

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED) FOR THE THREE MONTH PERIOD  
ENDED 30 JUNE 2023  
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023**

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<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
Independent auditor's review report for interim condensed consolidated financial statements	-
Interim condensed consolidated statement of financial position (unaudited)	2
Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	3
Interim condensed consolidated statement of changes in equity (unaudited)	4
Interim condensed consolidated statement of cash flows (unaudited)	5
Notes to the interim condensed consolidated financial statements (unaudited)	6 - 14

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To: The shareholders**  
**Abdullah Saad Mohammed Abo Moati For Bookstores Company**  
(Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Abdullah Saad Mohammed Abo Moati For Bookstores Company, a Saudi Joint Stock Company (the "Company")** and its subsidiary (collectively referred to as **the "Group"**) as at 30 June 2023 and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (34), "Interim Financial Reporting" that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

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

### Conclusion

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

### RSM Allied Accountants Professional Services

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Mohammed Bin Farhan Bin Nader  
License No. 435  
Riyadh, Saudi Arabia  
14 Muharram 1445 H (corresponding to 1 August 2023)



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2023**

		<b>30 June 2023</b>	<b>31 March 2023</b>
		<b>SAR</b>	<b>SAR</b>
	<b>Note</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment, net		<b>81,633,268</b>	81,832,648
Investment properties, net		<b>39,516,513</b>	39,176,637
Right-of-use assets, net	5	<b>15,361,426</b>	17,658,494
Financial investments at FVOCI	6	<b>6,999,728</b>	6,898,160
<b>Total non-current assets</b>		<b>143,510,935</b>	145,565,939
<b>Current assets</b>			
Inventory, net	7	<b>89,291,086</b>	86,038,674
Accounts receivable, net	8	<b>20,572,500</b>	18,545,046
Prepaid expenses and other receivables	9	<b>23,675,786</b>	17,222,980
Cash and cash equivalents		<b>9,168,997</b>	21,228,355
<b>Total current assets</b>		<b>142,708,369</b>	143,035,055
<b>Total assets</b>		<b>286,219,304</b>	288,600,994
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	1	<b>200,000,000</b>	200,000,000
Statutory reserve		<b>7,034,174</b>	7,034,174
Retained earnings		<b>37,472,641</b>	34,782,777
Reserve for the revaluation of investments at FVOCI	6	<b>2,370,231</b>	2,268,663
Reserve for the remeasurement of employees' benefit obligations		<b>(1,265,616)</b>	(1,265,616)
<b>Total equity</b>		<b>245,611,430</b>	242,819,998
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities - non-current portion	5	<b>7,832,047</b>	10,351,317
Employees' benefit obligations		<b>7,693,730</b>	7,453,287
<b>Total non-current liabilities</b>		<b>15,525,777</b>	17,804,604
<b>Current liabilities</b>			
Lease liabilities - current portion	5	<b>6,316,902</b>	5,419,057
Trade payables		<b>7,519,965</b>	10,247,215
Accrued expenses and other payables	10	<b>7,153,344</b>	8,788,234
Zakat provision		<b>4,091,886</b>	3,521,886
<b>Total current liabilities</b>		<b>25,082,097</b>	27,976,392
<b>Total liabilities</b>		<b>40,607,874</b>	45,780,996
<b>Total equity and liabilities</b>		<b>286,219,304</b>	288,600,994

The accompanying notes from (1) to (17) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023**

	Note	<b>For the three month period ended 30 June</b>	
		<b>2023 SAR (Unaudited)</b>	<b>2022 SAR (Unaudited)</b>
<b><u>Profit or loss</u></b>			
Sales, net		<b>49,888,615</b>	62,942,996
Cost of sales		<b>(36,179,224)</b>	(46,513,478)
<b>Gross profit</b>		<b>13,709,391</b>	16,429,518
Rental revenue, net		<b>872,072</b>	719,921
General and administrative expenses		<b>(4,605,624)</b>	(5,707,009)
Selling and marketing expenses		<b>(6,599,791)</b>	(6,065,229)
<b>Profit from main operations</b>		<b>3,376,048</b>	5,377,201
Finance costs	5	<b>(240,966)</b>	(401,471)
Other income		<b>38,026</b>	2,084
Dividends from financial investments at fair value through OCI	6	<b>86,756</b>	86,756
<b>Net profit for the period before zakat</b>		<b>3,259,864</b>	5,064,570
Zakat		<b>(570,000)</b>	(750,000)
<b>Net profit for the period</b>		<b>2,689,864</b>	4,314,570
<b><u>Other comprehensive income</u></b>			
<b>Items that will not be subsequently reclassified to interim condensed consolidated statement of profit or loss</b>			
Change in fair value of financial investments at FVOCI	6	<b>101,568</b>	(1,455,808)
<b>Total other comprehensive income / (loss) for the period</b>		<b>101,568</b>	(1,455,808)
<b>Total comprehensive income for the period</b>		<b>2,791,432</b>	2,858,762
<b>Earnings per share</b>	11		
Basic and diluted earnings per share from net profit for the period		<b>0.13</b>	0.22

The accompanying notes from (1) to (17) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors





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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023

				Revaluation reserve of financial investments at fair value through other comprehensive income	Reserve for remeasurement of employees' benefit obligations	Total equity SAR
Share capital SAR	Statutory reserve SAR	Retained earnings SAR		SAR	SAR	
Balance as at 1 April 2022 (Audited)	200,000,000	5,342,552	29,558,183	3,707,543	(907,863)	237,700,415
Net profit for the period	-	-	4,314,570	-	-	4,314,570
Other comprehensive loss for the period	-	-	-	(1,455,808)	-	(1,455,808)
Total comprehensive income for the period	-	-	4,314,570	(1,455,808)	-	2,858,762
Balance as at 30 June 2022 (Unaudited)	200,000,000	5,342,552	33,872,753	2,251,735	(907,863)	240,559,177
Balance as at 1 April 2023 (Audited)	200,000,000	7,034,174	34,782,777	2,268,663	(1,265,616)	242,819,998
Net profit for the period	-	-	2,689,864	-	-	2,689,864
Other comprehensive income for the period	-	-	-	101,568	-	101,568
Total comprehensive income for the period	-	-	2,689,864	101,568	-	2,791,432
Balance as at 30 June 2023 (Unaudited)	200,000,000	7,034,174	37,472,641	2,370,231	(1,265,616)	245,611,430

The accompanying notes from (1) to (17) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman of Board of Directors

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023**

	<b>For the three month period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities:</b>		
Net profit for the period before zakat	3,259,864	5,064,570
<b>Adjustments to reconcile net profit for the period before zakat:</b>		
Depreciation of property and equipment	925,826	811,102
Depreciation of right-of-use assets	2,297,068	1,890,496
Depreciation of investment properties	102,324	102,323
Amortization of intangible assets	-	332
Provision for expected credit losses	-	776,051
Provision for damaged and slow-moving inventory	-	1,124,930
Gain from disposal of property and equipment	(13,120)	-
Finance cost	240,966	401,471
Provision for employees' benefits obligations	265,367	212,211
	<b>7,078,295</b>	<b>10,383,486</b>
<b>Changes in operating assets and liabilities:</b>		
Inventory	(3,252,412)	(28,307,697)
Accounts receivable	(2,027,454)	3,967,551
Prepaid expenses and other receivables	(6,452,806)	(307,332)
Accounts payable	(2,727,250)	3,447,817
Accrued expenses and other payables	(1,634,890)	(1,410,775)
<b>Cash used in operations</b>	<b>(9,016,517)</b>	<b>(12,226,950)</b>
Finance costs paid	-	(389,597)
Employees' benefits obligations paid	(24,924)	(20,249)
<b>Net cash used in operating activities</b>	<b>(9,041,441)</b>	<b>(12,636,796)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(769,772)	(594,703)
Proceeds from disposal of property and equipment	56,446	-
Purchase to investment properties	(442,200)	-
<b>Net cash used in investing activities</b>	<b>(1,155,526)</b>	<b>(594,703)</b>
<b>Cash flows from financing activities</b>		
Net change in bank facilities	-	16,390,917
Lease liabilities paid	(1,862,391)	(1,643,366)
<b>Net cash (used in)/ available from financing activities</b>	<b>(1,862,391)</b>	<b>14,747,551</b>
<b>Net change in cash and cash equivalents</b>	<b>(12,059,358)</b>	<b>1,516,052</b>
Cash and cash equivalents at the beginning of the period	21,228,355	8,512,401
<b>Cash and cash equivalents at the end of the period</b>	<b>9,168,997</b>	<b>10,028,453</b>

The accompanying notes from (1) to (17) are an integral part of these interim condensed consolidated financial statements.

Chief Financial Officer



Chief Executive Officer



Chairman of Board of Directors



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**1- ORGANIZATION AND ACTIVITIES**

Abdullah Saad Mohammed Abo Moati For Bookstores Company ( the “Company”) - a Saudi Joint Stock Company - registered under the Commercial Registration (“CR”) No. 1010125151, issued in Riyadh on 3/1/1415 H (corresponding to 13/6/1994). The Company's capital, amounting to SAR 200,000,000, consists of 20,000,000 shares, the value of which is 10 Saudi riyals each.

The Company’s main activity is in the wholesale of stationery supplies, the wholesale of art tools for drawing, the wholesale of children's toys, the wholesale of papers (paper rolls), and general stores that include a variety of commodities.

The interim condensed consolidated financial statements for the three month period ended 30 June 2023 include the the interim condensed consolidated financial statements for the parent company and its branches and a subsidiary. The details of branches are as follows:

**Branches of Parent Company:**

<b><u>Branch</u></b>	<b><u>CR No.</u></b>	<b><u>Place of issue</u></b>	<b><u>Activity</u></b>
Microware trading branch of Abdullah Saad Mohammed Abo Moati For Bookstores	1010226765	Riyadh	Publishing paper books, dictionaries, atlases, and maps (including importing and producing intellectual written, drawn, or photographed containers). Wholesale of textiles and fabrics of all kinds (other than clothing) Wholesale of primary plastic materials, rubber and industrial fibers Wholesale of gifts and luxuries Retail sale of mobile phone accessories Retail sale of cosmetics and cosmetic soaps Public stores that include a variety of commodities Management and leasing of owned or leased real estate (residential) Management And renting owned or leased real estate (non-residential).
Branch of Abdullah Saad Mohammed Abo Moati Co.	1010439451	Riyadh	Retail sale of household appliances and various handicrafts, cutting tools, ceramics, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, bras, prayer beads and umbrellas. Retail sale of medical devices, equipment and supplies. Retail sale of cosmetics and decorative soaps.
Branch of Abdullah Saad Mohammed Abu Moati for Bookstores Co	1113101191	Shaqra	Retail sale of stationery, Office supplies, newspapers, magazines, bookstores, retail sale of games and toys in specialized stores, retail of men's ready-made clothes, retail of women's ready-made clothes, retail of cosmetics and decorative soaps, retail of businesses, 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 the import of written, drawn, or illustrated intellectual production, wholesale of stationery, wholesale of children’s toys, retail of books, magazines, newspapers, and educational aids, retail of stationery, office supplies, newspapers, magazines, and libraries.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**1-ORGANIZATION AND ACTIVITIES (CONTINUED)**

**Branches of Parent Company (continued):**

<b><u>Branch</u></b>	<b><u>CR No.</u></b>	<b><u>Place of issue</u></b>	<b><u>Activity</u></b>
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4030293226	Jeddah	Wholesale of office supplies and stationery Retail sale of household items and various handicrafts Cutting tools, ceramics, glassware, pottery, etc. Retail sale of books, magazines, newspapers and teaching aids Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas Retail sale of cosmetics and soap decorations.
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, office supplies, 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, office supplies, newspapers and magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	4650207523	Medina	Wholesale of office supplies, stationery, wholesale of art tools for drawing, wholesale of gifts and luxuries, retail sale of household items and various handicrafts, cutting tools, ceramics, glassware, pottery, etc. Retail sale of books, magazines, newspapers and educational aids, retail sale of luxuries and apparel accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and cosmetic soaps.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1131302797	Al Qassim	Wholesale of pharmaceuticals Wholesale of stationery Wholesale of art and drawing supplies Wholesale of paper (paper rolls) Wholesale of gifts and luxuries Retail sale of books, magazines, newspapers and teaching aids General stores stocking a wide variety of goods.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2052103539	Dhahran	Retail sale of household items and various handicrafts; cutting tools, pottery, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and decorative soaps.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	2031109265	Al-Ahsa	Retail sale of household items and various handicrafts; cutting tools, pottery, glassware, pottery, etc. Retail sale of luxuries and clothing accessories, including gloves, ties, suspenders, prayer beads and umbrellas. Retail sale of cosmetics and decorative soap.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**1-ORGANIZATION AND ACTIVITIES (CONTINUED)**

**Subsidiary company**

<b><u>Company's name</u></b>	<b><u>Country of incorporation</u></b>	<b><u>CR No.</u></b>	<b><u>Activity</u></b>	<b><u>Ownership percentage</u></b>	
				<b><u>As at</u></b>	<b><u>As at</u></b>
				<b><u>30</u></b>	<b><u>31</u></b>
				<b><u>June</u></b>	<b><u>March</u></b>
				<b><u>2023</u></b>	<b><u>2023</u></b>
AL Moujah for Trade Co.	Kingdom of Saudi Arabia	1010141412	Wholesale of office supplies, 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**

<b><u>Branch</u></b>	<b><u>CR No.</u></b>	<b><u>Place of issue</u></b>	<b><u>Activity</u></b>
Branch of Moujah for Trade Co.	2051026138	Al Khobar	Wholesale of office supplies and stationery. Wholesale of computers and their accessories, including (sale of printers and their inks) and wholesale of papers (paper rolls).
Branch of Moujah for Trade Co.	4030130807	Jeddah	Wholesale of office supplies and stationery. Wholesale of computers and their accessories, including (sale of printers and their inks) and wholesale of papers (paper rolls).

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

**2- BASIS OF PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**2-1 Statement of compliance**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (34), “Interim Financial Reporting” that is endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants. These interim condensed consolidated financial statements do not include all information and disclosures required to issue the complete set of the annual consolidated financial statements also, the results for the period ended 30 June 2023 are not necessarily indicative of the results that can be expected for the year ending 31 March 2024 (refer to Note 4). It should also be read along with the latest financial statements for the year ended 31 March 2023. However, selected accounting policies and explanatory notes have also been included to explain important events and transactions to understand the changes in the consolidated financial position and consolidated financial performance of the Group since 31 March 2023.

**2-2 Preparation of interim condensed consolidated financial statements**

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

**2-3 Functional and presentation currency**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)

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

**2-4 Basis of consolidation for interim condensed financial statements**

The accompanying interim condensed consolidated financial statements include the financial statements of the Parent company and the subsidiary as shown in (Note 1). A subsidiary is an entity controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of the investee company so as to obtain benefits from its activities. To establish control, potential voting rights which are currently exercised are taken into account. The interim condensed financial statements of the subsidiary are included in the interim condensed consolidated financial statements from the date the control is established.

All significant inter-company transactions and balances between the Company and its subsidiary are eliminated on consolidation of interim condensed consolidated financial statements. All significant inter-company profits and losses are also eliminated on consolidation of interim condensed consolidated financial statements.

**Loss of control**

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

**3- NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS**

The Group has applied the following standards and amendments for the first time:

**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.

Application of these amendments does not have any material impact on the interim condensed consolidated financial statements during the period.

**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 2023 and earlier application is permitted; however, the Group has not early adopted them in preparing these interim condensed consolidated financial statements.

**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

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

**Use of Judgments and Estimates**

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**4- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**5- LEASES**

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

**A-Movement on right of use assets:**

	<b>30 June 2023 SAR (Unaudited)</b>	<b>31 March 2023 SAR (Audited)</b>
<b>Cost</b>		
Balance at the beginning of the period/ year	<b>40,870,976</b>	28,576,654
Additions during the period/ year	-	14,089,521
Disposals during the period/ year	-	(1,795,199)
<b>Balance at the end of the period/ year</b>	<b>40,870,976</b>	<b>40,870,976</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the period/ year	<b>23,212,482</b>	15,938,197
Charged for the period/ year	<b>2,297,068</b>	8,207,274
Disposals during the period/ year	-	(932,989)
<b>Balance at the end of the period/ year</b>	<b>25,509,550</b>	<b>23,212,482</b>
<b>Net book value as at the end of the period/ year</b>	<b>15,361,426</b>	<b>17,658,494</b>

**B- Movement on lease liabilities:**

	<b>30 June 2023 SAR (Unaudited)</b>	<b>31 March 2023 SAR (Audited)</b>
Balance at the beginning of the period / year	<b>15,770,374</b>	11,176,768
Additions during the period / year	-	14,089,521
Amortization of interest during the period / year	<b>240,966</b>	514,978
Disposals during the period/ year	-	(862,210)
Paid during the period / year	<b>(1,862,391)</b>	(9,148,683)
<b>Balance at the end of the period / year</b>	<b>14,148,949</b>	<b>15,770,374</b>

Lease liabilities are classified as follows:

	<b>30 June 2023 SAR (Unaudited)</b>	<b>31 March 2023 SAR (Audited)</b>
Non-current portion	<b>7,832,047</b>	10,351,317
Current portion	<b>6,316,902</b>	5,419,057
	<b>14,148,949</b>	<b>15,770,374</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**6- FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

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

Company name	Number of Shares	Cost as at 1 April 2023 SAR (Audited)	Revaluation reserve for financial investments at FVOCI			Fair value as at 30 June 2023 SAR (Unaudited)
			As at 1 April 2023 SAR (Audited)	Revaluation Gains SAR	As at 30 June 2023 SAR (Unaudited)	
Jarir Marketing Company	42,320	4,629,497	2,268,663	101,568	2,370,231	6,999,728

- During the financial period ended on 30 June 2023, the Group received cash dividends from Jarir Marketing Company amounted to SAR 86,756 (period ended on 30 June 2022: SAR 86,756).

**7- INVENTORY, NET**

	30 June 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Stationery, office supplies and accessories	87,387,154	83,976,013
Printers inks and computer supplies	6,887,348	7,315,661
Goods in transit	4,592,572	4,322,988
Less: provision for slow-moving inventory	(9,575,988)	(9,575,988)
	<b>89,291,086</b>	<b>86,038,674</b>

The movement on the provision for slow-moving inventory is as follows:

	30 June 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Balance at the beginning of the period / year	9,575,988	6,101,058
Charged during the period / year	-	3,474,930
<b>Balance at the end of the period / year</b>	<b>9,575,988</b>	<b>9,575,988</b>

**8- ACCOUNTS RECEIVABLE, NET**

	30 June 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Accounts receivable	24,136,969	22,109,515
Less: provision for expected credit losses	(3,564,469)	(3,564,469)
	<b>20,572,500</b>	<b>18,545,046</b>

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

	30 June 2023 SAR (Unaudited)	31 March 2023 SAR (Audited)
Balance at the beginning of the period / year	3,564,469	4,037,660
Charged during the period / year	-	1,851,679
Used during the period / year	-	(2,324,870)
<b>Balance at the end of the period / year</b>	<b>3,564,469</b>	<b>3,564,469</b>



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**8- ACCOUNTS RECEIVABLE, NET (CONTINUED)**

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

	<b>30 June 2023</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
From 1 to 30 days	<b>3,040,600</b>	5,373,230
From 31 to 60 days	<b>6,717,856</b>	3,277,341
From 61 to 90 days	<b>2,082,890</b>	2,652,208
From 91 to 180 days	<b>5,630,954</b>	6,727,663
From 181 to 365 days	<b>4,231,758</b>	1,963,355
More than 365 days	<b>2,432,911</b>	2,115,718
<b>Total</b>	<b>24,136,969</b>	22,109,515

**9- PREPAID EXPENSES AND OTHER RECEIVABLES**

	<b>30 June 2023</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Advances to suppliers	<b>18,379,363</b>	12,266,012
Prepaid expenses	<b>2,364,391</b>	2,341,366
Letter of guarantee insurance (Note 14)	<b>1,067,918</b>	798,181
Prepaid rent	<b>250,276</b>	195,259
Other receivables	<b>1,613,838</b>	1,622,162
	<b>23,675,786</b>	17,222,980

**10- ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>30 June 2023</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Accrued salaries and wages	<b>1,820,572</b>	1,899,736
Accrued Value added tax	<b>1,558,574</b>	2,599,332
Accrued remuneration of the board of directors and audit committee	<b>1,236,000</b>	923,500
Unearned revenue	<b>1,116,111</b>	1,350,203
Suppliers payable	<b>519,446</b>	525,369
Advances from customers	<b>253,719</b>	378,043
Others	<b>648,922</b>	1,112,051
	<b>7,153,344</b>	8,788,234

**11- EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of shares outstanding as at the end of the period. The table below reflects the profit and share data used in the calculation of basic and diluted earnings per share:

	<b>For the three month period ended 30</b>	
	<b>June</b>	
	<b>2023</b>	<b>2022</b>
	<b>SAR</b>	<b>SAR</b>
Net income attributable to shareholders	<b>2,689,864</b>	4,314,570
Weighted average number of outstanding shares	<b>20,000,000</b>	20,000,000
Earning per share of net income attributable to shareholders of the company	<b>0.13</b>	0.22

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**12- 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.

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

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

The following is a summary of the financial sectoral information in Saudi riyals as at 30 June 2023 (unaudited), 31 March 2023 (audited) respectively, according to the nature of the activity:

	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
<u>As at 30 June 2023 (unaudited)</u>	SAR	SAR	SAR	SAR
Total current assets	136,113,184	6,595,185	-	142,708,369
Total non-current assets	103,919,241	75,181	39,516,513	143,510,935
<b>Total assets</b>	<b>240,032,425</b>	<b>6,670,366</b>	<b>39,516,513</b>	<b>286,219,304</b>
Total current liabilities	24,134,020	948,077	-	25,082,097
Total non-current liabilities	14,794,432	731,345	-	15,525,777
<b>Total liabilities</b>	<b>38,928,452</b>	<b>1,679,422</b>	<b>-</b>	<b>40,607,874</b>
	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
<u>As at 31 March 2023 (audited)</u>	SAR	SAR	SAR	SAR
Total current assets	129,829,272	13,205,783	-	143,035,055
Total non-current assets	106,306,104	83,197	39,176,638	145,565,939
<b>Total assets</b>	<b>236,135,376</b>	<b>13,288,980</b>	<b>39,176,638</b>	<b>288,600,994</b>
Total current liabilities	26,115,156	1,861,236	-	27,976,392
Total non-current liabilities	17,095,265	709,339	-	17,804,604
<b>Total liabilities</b>	<b>43,210,421</b>	<b>2,570,575</b>	<b>-</b>	<b>45,780,996</b>
	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
<u>For the three-month period ended 30 June 2023 (unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	48,855,396	1,033,219	-	49,888,615
Cost of sales	35,748,419	430,805	-	36,179,224
Gross profit for the period	13,106,977	602,414	-	13,709,391
Depreciation	917,811	8,015	102,324	1,028,150
Finance cost	240,966	-	-	240,966
Net profit for the period	1,764,685	53,107	872,072	2,689,864
	Wholesale and retail sector	Inks sector	Real estate and rent sector	Total
<u>For the three-month period ended 30 June 2022 (unaudited)</u>	SAR	SAR	SAR	SAR
Sales, net	48,571,231	14,371,765	-	62,942,996
Cost of sales	34,225,071	12,288,407	-	46,513,478
Gross profit for the period	14,346,160	2,083,358	-	16,429,518
Depreciation	802,737	8,365	102,323	913,425
Finance cost	339,487	61,984	-	401,471
Net profit for the period	2,484,492	1,110,157	719,921	4,314,570

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)**

**FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2023 (UNAUDITED)**

**13- LIQUIDITY RISKS**

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

To reduce the liquidity risk and associated losses that may affect the business of the Group. The Group maintains, wherever possible, sufficient highly liquid current assets in all business conditions. The Group also has a highly dynamic cash flow policy and a system by which it can estimate the maturity dates of its liabilities and develop appropriate plans to provide the required funds to meet these liabilities in a timely manner.

The following is the aging of liabilities as at 30 June 2023 (Unaudited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
<b>Liabilities</b>					
Employees' benefits obligations	-	-	-	7,693,730	7,693,730
Lease liabilities	2,464,106	3,852,796	7,832,047	-	14,148,949
Trade payables	7,519,965	-	-	-	7,519,965
Accrued expenses and other payables	7,153,344	-	-	-	7,153,344
Zakat provision	4,091,886	-	-	-	4,091,886
<b>Total</b>	<b>21,229,301</b>	<b>3,852,796</b>	<b>7,832,047</b>	<b>7,693,730</b>	<b>40,607,874</b>

The following is the aging of liabilities as at 31 March 2023 (Audited):

	3 months or less SAR	From 3 months to 1 year SAR	More than 1 year up to 10 years SAR	No specific maturity dates SAR	Total SAR
<b>Liabilities</b>					
Employees' benefits obligations	-	-	-	7,453,287	7,453,287
Lease liabilities	1,668,540	3,750,517	10,351,317	-	15,770,374
Trade payables	10,247,215	-	-	-	10,247,215
Accrued expenses and other payables	8,788,234	-	-	-	8,788,234
Zakat provision	3,521,886	-	-	-	3,521,886
<b>Total</b>	<b>24,225,875</b>	<b>3,750,517</b>	<b>10,351,317</b>	<b>7,453,287</b>	<b>45,780,996</b>

**14- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Group has contingent liabilities arising from an outstanding letters of guarantee and credit amounting to SAR 1,392,373 as at 30 June 2023 (31 March 2023: SAR 15,977,849) (Note 9).

The Group has capital commitments against projects under construction for setting up and installation of decorations and equipment at branches amounting to SAR 7.7 million.

**15- GENERAL**

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

**16- SUBSEQUENT EVENTS**

There were no significant subsequent events after 30 June 2023 and until the date of the approval of the interim condensed consolidated financial statements that may have a significant impact on these interim condensed consolidated financial statements as at 30 June 2023.

**17- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements have been approved for issue by the Board of Directors of the Company on 14 Muharram 1445 H corresponding to (01 August 2023).