total value of 10 million Saudi riyals (Dividends for the year ended 31 March 2020: SAR 10 million).

31- GENERAL

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

32- SUBSEQUENT EVENTS

In the opinion of the management, there were no other significant events after 31 March 2022 that are expected to have a significant impact on these consolidated financial statements as at 31 March 2022.

33- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved for issue by the Board of Directors of the Group On 29 Dhu al-Qa'dah 1443 (corresponding to 28 June 2022).