



# RSM

شركة آر إس أم المحاسبون المتحدون للإستشارات المهنية  
RSM Allied Accountants Professional Services Co.

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

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
Independent auditor's report	-
Consolidated statement of financial position	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8 – 36

## 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 2024, 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 material 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 2024 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 the International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that is relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that audit evidence we have obtained 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
<p><b>Investment properties</b></p> <p>As at 31 March 2024, the value of the investment properties amounted to SAR 41.7 million (as at 31 March 2023: SAR 39.2 million), which represents 23% 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.</p> <p>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 material accounting policies and Note (6) for the related disclosures about investment properties of the accompanying consolidated financial statements.</p>	<p><b>We have performed the following procedures regarding the verification of investment properties:</b></p> <ul style="list-style-type: none"> <li>Evaluated the objectivity, independence and expertise of the valuer.</li> <li>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.</li> <li>Reviewed the evaluation methods and methodology used by the valuer.</li> <li>Reviewed 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.</li> <li>Obtained the title deeds of investment properties and discussing their current status with the management.</li> <li>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.</li> </ul>

**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
<p><b>Revenue</b></p> <p>As at March 31, 2024, the Group had recognized annual revenue of SAR 270,489,551 (2023: SAR 314,377,131).</p> <p>Revenues are recognized when the Group meets its performance obligations in accordance with its policies, which result in recognition of revenue at a point in time.</p> <p>The Group focuses on revenue as one of its main performance measures. Revenue generally comprises of a large volume of individually small transactions across a range of different products distributed through retail outlets and other channels.</p> <p>Given the significance of revenue amount and risks inherent in overstating revenue more than its actual value, revenue recognition is considered a key audit matter.</p> <p>Refer to note (4), summary of material accounting policies and note (25) for the relevant disclosures in the attached consolidated financial statements for further information.</p>	<p><b>We performed the following procedures in relation to revenue recognition:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's accounting policies with respect to revenue recognition and evaluated whether they are compliant with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia.</li> <li>Test the control procedures and their operational effectiveness related to revenue recognition</li> <li>Performed tests of detail on selected sample of revenue transactions by comparing them with supporting documents to verify the occurrence and accuracy of revenue recorded, in addition to verification of proper application of revenue recognition policy.</li> <li>Performed specific procedures in order to address cut-off, accuracy, and occurrence assertions.</li> <li>Performed analytical procedures to verify the validity of recorded revenue.</li> <li>Assessed the adequacy and appropriateness of the related disclosures in the accompanying consolidated financial statements.</li> </ul>

**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.

## 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)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal control of the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the Group 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 determine 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.

#### RSM Allied Accountants Professional Services



Mohammed Bin Farhan Bin Nader

License No. 435

Riyadh, Saudi Arabia

29 Dhu al-Qa'dah 1445H (corresponding to 6 June 2024)



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

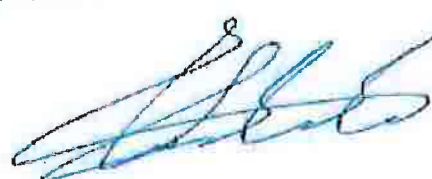
	Note	31 March 2024 SAR	31 March 2023 SAR
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment, net	5	121,342,492	81,832,648
Investment properties, net	6	41,710,539	39,176,637
Intangible assets, net	7	1,282,351	-
Right-of-use assets, net	8	12,321,925	17,658,494
Financial Investments at FVOCI	10	6,136,400	6,898,160
<b>Total non-current assets</b>		<b>182,793,707</b>	<b>145,565,939</b>
<b>Current assets</b>			
Inventory, net	11	82,824,506	86,038,674
Accounts receivable, net	12	31,465,757	18,545,046
Prepaid expenses and other receivables	13	17,997,677	17,222,980
Cash and cash equivalents	14	3,970,427	21,228,355
<b>Total current assets</b>		<b>136,258,367</b>	<b>143,035,055</b>
<b>Total assets</b>		<b>319,052,074</b>	<b>288,600,994</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	1	200,000,000	200,000,000
Statutory reserve	1	-	7,034,174
Retained earnings		38,753,508	34,782,777
Reserve for the revaluation of investments at FVOCI	10	1,506,903	2,268,663
Reserve for the remeasurement of employees' benefit obligations		(1,232,802)	(1,265,616)
<b>Total equity</b>		<b>239,027,609</b>	<b>242,819,998</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities - non-current portion	8	4,586,631	10,351,317
Employees' benefit obligations	15	8,331,522	7,453,287
<b>Total non-current liabilities</b>		<b>12,918,153</b>	<b>17,804,604</b>
<b>Current liabilities</b>			
Murabaha contracts	16	28,384,788	-
Lease liabilities - current portion	8	5,620,362	5,419,057
Trade payables		19,246,784	10,247,215
Accrued expenses and other payables	17	11,232,919	8,788,234
Zakat provision	18	2,621,459	3,521,886
<b>Total current liabilities</b>		<b>67,106,312</b>	<b>27,976,392</b>
<b>Total liabilities</b>		<b>80,024,465</b>	<b>45,780,996</b>
<b>Total equity and liabilities</b>		<b>319,052,074</b>	<b>288,600,994</b>

The accompanying notes from (1) to (33) 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 2024**

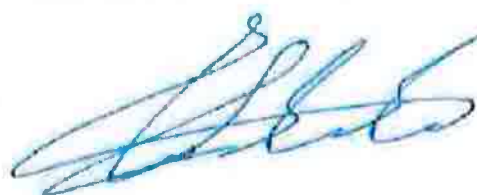
<b>Profit or Loss</b>	<b>Note</b>	<b>2024 SAR</b>	<b>2023 SAR</b>
Sales	25	270,489,551	314,377,131
Cost of sales	25	(194,077,919)	(233,972,566)
<b>Gross profit</b>		<b>76,411,632</b>	<b>80,404,565</b>
Rental income, net	19	3,977,754	3,049,586
General and administrative expenses	20	(21,926,489)	(22,502,855)
Selling and marketing expenses	21	(29,792,315)	(27,180,432)
<b>Profit from main operations</b>		<b>28,670,582</b>	<b>33,770,864</b>
Finance costs	22	(1,935,396)	(1,490,234)
Impairment of goodwill	9	-	(12,402,482)
Other income, net	23	2,123,753	223,510
Dividends from financial Investments at FVOCI	10	353,372	336,444
<b>Net profit for the year before Zakat</b>		<b>29,212,311</b>	<b>20,438,102</b>
Zakat	18	(2,275,754)	(3,521,886)
<b>Net profit for the year</b>		<b>26,936,557</b>	<b>16,916,216</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to consolidated statement of profit or loss:</b>			
Change from reserve for the revaluation of investments at FVOCI	10	(761,760)	(1,438,880)
Remeasurement of employees' benefit obligations	15	32,814	(357,753)
<b>Total other comprehensive loss for the year</b>		<b>(728,946)</b>	<b>(1,796,633)</b>
<b>Total comprehensive income for the year</b>		<b>26,207,611</b>	<b>15,119,583</b>
<b>Earnings per share</b>			
Earnings per share (basic and diluted) from net profit for the year	24	1.35	0.85

The accompanying notes from (1) to (33) 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 2024**

	Share capital SAR	Statutory reserve SAR	Retained earnings SAR	Reserve for the revaluation of investments at FVOCI SAR	Reserve for the remeasurement of employees' benefit obligations SAR	Total Shareholders' equity SAR
Balance as at 1 April 2022	200,000,000	5,342,552	29,558,183	3,707,543	(907,863)	237,700,415
Net profit for the year	-	-	16,916,216	-	-	16,916,216
Other comprehensive loss	-	-	-	(1,438,880)	(357,753)	(1,796,633)
Total comprehensive income for the year	-	-	16,916,216	(1,438,880)	(357,753)	15,119,583
Dividends (Note 30)	-	-	(10,000,000)	-	-	(10,000,000)
Transferred to statutory reserve	-	1,691,622	(1,691,622)	-	-	-
Balance as at 31 March 2023	200,000,000	7,034,174	34,782,777	2,268,663	(1,265,616)	242,819,998
Net profit for the year	-	-	26,936,557	-	-	26,936,557
Other comprehensive loss	-	-	-	(761,760)	32,814	(728,946)
Total comprehensive income for the year	-	-	26,936,557	(761,760)	32,814	26,207,611
Dividends (Note 30)	-	-	(30,000,000)	-	-	(30,000,000)
Transferred from statutory reserve to retained earnings (Note 1)	-	(7,034,174)	7,034,174	-	-	-
<b>Balance as at 31 March 2024</b>	<b>200,000,000</b>	<b>-</b>	<b>38,753,508</b>	<b>1,506,903</b>	<b>(1,232,802)</b>	<b>239,027,609</b>

The accompanying notes from (1) to (33) 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 2024**

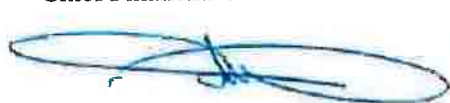
	2024 SAR	2023 SAR
<b>Cash flows from operating activities</b>		
Net profit for the year before zakat	29,212,311	20,438,102
<b>Adjustments to reconcile the net profit for the year before zakat:</b>		
Depreciation of property and equipment	3,714,578	3,423,342
Depreciation of right-of-use assets	8,968,659	8,207,274
Depreciation of investment properties	409,295	409,295
Amortization of intangible assets	246,521	4,647
Losses from sale of property and equipment	330,849	183,419
Provision for the expected credit losses	750,000	1,851,679
(Reversal) / provision for damaged and slow moving inventory	(2,308,425)	3,474,930
Impairment in goodwill	-	12,402,482
Finance costs	1,935,396	1,490,234
Provision for employees benefits obligations	1,349,630	1,055,129
<b>Changes in operating assets and liabilities:</b>	44,608,814	52,940,533
Inventory	5,522,593	(397,958)
Accounts receivable	(13,670,711)	12,824,827
Prepaid expenses and other receivables	(774,697)	8,964,380
Trade payables	8,999,569	(2,414,380)
Accrued expenses and other payables	2,241,265	(1,409,268)
<b>Generated from operations</b>	46,926,833	70,508,134
Finance costs paid	(933,754)	(1,247,129)
Employees' benefits obligations paid	(438,581)	(213,387)
Zakat provision paid	(3,176,181)	(2,958,562)
<b>Net cash available from operating activities</b>	42,378,317	66,089,056
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(43,598,010)	(3,767,802)
Proceeds from disposal of property and equipment	42,739	36,696
Addition to investment properties	(2,943,197)	(1,325,011)
Purchase of intangible assets	(1,528,872)	-
<b>Net cash used in investing activities</b>	(48,027,340)	(5,056,117)
<b>Cash flows from financing activities</b>		
Proceed from Murabaha contracts	60,884,788	48,387,883
Murabaha contracts repayments	(32,500,000)	(77,556,185)
Lease liabilities paid	(9,993,693)	(9,148,683)
Dividends paid	(30,000,000)	(10,000,000)
<b>Net cash used in financing activities</b>	(11,608,905)	(48,316,985)
<b>Net change in cash and cash equivalents</b>	(17,257,928)	12,715,954
Cash and cash equivalents at the beginning of the year	21,228,355	8,512,401
<b>Cash and cash equivalents at the end of the year</b>	3,970,427	21,228,355
<b>Non-cash transactions</b>		
Addition to the right of use assets and corresponding lease liabilities	4,607,869	14,089,521
Transferred from projects under construction to noncurrent assets and equipment	3,061,652	1,774,825
Write-off from expected credit losses provision	267,447	2,324,870

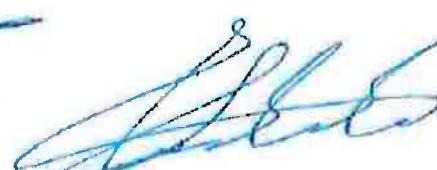
The accompanying notes from (1) to (33) are an integral part of these consolidated financial statements.

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)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**1-ORGANIZATION AND ACTIVITIES**

Abdullah Saad Mohammed Abo Moati For Bookstores 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 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 the retail sale of artistic tools for drawing. The retail sale of stationery, stationery, newspapers, and magazines (libraries). The retail sale of luxuries and clothing accessories, including (gloves, ties, suspenders, swimming pools, and umbrellas). The retail sale of leather products and goods, leather travel accessories, and leather substitutes. The retail sale of bags. General Warehouses, which includes a variety of goods.

The consolidated financial statements for the year ended 31 March 2024 include the financial statement for the Company and its branches and a subsidiary and its branches as follows:

**Branches of Parent Company:**

<u>Branch</u>	<u>CR No.</u>	<u>Place of</u>	<u>Activity</u>
Microwave trading branch of Abdullah Saad Mohammed Abo Moati For Bookstores	1010226765	Riyadh	Wholesale sale of books, magazines, newspapers, and educational aids. Importing written, drawn, or illustrated intellectual production includes publishing paper books, dictionaries, atlases, and Installation and extension of television and satellite networks. Installation and extension of computer and communications networks. Installation of lighting systems. Wholesale of textiles and fabrics of all kinds (other than apparel). Wholesale of home furniture and furniture. Wholesale of wooden, cork and plastic products. Wholesale of carpets and rugs. Wholesale of office furniture. Wholesale of scientific equipment. Wholesale of primary plastic materials. Rubber and synthetic fibers Wholesale of gifts and luxuries Retail sale of mobile phone accessories Retail sale of cosmetics and decorative soap Selling laboratory and educational tools Public stores that include a variety of goods Management and rental of owned or rented properties (residential) Management and rental of owned or rented properties (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 Abo Moati Co.	1010467810	Riyadh	Retail sale of stationery, stationery, 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 Abu Moati for Bookstores Co	1113101191	Shaqra	

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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, stationery, newspapers, magazines, and libraries.
Branch of Abdullah Saad Mohammed Abo Moati For Bookstores Co.	1010980071	Riyadh	General store that include a variety of goods.
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, 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 office supplies and stationery Wholesale of artistic and drawing supplies Wholesale of papers (rolls of paper) Wholesale of gifts and luxuries Retail sale of books, magazines, newspapers and educational aids General stores that include a variety of goods.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

**Subsidiary company**

<u>Company's name</u>	<u>CR No.</u>	<u>Country of incorporation</u>	<u>Activity</u>	<u>Ownership percentage</u>	
				<u>As at 31 March 2024</u>	<u>As at 31 March 2023</u>
AL Moujah for Trade Co.	1010141412	KSA	Wholesale of home furniture and furniture, wholesale of office stationery, wholesale of wooden, cork and plastic products, wholesale of children's toys, wholesale of computers and their accessories, including (selling printers and their inks), wholesale of office furniture, retail of computers and their accessories, including (printers and their inks), retail of stationery and office tools, Newspapers, magazines, libraries.	100%	100%

**Branches of Subsidiary Company:**

<u>Branch</u>	<u>CR No.</u>	<u>Place of issue</u>	<u>Activity</u>
Al-Mouja Trading Branch of Al-Mouja Trading Company	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 paper (paper rolls).
Al-Mouja Trading Branch of Al-Mouja Trading Company	4030130807	Jeddah	Wholesale of office supplies and stationery. Wholesale of computers and their accessories, including (sale of printers and their inks) and wholesale of paper (paper rolls).

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

The new Companies Law issued by Royal Decree M/132 dated Dhu al-Hijjah 1, 1443 AH corresponding to June 30, 2022 AD) (hereinafter referred to as "the Law") entered into force on Jumada al-Thani 26, 1444 AH corresponding to January 19, 2023 AD. With regard to some provisions of the Law, full compliance is expected no later than two years, starting from Jumada Al-Thani 26, 1444 AH, corresponding to January 19, 2023 AD. On Muharram 8, 1445 H (corresponding to 26 July, 2023), the Board of Directors recommended to the Company's shareholders for approval to close the statutory reserve and transfer it to retained earnings. Shareholders in extraordinary general assembly meeting held on 27 December 2023 approved the transfer of statutory reserves amounting to SAR 7,034,174 to retained earnings of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**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).

**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 material 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.

**2-4 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.

Changes in the Group's ownership percentage in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie, transactions with the owners as owners). In these circumstances, the carrying amount of the controlling and non-controlling interests will be adjusted to reflect the changes in their ownership interests in the subsidiary. Any difference between the amount by which the non-controlling interest would be adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the company. When the Group loses control over a subsidiary, the profit or loss is recognized in the consolidated statement of profit or loss, and is calculated as the difference between:

1. The total fair value of the consideration received and the fair value of any shares held.
2. The previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognized in the statement of other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the assets and liabilities of the subsidiary. The investment held is carried at fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

The International Accounting Standards Board has issued the following accounting standards and amendments that are effective for periods beginning on or after January 1, 2024. The Group assessed that these adjustments had no impact on the Group's consolidated financial statements.

- Limited amendments to IAS 1, Practice statement 2 and IAS 8 The amendments are intended to improve accounting policy disclosures and help users of consolidated financial statements distinguish between changes in accounting estimates and changes in accounting policies.
- Amendment to IAS 12 – Deferred tax on assets and liabilities arising from a single transaction These amendments require companies to recognize deferred tax on transactions that result at initial recognition to equal amounts of taxable and deductible temporary differences.
- Amendment to IAS 12 –Global tax reform Model rules for Pillar II These amendments grant companies a temporary exemption from accounting for deferred taxes arising from the OECD Global Tax Reform. It also includes targeted disclosure requirements for affected companies.

Below is a list of standards and issued interpretations that will be applied in the future. Company intends to apply these standards when they become effective. These adjustments and standards are not expected to have any impact on the Company's consolidated financial statements.

<b>Standard / Interpretation</b>	<b>Description</b>	<b>Applied for period beginning on or after</b>
Amendment to IFRS 16 - Leases on Sale and Leaseback basis.	These amendments include sale and lease requirements, sale and lease transactions are likely to be affected, where some or all of the rental payments are variable rental payments that do not depend on an index or rate.	1 January 2024
Amendments to IAS 7 and IFRS 7 on supplier financing arrangements.	These adjustments require disclosures to enhance the transparency of the supplier's financing arrangements and their effects on the company's liabilities, cash flows and exposure to liquidity risk.	1 January 2024
Amendment to IAS 1 - Non-current liabilities with undertakings	Demonstrates how the conditions that an entity must comply with within twelve months after the reporting period affect the classification of liabilities. Aims to improve the information provided by the facility.	1 January 2024
International Sustainability Report Standard 1 "General requirements for the disclosure of financial information related to sustainability"	This standard includes a basic framework for the disclosure of material information about all material sustainability risks and opportunities across the organization's value chain.	1 January 2024, subject to approval of SOCPA
International Sustainability Report Standard 2 "Climate-Related Disclosures"	This is the first objective standard issued to determine the requirements for enterprises to disclose information about climate-related risks and opportunities.	1 January 2024, subject to approval of SOCPA

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**4-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are material accounting policies that have been applied by the Group:

**Use of Judgments and Estimates**

The preparation of consolidated financial statements in accordance with IFRS endorsed in the KSA requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the recorded amounts of assets, liabilities, revenues and expenses. These estimates and associated assumptions are based on past experience and many other factors that are believed to be reasonable under the current circumstances, the results of which form the basis for making judgments regarding the carrying value of assets and liabilities that are not readily apparent from their sources. Actual results may differ from these estimates.

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

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

**- 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.

**- Classification of investment properties**

Group management determines whether properties qualify as investment properties. When making the estimate, management takes into account the intended use of these properties whether they will be held for rental purposes, capital appreciation, or both, as well as those properties held for indefinite future use, as well as the significance of the value of these properties and whether these properties generate cash flows. Future cash is largely separate from other assets held by the Group.

**- Allowance for expected credit losses**

Allowance for expected credit losses for accounts receivable and contract assets is determined based on a set of factors to ensure that accounts receivable are not overstated due to their uncollectibility. Allowance for expected credit losses for all customers is based on a variety of factors, including the overall quality and age of receivables and ongoing credit assessment of customers' financial circumstances. Management believes that the amounts related to accounts receivable and contract assets are generally recoverable.

**- 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**Use of Judgments and Estimates (continued)**

**Derecognition**

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

**Fair value**

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

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

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

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

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

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

The Group presents assets and liabilities in the statement of consolidated 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 and any accumulated impairment losses. 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:

<b>Statement</b>	<b>Depreciation %</b>
Buildings	5%
Motor vehicles	25%
Office supplies and computer's 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**Projects under Construction**

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

**Investment properties**

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

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

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

**Intangible assets**

Intangible assets that include technical programs which the Group has acquired and have a useful life of more than 1 year are measured at cost, less accumulated amortization, and any accumulated impairment losses.

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:

<b>Statement</b>	<b><u>Amortization%</u></b>
Programs	25%

**Impairment of non financial 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 Company 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**Related party transactions (continued)**

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.
- 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.

**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 consolidated 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**Financial instruments (continued)**

**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 consolidated other comprehensive income. Gains and losses arising from changes in fair value are included in the consolidated 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 consolidated 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.

**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, and the cost price is determined on the basis of weighted average cost. Net realizable value represents the estimated selling price in the ordinary course of business less estimated selling costs. 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, demand deposits, cheques for collection, 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**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 consolidated comprehensive income in the period in which they occur, remeasurements recognized within retained earnings 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, annual leaves and sick leaves are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

**Loans**

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

**Trade payables**

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

**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 consolidated 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 consolidated financial statements by uploading it to the consolidated statement of profit or loss 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.

**Value-added tax**

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

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

**Withholding Taxes**

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

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**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**

All direct expenses related to achieving sales, including salaries, wages, materials, and indirect costs, are classified as selling and marketing expenses. 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 year.

**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.

**Dividend**

Dividend distributions to the company's shareholders are recognized under the liabilities section in the financial statements in the period in which the dividend distributions are approved by the company's ordinary general assembly, and these receivables are closed upon cash transfer to the shareholders' accounts, each according to his share in those distributions.

**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.

**Contingent liabilities**

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed, and they are not disclosed unless the possibility of an outflow of resources involving economic benefits is remote. The contingent asset is not recognized in the consolidated financial statements. Rather, it is disclosed when it is probable that the internal economic benefits will flow.

**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 the end of the year. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of profit or loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024

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
<b>Cost</b>							
Balance as at 1 April 2023	57,903,830	25,104,935	1,453,013	9,492,934	11,365,469	2,711,419	108,031,600
Additions during the year	41,620,413	-	217,199	968,468	399,933	391,997	43,598,010
Transferred from projects under construction	-	-	-	670,535	2,391,117	(3,061,652)	-
Disposals during the year	-	-	(26,500)	(173,510)	(509,110)	-	(709,120)
Balance as at 31 March 2024	99,524,243	25,104,935	1,643,712	10,958,427	13,647,409	41,764	150,920,490
<b>Accumulated depreciation</b>							
Balance as at 1 April 2023	-	10,848,462	1,269,477	7,801,157	6,279,856	-	26,198,952
Charged for the year	-	1,255,247	114,793	1,029,139	1,315,399	-	3,714,578
Disposals during the year	-	-	(25,627)	(144,637)	(165,268)	-	(335,532)
Balance as at 31 March 2024	-	12,103,709	1,358,643	8,685,659	7,429,987	-	29,577,998
<b>Net book value</b>							
As at 31 March 2024	99,524,243	13,001,226	285,069	2,272,768	6,217,422	41,764	121,342,492

\* During the year, the Group's management approved the purchase of land worth SAR 41,620,413 for the purpose of building warehouses to be used to serve the group's objectives.

\*The projects under construction represents the works of preparation and installation of the decorations and equipment at Groups's branches as the Group's management expects to complete these projects during the year 2024. The table below shows the existing work in progress:

	31 March 2024 SAR	31 March 2023 SAR
Othaim mall	32,389	-
Mini good west avenue exhibition dammam	-	509,661
I Luhai Alaziz mall exhibition	-	702,572
I Luhai Alslam mall exhibition	9,375	464,461
Other showrooms	41,764	1,034,725
		2,711,419

Depreciation expenses are allocated as at 31 March as follows:

	2024 SAR	2023 SAR
General and administrative expenses (Note 20)	1,904,597	1,816,140
Selling and marketing expenses (Note 21)	1,809,981	1,607,202
	3,714,578	3,423,342

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**5- PROPERTY AND EQUIPMENT, NET (CONTINUED)**

	<b>Lands SAR</b>	<b>Buildings SAR</b>	<b>Motor vehicles SAR</b>	<b>Office supplies and computer systems SAR</b>	<b>Furniture and fixtures SAR</b>	<b>Projects under construction SAR</b>	<b>Total SAR</b>
<u>Cost</u>							
Balance as at 1 April 2022	57,903,830	24,720,696	1,539,273	8,447,023	10,408,223	1,878,822	104,897,867
Additions during the year	-	-	212,356	706,031	101,195	2,748,220	3,767,802
Transferred from projects under construction	-	384,239	-	426,527	964,059	(1,774,825)	-
Disposals during the year	-	-	(298,616)	(86,647)	(108,008)	(140,798)	(634,069)
Balance as at 31 March 2023	57,903,830	25,104,935	1,453,013	9,492,934	11,365,469	2,711,419	108,031,600
<u>Accumulated depreciation</u>							
Balance as at 1 April 2022	-	9,610,826	1,463,908	6,991,887	5,122,943	-	23,189,564
Charged for the year	-	1,237,636	104,185	894,906	1,186,615	-	3,423,342
Disposals during the year	-	-	(298,616)	(85,636)	(29,702)	-	(413,954)
Balance as at 31 March 2023	-	10,848,462	1,269,477	7,801,157	6,279,856	-	26,198,952
<u>Net book value</u>							
As at 31 March 2023	57,903,830	14,256,473	183,536	1,691,777	5,085,613	2,711,419	81,832,648

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**6- INVESTMENT PROPERTIES, NET**

	<b>Lands SAR</b>	<b>Buildings SAR</b>	<b>Projects under construction*</b>	<b>Total SAR</b>
<b>Cost</b>				
Balance at the beginning of the year	34,233,193	8,185,888	1,325,011	43,744,092
Additions during the year	-	-	2,943,197	2,943,197
<b>Balance at the end of the year</b>	<b>34,233,193</b>	<b>8,185,888</b>	<b>4,268,208</b>	<b>46,687,289</b>
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	-	4,567,455	-	4,567,455
Charged for the year (Note 19)	-	409,295	-	409,295
<b>Balance at the end of the year</b>	<b>-</b>	<b>4,976,750</b>	<b>-</b>	<b>4,976,750</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>34,233,193</b>	<b>3,209,138</b>	<b>4,268,208</b>	<b>41,710,539</b>

Movement on investment properties as at 31 March 2024 is as follows:

- \* The projects under construction are the construction of buildings for the purpose of leasing, and they have not been completed until the date of these consolidated financial statements, and those projects are expected to be completed during the subsequent period.
- Projects under implementation appear at cost instead of fair value because the fair value of these projects cannot be measured in a reliable way during project implementation, and accordingly they are measured at cost until it becomes possible to measure the fair value in a reliable way when project is completed.
- Movement on investment properties as at 31 March 2023 is as follows:

	<b>Lands SAR</b>	<b>Buildings SAR</b>	<b>Projects under construction</b>	<b>Total SAR</b>
<b>Cost</b>				
Balance at the beginning of the year	34,233,193	8,185,888	-	42,419,081
Additions during the year	-	-	1,325,011	1,325,011
Balance at the end of the year	34,233,193	8,185,888	1,325,011	43,744,092
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	-	4,158,160	-	4,158,160
Charged for the year (Note 19)	-	409,295	-	409,295
Balance at the end of the year	-	4,567,455	-	4,567,455
<b>Net book value</b>				
<b>At the end of the year</b>	<b>34,233,193</b>	<b>3,618,433</b>	<b>1,325,011</b>	<b>39,176,637</b>

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

<b>Real estate</b>	<b>Evaluation Method</b>	<b>Important inputs and assessment assumptions</b>	<b>Book value as on March 31, 2024 SAR</b>	<b>Fair value as on March 31, 2024 SAR</b>
	Market method	Recent Transactions	1,205,015	3,020,000
Land and Buildings	Income method	Recent Transactions	32,161,231	49,721,667
	Cost method	Recent Transactions	4,076,085	9,245,000
			<b>37,442,331</b>	<b>61,986,667</b>
<b>Real estate</b>	<b>Evaluation Method</b>	<b>Important inputs and assessment assumptions</b>	<b>Book value as on March 31, 2023 SAR</b>	<b>Fair value as on March 31, 2023 SAR</b>
	Market method	Recent Transactions	10,223,284	19,113,750
Land and Buildings	Income method	Recent Transactions	26,476,165	33,520,000
	Cost method	Recent Transactions	1,152,177	3,487,500
			<b>37,851,626</b>	<b>56,121,250</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**6- INVESTMENT PROPERTIES, NET (CONTINUED)**

- The valuation techniques used are categorized as level 2 and level 3 of 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 valuers (Taqeem).
- The following is the data of the evaluator who made an appraisal of investment properties:

<u>Evaluator name</u>	<u>License number</u>	<u>Evaluator Qualification</u>
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:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
<b><u>Cost</u></b>		
Balance at the beginning of the year	862,678	862,678
Additions during the year	1,528,872	-
Balance at the end of the year	2,391,550	862,678
<b><u>Accumulated amortization</u></b>		
Balance at the beginning of the year	862,678	858,031
Charge for the year (Note 20)	246,521	4,647
Balance at the end of the year	1,109,199	862,678
<b><u>Net book value</u></b>		
At the end of the year	1,282,351	-

**8- LEASES**

Right-of-use assets relate to building leases and are depreciated on a straight-line basis over the term of the lease, for a period of 2-10 years. 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):**

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
<b><u>Cost</u></b>		
Balance at the beginning of the year	40,870,976	28,576,654
Additions during the year	4,607,869	14,089,521
Disposal during the year	(3,580,070)	(1,795,199)
<b>Balance at the end of the year</b>	<b>41,898,775</b>	<b>40,870,976</b>
<b><u>Accumulated Depreciation</u></b>		
Balance at the beginning of the year	23,212,482	15,938,197
Charged for the year*	8,968,659	8,207,274
Disposal during the year	(2,604,291)	(932,989)
<b>Balance at the end of the year</b>	<b>29,576,850</b>	<b>23,212,482</b>
<b><u>Net book value</u></b>		
<b>At the end of the year</b>	<b>12,321,925</b>	<b>17,658,494</b>

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

	<b>2024</b>	<b>2023</b>
	<b>SAR</b>	<b>SAR</b>
General and administrative expenses (Note 20)	803,516	175,598
Selling and marketing expenses (Note 21)	8,165,143	8,031,676
	<b>8,968,659</b>	<b>8,207,274</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**8- LEASES(CONTINUED)**

**B-Movement in lease contract liabilities:**

	31 March 2024 SAR	31 March 2023 SAR
Balance at the beginning of the year	15,770,374	11,176,768
Additions during the year	4,607,869	14,089,521
Amortization of finance cost during the year (Note 22)	798,222	514,978
Disposal during the year	(975,779)	(862,210)
Paid during the year	(9,993,693)	(9,148,683)
<b>Balance at the end of the year</b>	<b>10,206,993</b>	<b>15,770,374</b>

Lease liabilities are allocated as follows:

	31 March 2024 SAR	31 March 2023 SAR
Non-current portion	4,586,631	10,351,317
Current portion	5,620,362	5,419,057
	<b>10,206,993</b>	<b>15,770,374</b>

Interest rate for calculation of lease liabilities is used according to market rate on the date of contract. Interest rate used for calculation of lease liability for the contracts is in range of 5% to 8%.

As of 31 March 2024, lease payments and expenses related to lease liabilities were as follows:

	Current SAR	2 to 5 years SAR	Total SAR
Lease payments	5,834,351	4,663,267	10,497,618
Financing expense	(213,989)	(76,636)	(290,625)
	<b>5,620,362</b>	<b>4,586,631</b>	<b>10,206,993</b>

As of 31 March 2023, lease payments and expenses related to lease liabilities were as follows:

	Current SAR	2 to 5 years SAR	Total SAR
Lease payments	5,912,203	10,713,244	16,625,447
Financing expense	(493,146)	(361,927)	(855,073)
	<b>5,419,057</b>	<b>10,351,317</b>	<b>15,770,374</b>

**9- GOODWILL**

During the year 2023, the company appointed a consultant to evaluate the subsidiary company to ensure that there is no decline in value of 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.

The testing process resulted in decline in value of Goodwill by an amount of SAR 12,402,482. Movement on the balance of Goodwill is as follows:

	31 March 2024 SAR	31 March 2023 SAR
Balance at the beginning of the year	-	12,402,482
Impairment losses	-	(12,402,482)
	<b>-</b>	<b>-</b>

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:

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**9-GOODWILL (CONTINUED)**

<u>Assumptions</u>	<u>The method used to determine the values</u>
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, i.e. 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 discount rate.

**Sensitivity to changes in the assumptions of the subsidiary:**

- a) Sales growth assumption: Company has terminated the exclusive contract for one its major revenue generating source with "HP" and focus will be on selling other profitable products in future. After taking into consideration remaining contracts, an average future growth rate of 40% in 2025, 28% in 2026, 8% in 2027 and 6% in 2028 has been assumed by the management.
- b) Pre-tax discount rate: Discount rate of 15.84% is used by management in determining the present value of future cash flows.

**10- FINANCIAL INVESTMENTS AT FVOCI**

Financial investments at fair value through other comprehensive income represent investments in equity instruments of listed company that are accounted for at FVOCI. The following is a statement of these investments:

Statement	Number of Shares	Cost as at 1 April 2023 SAR	Reserve for the revaluation of investments at FVOCI			Fair value as at 31 March 2024 SAR
			As at 1 April 2023 SAR	Revaluation losses SAR	As at 31 March 2024 SAR	
Jarir Marketing company	423,200	4,629,497	2,268,663	(761,760)	1,506,903	6,136,400

During the financial year ending on 31 March 2024, the Group received cash dividends from Jarir Marketing Company amounted to SAR 353,372 (31 March 2023: SAR 336,444).

On 30 May, 2023 Jarir Marketing Company did a split stock and changed the share value from SAR 10 to SAR 1 each. Number of shares owned by Group as of 31 March 2024 is 423,200 shares (31 March 2023: 42,320 shares)

Statement	Number of Shares	Cost as at 1 April 2022 SAR	Reserve for the revaluation of investments at FVOCI			Fair value as at 31 March 2023 SAR
			As at 1 April 2022 SAR	Revaluation losses SAR	As at 31 March 2023 SAR	
Jarir Marketing Company	42,320	4,629,497	3,707,543	(1,438,880)	2,268,663	6,898,160

**11- INVENTORY, NET**

	31 March 2024 SAR	31 March 2023 SAR
Stationery, office supplies and accessories	79,451,814	83,976,013
Printers inks and computers supplies	6,205,200	7,315,661
Goods in transit	4,435,055	4,322,988
Provision for slow moving goods	(7,267,563)	(9,575,988)
	<b>82,824,506</b>	<b>86,038,674</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**11-INVENTORY (CONTINUED)**

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

	31 March 2024 SAR	31 March 2023 SAR
Balance at the beginning of the year	9,575,988	6,101,058
Charged during the year (Note 20)	-	3,474,930
Reversal during the year	(2,308,425)	-
<b>Balance at the end of the year</b>	<b>7,267,563</b>	<b>9,575,988</b>

**12- ACCOUNTS RECEIVABLE, NET**

	31 March 2024 SAR	31 March 2023 SAR
Accounts receivable *	35,512,779	22,109,515
(Less): Provision for expected credit losses	(4,047,022)	(3,564,469)
	<b>31,465,757</b>	<b>18,545,046</b>

\*Accounts receivable includes amount due from government departments amounting to SAR 24,179,858 SAR at 31 March 2024 (31 March 2023: SAR 11,855,809)

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

	31 March 2024 SAR	31 March 2023 SAR
Balance at the beginning of the year	3,564,469	4,037,660
Provided during the year (Note 20)	750,000	1,851,679
Utilized during the year	(267,447)	(2,324,870)
<b>Balance at the end of the year</b>	<b>4,047,022</b>	<b>3,564,469</b>

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

	31 March 2024 SAR	31 March 2023 SAR
From 1 to 30 days	8,226,200	5,373,230
From 31 to 60 days	4,202,683	3,277,341
From 61 to 90 days	2,459,542	2,652,208
From 91 to 180 days	9,236,122	6,727,663
From 181 to 365 days	6,964,400	1,963,355
More than 365 days	4,423,832	2,115,718
<b>Balance at the end of the year</b>	<b>35,512,779</b>	<b>22,109,515</b>

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

	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
<b>March 31, 2024</b>							
Expected Credit Loss Rate	11.4%	3.6%	4%	3.7%	7.6%	10.3%	46.9%
Total book value	35,512,779	8,226,200	4,202,683	2,459,542	9,236,122	6,964,400	4,423,832
Expected Credit Loss	4,047,022	296,777	168,828	91,750	698,242	715,149	2,076,276

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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

	Total	From 1 to	From 31	From 61	From 91 to	From 181	Over 365
March 31, 2023	SAR	30 days	to 60 days	to 90 days	180 days	to 365	days
Expected Credit		SAR	SAR	SAR	SAR	days	SAR
Loss Rate	16%	5%	7%	6%	8%	40%	75%
Total book value	22,109,515	5,373,230	3,277,341	2,652,208	6,727,663	1,963,355	2,115,718
Expected Credit							
Loss	3,564,470	255,422	225,856	171,863	538,886	785,342	1,587,101

**13- PREPAID EXPENSES AND OTHER RECEIVABLES**

	31 March 2024	31 March 2023
	SAR	SAR
Advances to the suppliers	12,651,980	12,266,012
Prepaid expenses	2,474,966	2,341,366
Prepaid rent	702,268	195,259
Letter of guarantee (Note 28)	649,250	798,181
Other receivables	1,519,213	1,622,162
	<u>17,997,677</u>	<u>17,222,980</u>

**14- CASH AND CASH EQUIVALENT**

	31 March 2024	31 March 2023
	SAR	SAR
Cash at banks	3,592,341	20,872,985
Cash in hand	378,086	355,370
	<u>3,970,427</u>	<u>21,228,355</u>

**15- 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 2024	31 March 2023
Discount rate	5.5%	4.5%
Salaries increase rate	5.5%	4.5%
Staff turnover	10.1%	10%

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

	31 March 2024	31 March 2023
	SAR	SAR
Employees' benefits obligations balance at the beginning of the year	7,453,287	6,253,792
<b><u>Charged to the consolidated statement of profit or loss</u></b>		
Current service cost	1,014,232	861,261
Interest cost	335,398	193,868
<b><u>Charged to the consolidated statement of other comprehensive income</u></b>		
Actuarial re-measurement of employees' benefit obligations	(32,814)	357,753
<b><u>Paid during the year</u></b>	<u>(438,581)</u>	<u>(213,387)</u>
<b>Employees' benefits obligations balance at the end of the year</b>	<b>8,331,522</b>	<b>7,453,287</b>

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

	31 March 2024	31 March 2023
	SAR	SAR
General and administrative expenses (Note 20)	423,419	163,868
Selling and marketing expenses (Note 21)	926,211	891,261
	<u>1,349,630</u>	<u>1,055,129</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**15-EMPLOYEES' BENEFIT OBLIGATIONS (CONTINUED)**

**Sensitivity analysis for the defined benefit obligations**

		<b>31 March 2024</b>	<b>31 March 2023</b>
		<b>SAR</b>	<b>SAR</b>
	<b>Basis</b>		
Salary change rate	1% increase	<b>8,880,097</b>	7,956,202
	1% decrease	<b>7,839,430</b>	7,002,010
	<b>Basis</b>		
Discount rate	1% increase	<b>7,843,812</b>	7,006,067
	1% decrease	<b>8,885,647</b>	7,961,338
<b>Assuming a statistical study of employees, membership data</b>			
Average age of employees (in years)		<b>34.7</b>	33.7
Average service years		<b>5.5</b>	5.1

The above sensitivity analysis was determined according to a method whereby the impact on employees' end-of-service benefits is expected as a result of reasonable changes in the basic assumptions that were determined at the end of the period for preparing the financial statements. The sensitivity analysis is based on a change in important assumptions, with all other assumptions remaining constant. The sensitivity analysis may not be indicative of an actual change in employee benefit obligations, as it is unlikely that changes in the assumptions will occur independently of each other.

**Exposure to risks:** Group is exposed to a number of risks, the most important of which are shown below:

**Inflation risk:** Majority of end-of-service benefits awards are linked to inflation and increased inflation will lead to an increase in liabilities.

**Risk of change in bond yield:** Any decrease in corporate bond yields would increase the plan's liabilities. Below is the maturity analysis of expected benefit payments:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
First year	<b>1,569,157</b>	1,346,076
Second year	<b>664,781</b>	620,192
Third year	<b>774,548</b>	573,159
Fourth year	<b>828,809</b>	662,099
Fifth year	<b>1,219,770</b>	682,434
Sixth year and after	<b>7,571,834</b>	6,532,181
	<b>12,628,899</b>	10,416,141

**16- MURABAHA CONTRACTS**

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 28,384,788 as at 31 March 2024 (31 March 2023: SAR Nil).

The financing cost charged for the year ending 31 March 2024 amounted to SAR 1,137,174 (31 March 2023: SAR 975,256) (Note 22).

The movement on the balance of Murabaha is as follows:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
Balance at the beginning of the year	-	29,168,302
Proceed during the year	<b>60,884,788</b>	48,387,883
Paid during the year	<b>(32,500,000)</b>	(77,556,185)
<b>Balance at the end of the year</b>	<b>28,384,788</b>	-

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**17- ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
Suppliers payable	<b>3,121,102</b>	525,369
Value added tax	<b>2,136,474</b>	2,599,332
Accrued salaries and wages	<b>2,114,511</b>	1,899,736
Deferred revenue	<b>1,549,275</b>	1,350,203
Accrued remuneration of board of directors and audit committee	<b>1,011,000</b>	923,500
Advances from customers	<b>363,737</b>	378,043
Finance charges due	<b>203,420</b>	-
Others	<b>733,400</b>	1,112,051
	<b>11,232,919</b>	<b>8,788,234</b>

**18- ZAKAT PROVISION**

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

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
Equity, provisions at the beginning of the year and other adjustments	<b>240,533,964</b>	256,184,231
Long term assets	<b>(182,793,707)</b>	(145,565,939)
Adjusted net income	<b>31,311,941</b>	26,819,840

B) The following is the movement in Zakat provision:

	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>SAR</b>	<b>SAR</b>
Balance at the beginning of the year	<b>3,521,886</b>	2,958,562
Provided during the year	<b>2,275,754</b>	3,521,886
Paid during the year	<b>(3,176,181)</b>	(2,958,562)
<b>Balance at the end of the year</b>	<b>2,621,459</b>	<b>3,521,886</b>

C) Zakat status:

- The group submitted its zakat declarations for all previous years until March 31, 2023, and paid its dues according to those declarations, and obtained the required certificates and official receipts.
- During 2017 the Zakat, Tax and Customs Authority issued additional assessments for the years from 2009 to 2015 with an amount of SAR 3,335,739. Group objection items and some items rejected. This led the company to object to the Appeal Committee for Tax Violations and Disputes, and the appeal was accepted on June 11, 2023 and the group paid an amount of SAR 16,351.

**19- RENTAL REVENUES, NET**

	<b>2024</b>	<b>2023</b>
	<b>SAR</b>	<b>SAR</b>
Rental revenues	<b>4,590,414</b>	3,635,621
<b>Less:</b>		
Discount of rental revenues	<b>(203,365)</b>	(176,740)
Depreciation of investment properties (Note 6)	<b>(409,295)</b>	(409,295)
	<b>3,977,754</b>	<b>3,049,586</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**20- GENERAL AND ADMINISTRATIVE EXPENSES**

	2024 SAR	2023 SAR
Salaries, wages and other benefits	10,993,838	8,827,133
Depreciation of property and equipment (Note 5)	1,904,597	1,816,140
Governmental expenses	1,511,855	1,265,898
Professional and consulting fees	1,126,708	561,975
Board members' allowances and remuneration	900,000	900,000
Depreciation of right of use assets (Note 8)	803,516	175,598
Provision for expected credit losses (Note 12)	750,000	1,851,679
Medical and property and equipment insurance	716,292	512,341
Provision for employees' defined benefits plan obligations (Note 15)	423,419	163,868
Commissions and administrative fees	384,116	423,363
Repair and maintenance	364,842	492,756
Rents	339,361	264,912
Travel expenses	301,235	137,743
Other benefits	284,123	338,777
Amortization of intangible assets (Note 7)	246,521	4,647
Hospitality and cleaning expenses	99,957	50,260
Bank charges	82,082	496,323
Stationery and printing	47,409	26,285
Provision for slow moving goods (Note 11)	-	3,474,930
Others	646,618	718,227
	<b>21,926,489</b>	<b>22,502,855</b>

**21- SELLING AND MARKETING EXPENSES**

	2024 SAR	2023 SAR
Salaries, wages and other benefits	10,820,174	10,060,523
Depreciation of right of use assets (Note 8)	8,165,143	8,031,676
Governmental expenses	2,012,931	1,838,793
Depreciation of property and equipment (Note 5)	1,809,981	1,607,202
Transportation and shipment expenses	1,671,526	1,216,356
Rents	1,042,665	743,615
Provision for employees' defined benefits plan obligations (Note 15)	926,211	891,261
Bank charges	710,577	750,626
Other benefits	653,497	533,296
Medical and property and equipment insurance	351,645	282,945
Marketing and packaging expenses	320,436	420,889
Repair and maintenance	316,373	216,452
Travel expenses	194,160	220,276
Stationery and printing expenses	106,163	17,278
Hospitality and cleaning expenses	36,034	42,645
Others	654,799	306,599
	<b>29,792,315</b>	<b>27,180,432</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**22- FINANCE COSTS**

	2024 SAR	2023 SAR
Murabaha financing costs (Note 16)	1,137,174	975,256
Amortization of lease liabilities interest (Note 8)	798,222	514,978
	<b>1,935,396</b>	<b>1,490,234</b>

**23- OTHER INCOME, NET**

	2024 SAR	2023 SAR
Reversal of provision for slow moving inventory (Note 11)	2,308,425	-
Profit on bank deposits	96,731	-
Losses from sale of property and equipment	(330,849)	(183,419)
Rental discounts	-	349,027
Others	49,446	57,902
	<b>2,123,753</b>	<b>223,510</b>

**24- 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. The table below reflects the data used in calculation of basic and diluted earning per share.

	2024 SAR	2023 SAR
Net income attributable to shareholders	26,936,557	16,916,216
Weighted average number of outstanding shares	20,000,000	20,000,000
Earning per share of net income attributable to shareholders	<b>1.35</b>	<b>0.85</b>

**25- 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. Results of these sectors are reviewed by the CEO of parent company. 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 2024, 2023 respectively, according to the nature of the activity:

	Wholesale and retail segment SAR	Inks segment SAR	Real state and rent segment SAR	Total SAR
<b>As at 31 March 2024</b>				
Total current assets	127,686,533	8,571,834	-	136,258,367
Total non-current assets	141,063,771	19,402	41,710,534	182,793,707
<b>Total assets</b>	<b>268,750,304</b>	<b>8,591,236</b>	<b>41,710,534</b>	<b>319,052,074</b>
Total current liabilities	66,362,543	743,769	-	67,106,312
Total non-current liabilities	12,375,091	543,062	-	12,918,153
<b>Total liabilities</b>	<b>78,737,634</b>	<b>1,286,831</b>	<b>-</b>	<b>80,024,465</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**25- SEGMENT INFORMATION (CONTINUED)**

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
As at 31 March 2023	SAR	SAR	SAR	SAR
Total current assets	129,829,273	13,205,782		143,035,055
Total non-current assets	106,306,104	83,198	39,176,637	145,565,939
Total assets	236,135,377	13,288,980	39,176,637	288,600,994

Total current liabilities	26,115,156	1,861,236	-	27,976,392
Total non-current liabilities	17,095,265	709,339	-	17,804,604
Total liabilities	43,210,421	2,570,575	-	45,780,996

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the year ended 31 March 2024	SAR	SAR	SAR	SAR
Sales	263,828,377	6,661,174	-	270,489,551
Cost of sales	188,423,310	5,654,609	-	194,077,919
Gross profit for the year	75,405,067	1,006,565	-	76,411,632
Rental revenue	-	-	4,590,415	4,590,415
Depreciation	3,637,783	76,795	409,295	4,123,873
Finance cost	1,935,396	-	-	1,935,396
Net profit for the year	22,269,749	689,054	3,977,754	26,936,557

**Timing of reveue recognition:**

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the year ended 31 March 2024	SAR	SAR	SAR	SAR
Point in time	263,828,377	6,661,174	-	270,489,551
Over time	-	-	3,977,754	3,977,754
Total	263,828,377	6,661,174	3,977,754	274,467,305

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the year ended 31 March 2023	SAR	SAR	SAR	SAR
Sales	274,453,696	39,923,435	-	314,377,131
Cost of sales	198,447,828	35,524,738	-	233,972,566
Gross profit for the year	76,005,868	4,398,697	-	80,404,565
Rental revenue	-	-	3,635,621	3,635,621
Depreciation	3,390,470	32,872	409,295	3,832,637
Finance cost	1,300,129	190,105	-	1,490,234
Net profit for the year	12,916,790	949,839	3,049,586	16,916,216

**Timing of reveue recognition:**

	Wholesale and retail segment	Inks segment	Real state and rent segment	Total
For the year ended 31 March 2023	SAR	SAR	SAR	SAR
Point in time	274,453,696	39,923,435	-	314,377,131
Over time	-	-	3,049,586	3,049,586
Total	274,453,696	39,923,435	3,049,586	317,426,717

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**25- SEGMENT INFORMATION (CONTINUED)**

**Revenue details:**

	Retail outlets	Wholesale sales	Other sectors	Total
	SAR	SAR	SAR	SAR
<b>31 March 2024</b>				
Sale of stationery and school supplies	28,796,468	235,031,910	-	263,828,378
Ink sales	-	6,661,173	-	6,661,173
Rental income	-	-	4,590,414	4,590,414
	<u>28,796,468</u>	<u>241,693,083</u>	<u>4,590,414</u>	<u>275,079,965</u>
	Retail outlets	Wholesale sales	Other sectors	Total
	SAR	SAR	SAR	SAR
<b>31 March 2023</b>				
Sale of stationery and school supplies	30,606,812	243,846,884	-	274,453,696
Ink sales	-	39,923,435	-	39,923,435
Rental income	-	-	3,635,621	3,635,621
	<u>30,606,812</u>	<u>283,770,319</u>	<u>3,635,621</u>	<u>318,012,752</u>

**26- SEASONALITY OF OPERATIONS**

Sales are positively effected by the back to school season, in particular sales of school and office supplies.

**27- RISK MANAGEMENT AND FAIR VALUE**

**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 2024	31 March 2023
	SAR	SAR
Accounts receivable	35,512,779	22,109,515
Cash at banks	3,592,341	20,872,985
	<u>39,105,120</u>	<u>42,982,500</u>

**Liquidity risks**

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

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

The following is the maturities of liabilities as at 31 March 2024:

	Book value	3 months	From 3	More than 1	No specific	Total
	SAR	or less	months to 1	year up to 10	maturity	SAR
		SAR	year	years	dates	
			SAR	SAR	SAR	
<b>Liabilities</b>						
Employees' benefits obligations	8,331,522	-	-	-	12,628,899	12,628,899
Lease liabilities	10,206,993	1,257,354	4,576,997	4,663,267	-	10,497,618
Murabaha	28,384,788	17,166,788	11,218,000	-	-	28,384,788
Trade payables	19,246,784	19,246,784	-	-	-	19,246,784
Accrued expenses and other payables	11,232,919	11,232,919	-	-	-	11,232,919
Zakat provision	2,621,459	2,621,459	-	-	-	2,621,459
<b>Total</b>	<u>80,024,465</u>	<u>51,525,304</u>	<u>15,794,997</u>	<u>4,663,267</u>	<u>12,628,899</u>	<u>84,612,467</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**27- RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

The following is the maturities of liabilities as at 31 March 2023:

	Book value SAR	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	-	-	-	10,416,141	10,416,141
Lease liabilities	15,770,374	1,668,540	4,243,663	10,713,244	-	16,625,447
Trade payables	10,247,215	10,247,215	-	-	-	10,247,215
Accrued expenses and other payables	8,788,234	8,788,234	-	-	-	8,788,234
Zakat provision	3,521,886	3,521,886	-	-	-	3,521,886
<b>Total</b>	<b>45,780,996</b>	<b>24,225,875</b>	<b>4,243,663</b>	<b>10,713,244</b>	<b>10,416,141</b>	<b>49,598,923</b>

**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.

**As at 31 March 2024**

	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	6,136,400	-	-	6,136,400

**As at 31 March 2023**

	Level 1	Level 2	Level 3	Total
Financial investments at fair value through other comprehensive income	6,898,160	-	-	6,898,160

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**27- RISK MANAGEMENT AND FAIR VALUE (CONTINUED)**

**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 loans 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 2024 SAR	31 March 2023 SAR
Murabaha	28,384,788	-
Less: Cash and cash equivalents	(3,592,341)	(20,872,985)
Net debt	24,792,447	(20,872,985)
Total Equity	239,027,609	242,819,998
Net debt-to-equity ratio	10%	-

**28- TRANSACTIONS WITH SENIOR EXECUTIVES AND BORD OF DIRECTORS MEMBER**

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. The group considers that the members of the Board of Directors, and the executive management are the main management personnel for the purposes of International Accounting Standard No. "24" Related Party Disclosures.

The following shows the significant transactions with senior executives and members of the Board of Directors during the year:

	31 March 2024 SAR	31 March 2023 SAR
Remuneration for board members	900,000	900,000
Executive management salaries and allowances	1,800,000	1,710,000
	2,700,000	2,610,000

**29- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Group has contingent liabilities arising from an outstanding letter of guarantee and credit amounting to SAR 3,265,036 as at 31 March 2024 (31 March 2023: SAR 15,977,849) (Note 13).

The Group has capital commitments against projects under construction for installation of decorations and equipments at branches amounting to SAR 5.6 million (31 March 2023: SAR 8.9 million).

**30- DIVIDENDS**

-The Ordinary General Assembly which was held on 20 September 2023 agreed to distribute cash dividends to the shareholders of the Group for the financial year ended on 31 March 2023 by (0.50) fifty Halalas per share, with a total value of 10 million Saudi riyals in addition to approving distribution of additional dividend at a value of (0.5) fifty Halalas per share with a total value of 10 million Saudi Riyals (31 March 2023: Dividends for the year ended 31 March 2022: SAR 10 million).

-On November 29, 2023, the company's Board of Directors approved the distribution of cash dividends to shareholders for the first half of the year at the rate of (0.50) fifty halalas per share, with a total value of 10 million Saudi riyals, in accordance with the authorization granted by the Ordinary General Assembly to the Board of Directors to distribute dividends. The total distributed profits amounted to 30 million Saudi riyals.

**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 2024 that are expected to have a significant impact on these consolidated financial statements as at 31 March 2024.

**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 1445H (corresponding to 6 June 2024).