ARAM Group Company P.J.S.C. and its subsidiary

Sharjah, United Arab Emirates

Reports and Consolidated financial statements
For the year ended 31 December 2024

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates

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Sharjah - United Arab Emirates
General information

Principal office address:	Al Khan Street P.O. Box: 5440 Sharjah, United Arab Emirates T: +971 6 5565570 Website: www.aramgroup.ae
The Directors:	Mr. Khamis Mohamed Khamis Buharoon Alshamsi Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh Ms. Alyazia Nasser Yousef Nasser Alzaabi Ms. Najoud Abdulla Mohammad Burahima
The Chief Executive Officer:	Mr. Ali Mohd Zaid Ali Musmar
The Auditor:	Crowe Mak P.O. Box: 6954 Sharjah, United Arab Emirates
The Banks:	Sharjah Islamic Bank P.J.S.C. Arab Bank PLC National Bank of Kuwait S.A.K.P.

Sharjah - United Arab Emirates
Directors' report

The Directors have pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2024.

Principal activities of the Group

The Group's principal activities are investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

Financial review

The table below summarizes the results of the year 2024 and 2023.

	2024	2023
	AED	AED
Rental income	**10,193,038**	11,237,129
Gain on fair value of investment properties	**16,600,000**	7,118,117
Net profit	**16,696,855**	4,393,652
Net profit ratio	**163.81%**	39.10%

Role of the Directors

The Directors are the Group's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Group for delivering sustainable shareholder value through their guidance and supervision of the Group's business. The Directors set the strategies and policies of the Group. They monitor performance of the Group's business, guide and supervise its management.

On 20 February 2024, Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal retired as the Chairman of the Group. Further, on the said date, Mr. Khamis Mohamed Khamis Buharoon Alshamsi was appointed as the Chairman of the Group and Ms. Najoud Abdulla Mohammad Burahima was appointed as a director.

On 13 November 2024, Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh was elected as the Vice Chairman of the Group.

Going concern

The attached consolidated financial statements have been prepared on a going concern basis. While preparing the consolidated financial statements, the management has made an assessment of the Group’s ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Group’s ability to continue as a going concern.

Events after year end

Subsequent to the year end, on 13 February 2025, the Board of Directors have resolved to classified non-current assets held for sale as investment properties owing to a change in the management's intention to dispose these investment properties (Note 27).

In the opinion of the Directors, other than above, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Group.

Auditor

M/s. Crowe Mak, Sharjah, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the consolidated financial statements for each financial year which present fairly in all material respects, the consolidated financial position of the Group and its financial performance for the year then ended.

The audited consolidated financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the consolidated financial position of the Group and enables them to ensure that the consolidated financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the consolidated financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Group's financial conditions and results of its operations.

The consolidated financial statements set out on pages 8 to 51, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:

Mr. Khamis Mohamed Khamis Buharoon Alshamsi	**Mr. Ali Mohd Zaid Ali Musmar**
Chairman	Chief Executive Officer

13 February 2025

Crowe Mak
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Ref: AM/B2354/FEB'2025

Independent auditor's report

To
The Shareholders
ARAM Group Company P.J.S.C. and its subsidiary
Sharjah, United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ARAM Group Company P.J.S.C. (the "Entity") and its subsidiary (together the "Group"), Sharjah, United Arab Emirates, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement 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 notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of 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.

Valuation of the investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the Group's investment properties in the context of the Group's consolidated financial statements as a whole and due to significant judgement involved in determining the inputs used in the valuation exercise.

As at 31 December 2024, the Group's investment properties aggregated AED 153,350,000 (2023: AED 103,650,000) which represented 90% (2023: 67%) of the Group's total assets and a gain on revaluation of investment properties aggregating AED 16,600,000 (2023: AED 2,495,176) was recognised in the consolidated statement of profit or loss for the year then ended.

The Group's investment properties are stated at fair value based on valuation carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which required significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuation are disclosed in Note 7 to the consolidated financial statements.

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Independent auditor's report (continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements (continued)

How our audit addressed the key audit matters:
We have performed the following procedures in relation to the valuation of investment properties:

- We assessed the competence, capabilities and objectivity of the independent valuer;
- We reviewed the terms of engagement between valuer and the Group to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work;
- We assessed the completeness and consistency of information provided by the Group to the valuer; and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
- We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
- We agreed the total valuation in reports of third party valuers to the amount reported in the consolidated statement of financial position;
- We reperformed the arithmetical accuracy of the determination of net fair value gain;
- We reviewed a sample of investment properties valued by external valuers and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 Fair Value Measurement; and
- We assessed the presentation and disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRSs.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' report. The other information does not include the consolidated financial statements and our auditor's report thereon.

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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of 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 are responsible for overseeing the Group's financial reporting process.

Independent auditor's report (continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements (continued)

Auditor's Responsibilities 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 error or fraud, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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.
- Obtain sufficient 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 performance of the group audit. We remain solely responsible for our 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 control that we identify during our audit.

We also provide 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent auditor's report (continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

(a) We have obtained all the information we considered necessary for the purpose of our audit.

(b) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021.

(c) The Group maintained proper books of account.

(d) The financial information included in the Directors' report is consistent with the books of account of the Group.

(e) Investments in shares and stocks are disclosed in Notes 8 and 9 to the consolidated financial statements and include purchases and investments made by the Group during the financial year ended 31 December 2024.

(f) Note 10 to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.

(g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended 31 December 2024 any of the requirements of UAE Federal Law No. 32 of 2021, and the Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024.

Crowe Mak

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P.O.Box: 6954
SHARJAH
U.A.E.
CROWE MAK

Dr. Khalid Maniar
Registered Auditor Number: 24
Sharjah, United Arab Emirates
13 February 2025

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates

Consolidated statement of financial position as at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	**71,318**	115,773
Right-of-use assets	6	**61,603**	445,067
Investment properties	7	**153,350,000**	103,650,000
Investments carried at fair value through other comprehensive income (FVTOCI)	8	**14,466,656**	14,599,128
Total non-current assets		**167,949,577**	118,809,968
Current assets			
Investments carried at fair value through profit or loss (FVTPL)	9	**160,246**	635,946
Due from a related party	10	**300,000**	50,000
Non-current assets held for sale	11	**-**	33,100,000
Trade and other receivables	12	**840,914**	1,190,216
Cash and cash equivalents	13	**697,289**	959,461
Total current assets		**1,998,449**	35,935,623
Total assets		**169,948,026**	154,745,591
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**78,901,086**	78,901,086
Statutory reserve	15	**34,869,340**	33,190,039
Voluntary reserve	16	**15,188,398**	13,509,097
Fair value reserve		**(3,274,068)**	(3,290,770)
Foreign currency translation reserve		**(732,393)**	(691,710)
Retained earnings		**14,657,502**	1,388,193
Total equity		**139,609,865**	123,005,935
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	17	**898,120**	859,179
Lease liabilities	18	**-**	70,686
Bank borrowings	19	**19,870,419**	23,493,078
Deferred tax liabilities	26	**1,314,892**	-
Total non-current liabilities		**22,083,431**	24,422,943
Current liabilities			
Dividend payable		**562**	562
Due to a related party	10	**534,012**	-
Lease liabilities	18	**70,489**	336,847
Bank borrowings	19	**3,684,211**	3,684,211
Trade and other payables	20	**3,853,410**	2,952,551
Current tax liabilities	26	**112,046**	-
Current liabilities on discontinued operations		**-**	342,542
Total current liabilities		**8,254,730**	7,316,713
Total liabilities		**30,338,161**	31,739,656
Total equity and liabilities		**169,948,026**	154,745,591

These consolidated financial statements were approved and authorised for issue on 13 February 2025.

The consolidated financial statements set out on pages 8 to 51, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:

Mr. Khamis Mohamed Khamis Buharoon Alshamsi Chairman	**Mr. Ali Mohd Zaid Ali Musmar** Chief Executive Officer

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

Sharjah - United Arab Emirates
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Rental income	21	**10,193,038**	11,237,129
Other income		**412,371**	280,237
Repairs and maintenance expenses	22	**(653,615)**	(1,276,000)
General and administrative expenses	23	**(7,048,057)**	(7,365,189)
Loss on disposal of investments at FVTOCI and FVTPL		**(52,452)**	-
Dividend income		**191,131**	190,732
Loss on disposal of investment properties	7	**-**	(3,693,615)
Increase in fair value of investment properties	7	**16,600,000**	7,118,117
Increase in fair value of financial assets at FVTPL	9	**593,767**	272,392
Finance cost	24	**(2,112,390)**	(2,370,151)
Profit before corporate tax		**18,123,793**	4,393,652
Corporate tax expense	26	**(1,426,938)**	-
Net profit for the year		**16,696,855**	4,393,652
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Decrease in fair value of financial assets at FVTOCI	8	**(52,242)**	(208,350)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(40,683)**	(45,396)
Other comprehensive loss for the year		**(92,925)**	(253,746)
Total comprehensive income for the year		**16,603,930**	4,139,906
Basic and diluted earnings per share	25	**0.2116**	0.0557

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

Sharjah - United Arab Emirates
Consolidated statement of changes in equity for the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings AED	Total AED
As at 1 January 2023	78,901,086	32,736,885	13,055,943	(3,082,420)	(646,314)	(2,099,151)	118,866,029
Profit for the year	-	-	-	-	-	4,393,652	4,393,652
Other comprehensive income for the year	-	-	-	(208,350)	(45,396)	-	(253,746)
Total comprehensive income for the year	-	-	-	(208,350)	(45,396)	4,393,652	4,139,906
Transfer from retained earnings (Notes 15 and 16)	-	453,154	453,154	-	-	(906,308)	-
As at 31 December 2023	**78,901,086**	**33,190,039**	**13,509,097**	**(3,290,770)**	**(691,710)**	**1,388,193**	**123,005,935**
Profit for the year	-	-	-	-	-	16,696,855	16,696,855
Other comprehensive income for the year	-	-	-	(52,242)	(40,683)	-	(92,925)
Total comprehensive income for the year	-	-	-	(52,242)	(40,683)	16,696,855	16,603,930
Transfer from retained earnings (Notes 15 and 16)	-	1,679,301	1,679,301	-	-	(3,358,602)	-
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	68,944	-	(68,944)	-
As at 31 December 2024	**78,901,086**	**34,869,340**	**15,188,398**	**(3,274,068)**	**(732,393)**	**14,657,502**	**139,609,865**

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

Sharjah - United Arab Emirates
Consolidated statement of cash flows for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year before tax		**18,123,793**	4,393,652
Adjustments for:			
Depreciation of property, plant and equipment	5	**45,157**	52,743
Depreciation of right-of-use asset	6	**174,880**	274,133
Increase in fair value of investment properties	7	**(16,600,000)**	(2,495,176)
Loss on disposal of investment property	7	**-**	3,693,615
Change in fair value of financial assets at FVTPL	9	**(593,767)**	(272,392)
Change in fair value of non-current assets held for sale	11	**-**	(4,622,941)
Employees' end-of-service benefits	17	**68,848**	137,755
Allowance for expected credit losses of trade receivables	23	**164,329**	361,988
Loss on retirement of lease liability	23	**8,169**	-
Finance cost	24	**2,112,390**	2,370,151
Loss on disposal of investments at FVTOCI and FVTPL		**52,452**	-
Dividend income		**(191,131)**	(190,732)
Operating cash flows before changes in operating assets and liabilities		**3,365,120**	3,702,796
Increase in due from a related party	10	**(250,000)**	(50,000)
Increase in due to a related party	10	**534,012**	-
Decrease/(increase) in trade and other receivables	12	**184,973**	(36,498)
Increase/(decrease) in trade and other payables	20	**900,859**	(112,959)
Decrease in current liabilities on discontinued operations		**(342,542)**	-
Cash generated from operating activities		**4,392,422**	3,503,339
Employees' end-of-service benefits paid	17	**(30,906)**	(45,632)
Net cash generated from operating activities		**4,361,516**	3,457,707
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(698)**	(6,684)
Purchase of investment properties	7	**-**	(222,400)
Proceeds from sale of investment properties	7	**-**	28,500,000
Dividend income		**191,131**	190,732
Proceeds from sale of investments at FVTPL	9	**1,056,475**	-
Net cash generated from investing activities		**1,246,908**	28,461,648
Cash flows from financing activities			
Payment of lease liabilities	18	**(143,562)**	(339,704)
Repayments of bank borrowings	19	**(3,622,659)**	(3,622,658)
Finance cost paid	24	**(2,043,876)**	(2,295,291)
Dividends paid		**-**	(26,320,069)
Net cash used in financing activities		**(5,810,097)**	(32,577,722)
Net decrease in cash and cash equivalents		**(201,673)**	(658,367)
Cash and cash equivalents at the beginning of the year		**959,461**	1,706,979
Effects of exchange rate changes on the balance of cash held		**(60,499)**	(89,151)
Cash and cash equivalents at the end of the year	13	**697,289**	959,461

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

1 General information

ARAM Group Company P.J.S.C., Sharjah, United Arab Emirates (the "Entity") is a public joint stock company incorporated on 26 January 1977, under Emiri Decree Number 133/76 issued on 16 November 1976. The trading register was issued by Economic Development Department, Government of Sharjah. The shares of the Entity are traded in the Abu Dhabi Securities Market.

The address of the registered office of the Entity is Al Khan Street, P.O. Box: 5440, Sharjah, United Arab Emirates.

The principal activities of the Group consist of investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

The management is vested with the Directors.

The Entity controls the following subsidiary as at 31 December 2024:

Sr. no	*Entities*	*License no.*	*Country of incorporation*	*Activities*
1	Tarfan General Trading and Contracting (Ebrahim Ahmed Al-Mannaei and Partners) W.L.L (the "Subsidiary")	2003/328	State of Kuwait	General trading and contracting, purchase and sale of shares and bonds.

The Subsidiary is a limited liability company incorporated in Kuwait. One individual owns 1% of the Subsidiary's share capital for and on behalf of the Entity; therefore, 100% beneficial ownership interest is with the Entity and hence there is no non-controlling interest.

These consolidated financial statements incorporate the consolidated operating results of the trading license no. 1233 of the Entity and license no. 2003/328 of the Subsidiary, herein together referred to as the "Group".

2 Application of new and revised Standards

2.1 New and amended Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these consolidated financial statements unless mentioned above.

2 Application of new and revised Standards (continued)

2.2 New and revised Standards in issue but not yet effective

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 21 Lack of exchangeability	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these standards will not have any significant impact on these consolidated financial statements.

3 Material accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.2 Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for investment properties, investments at fair value through profit or loss and investments at fair value through other comprehensive income that are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current.

Fair value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not

3 Material accounting policies (continued)

3.2 Basis of preparation (continued)

fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial information of the Entity and its Subsidiary. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Functional currency

These consolidated financial statements are presented in Emirati Dirham, which is the Group’s functional currency.

The Subsidiary's functional currency is the Kuwaiti Dinar (KWD). In the Group's consolidated financial statements, all assets, liabilities and transactions of the subsidiary are translated into AED upon consolidation.

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period.

3 Material accounting policies (continued)

3.5 Revenue recognition

The Group earns revenue mainly from rental income and dividend income.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognise revenue as and when the Group satisfies a performance obligation.

Performance obligation

Rental income
Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the contract.

Dividend income
Dividend income is recognised in the consolidated statement of profit or loss at a point of time on the date that the Group's right to receive payment is established.

3.6 Leases

The Group leases offices. Rental contracts are typically made for fixed period of 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,the Group assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group’s incremental borrowing rate can be used.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

3 Material accounting policies (continued)

3.6 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, plant and equipment policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

3.7 Foreign currencies

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in the subsidiary are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3 Material accounting policies (continued)

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

End of service benefits

Provision is made for the full amount of end of service benefits due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income when incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

	Useful lives
Furniture, fixtures and office equipment	4 years
Motor vehicles	5 years
Other facilities	5 years

3.11 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3 Material accounting policies (continued)

3.12 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Provisions

Provisions are recognised 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 the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

3 Material accounting policies (continued)

3.15 Financial assets (continued)

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above);
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments that are measured at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for investments that are measured at FVTOCI and trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of

3 Material accounting policies (continued)

3.15 Financial assets (continued)

conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables) were measured at amortised cost using the effective interest method, less any impairment.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3 Material accounting policies (continued)

3.16 Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an Entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense 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 that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.17 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

3 Material accounting policies (continued)

3.17 Non-current assets held for sale and discontinued operations (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

3.18 Taxation

Corporate tax expense comprises current and deferred tax. Current tax expense (or benefit) is the tax payable (or receivable) on the current year’s taxable income calculated using tax rates (and laws) enacted or substantively enacted by the end of the reporting period in each jurisdiction, adjusted for changes in deferred tax assets and liabilities. Current tax expense is recognised in the consolidated statement of profit or loss except when the tax relates to items directly recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively. Tax provisions are recognised for uncertain tax positions when it is probable that there will be a future outflow of funds to a tax authority, measured at the best estimate of the amount expected to become payable.

Deferred tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill and temporary differences arising from the initial recognition of assets and liabilities in transactions that do not affect taxable or accounting profit. Deferred tax assets are only recognised for temporary differences to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to items recognised in other comprehensive income or equity are recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

No deferred tax liability has been recognized on the revaluation surplus with respect to their investment property existing as of the transition date.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

4 Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying accounting policies

Judgements in determining the timing of satisfaction of performance obligations

In making their judgement, the Directors consider the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has satisfied the performance obligation by rendering the services to the customers. The management is satisfied that the recognition of revenue in the current year is appropriate.

Revenue recognition for leases

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.15). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Classification of properties

Based on the management's intention at the time of acquisition of a property, it was decided to classify the property as either held for sale or held for development or held for rental or capital appreciation. The management changes the classification when the intention changes.

4.2 Key sources of estimation uncertainty

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.79%.

Subsequent to the initial application, the management has reviewed the incremental borrowing rates and has found the incremental borrowing rates used by the Group to be appropriate, and hence, no adjustments are required on this account.

Management has applied judgements and estimates to determine the IBR at the commencement of lease.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

4 Critical accounting judgements and key sources of estimation uncertainty

4.2 Key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition. Other investment properties are valued using the direct capitalisation method which is used to convert the estimate of a single year's income expectancy into an indication of value. The key assumptions used to determine the fair value of the properties are disclosed in Note 7.

Valuation of financial instruments

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5 Property, plant and equipment

	Furniture, fixtures and office equipment	Motor vehicles	Other facilities	Total
	AED	AED	AED	AED
Cost				
As at 1 January 2023	1,228,736	204,460	374,612	1,807,808
Additions	6,684	-	-	6,684
Effect of foreign exchange rate differences	(208)	-	-	(208)
As at 31 December 2023	1,235,212	204,460	374,612	1,814,284
Additions	698	-	-	698
Effect of foreign exchange rate differences	(331)	-	-	(331)
As at 31 December 2024	**1,235,577**	**204,460**	**374,612**	**1,814,649**
Accumulated depreciation				
As at 1 January 2023	1,142,280	204,460	299,990	1,646,730
Depreciation expense	36,676	-	16,067	52,743
Effect of foreign exchange rate differences	(962)	-	-	(962)
As at 31 December 2023	1,177,994	204,460	316,057	1,698,511
Depreciation expense	29,089	-	16,068	45,157
Effect of foreign exchange rate differences	(337)	-	-	(337)
As at 31 December 2024	**1,206,746**	**204,460**	**332,125**	**1,743,331**
Carrying amount				
As at 31 December 2023	57,218	-	58,555	115,773
As at 31 December 2024	**28,831**	**-**	**42,487**	**71,318**

5 Property, plant and equipment (continued)

The depreciation charge has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	AED	AED
General and administrative expenses (Note 23)	**45,157**	52,743

6 Leases (the Group as Lessee)

Right-of-use assets

Movement of the recognised right-of-use assets during the year:

	Property	**Total**
	AED	**AED**
Cost		
As at 1 January 2023	745,737	745,737
Additions during the year	410,408	410,408
Effect of foreign exchange rate differences	(4,409)	(4,409)
As at 31 December 2023	1,151,736	1,151,736
Retirements during the year	(410,408)	(410,408)
Effect of foreign exchange rate differences	(2,066)	(2,066)
As at 31 December 2024	**739,262**	**739,262**
Accumulated depreciation		
As at 1 January 2023	436,318	436,318
Charge for the year	274,133	274,133
Effect of foreign exchange rate differences	(3,782)	(3,782)
As at 31 December 2023	706,669	706,669
Charge for the year	174,880	174,880
Related to retirements during year	(201,831)	(201,831)
Effect of foreign exchange rate differences	(2,059)	(2,059)
As at 31 December 2024	**677,659**	**677,659**
Carrying amount		
As at 31 December 2024	**61,603**	**61,603**
As at 31 December 2023	445,067	445,067

6 Leases (the Group as Lessee) (continued)

Amounts recognised in profit or loss

	2024	2023
	AED	AED
Depreciation expense on right-of-use assets (Note 23)	**174,880**	274,133
Interest expense on lease liabilities (Note 24)	**6,962**	13,308

7 Investment properties

	Land	Buildings	Total
	AED	AED	AED
Fair value			
As at 1 January 2023	16,690,000	144,913,098	161,603,098
Additions	-	222,400	222,400
Disposals	-	(32,193,615)	(32,193,615)
Increase in fair value	360,000	2,135,176	2,495,176
Transferred to non-current assets held for sale (Note 11)	-	(28,477,059)	(28,477,059)
As at 31 December 2023	17,050,000	86,600,000	103,650,000
Increase in fair value	2,100,000	14,500,000	16,600,000
Transfer from non - current asset held for sale (Note 27)	-	33,100,000	33,100,000
As at 31 December 2024	**19,150,000**	**134,200,000**	**153,350,000**

The Group's investment properties consist of residential towers and buildings, offices, warehouses and undeveloped parcels of land.

Investment properties located at Al Qasimia, Al Khan and Al Muweilah, Sharjah with carrying value of AED 78.4 million as at 31 December 2024 (2023: investment properties located at Al Khan and Al Muweilah, Sharjah with carrying value of AED 43.1 million and non-current asset held for sale located at Al Qasimia with carrying value of AED 24.5 million) have a first degree mortgage in favour of Sharjah Islamic Bank for the bank facilities (Note 19).

The Group has no restrictions on the realisability of its investment properties and there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements, other than those against securities for the term loan (Note 19).

During the year ended 31 December 2023, the Group sold investment properties located at Al Majaz 2, Sharjah and at Industrial Area 13, Sharjah with carrying value of AED 32,193,615 and has incurred a loss of AED 3,693,615 on the disposal of investment properties.

7 Investment properties (continued)

Investment properties are stated at fair value based on a valuation carried out by independent valuers as at 31 December 2024 and 31 December 2023. The significant inputs and assumptions are provided by management.

Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition.

The most significant inputs with relation to the valuation of buildings and warehouses, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. The overall valuation is sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The fair values of the buildings and warehouses are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When the actual rent differs materially from the estimated rent, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the properties.

The Directors of the Group have reviewed the assumption and methodology used by the independent valuer and in their opinion the assumption and the methodology are reasonable as at the reporting date considering the current economic and real estate outlook of the UAE.

Fair value hierarchy disclosures for investment properties are disclosed in Note 29.

The property rental income earned by the Group from its investment property, which is leased under operating leases on an annual basis and the repairs and maintenance expenses incurred are as follows:

	2024	2023
	AED	AED
Rental income (Note 21)	**10,193,038**	9,035,886
Repair and maintenance expenses (Note 22)	**(653,615)**	(1,276,000)

8 Investments carried at fair value through other comprehensive income (FVTOCI)

	2024	2023
	AED	AED
Quoted investments	**11,942,692**	11,769,583
Unquoted investments	**2,523,964**	2,829,545
	14,466,656	14,599,128

	2024	2023
	AED	AED
The movements of investments carried at FVTOCI are as follows:		
Balance at the beginning of the year	**14,599,128**	14,832,769
Decrease in fair value during the year	**(52,242)**	(208,350)
Disposal during the year	**(39,883)**	-
Foreign exchange loss during the year - net	**(40,347)**	(25,291)
	14,466,656	14,599,128
The geographical distribution of investments carried at FVTOCI is as follows:		
In Kuwait	**14,466,656**	14,599,128

The above quoted investments are valued at the closing rate on 31 December 2024.

Fair value hierarchy disclosures for investments carried at fair value through other comprehensive income (FVTOCI) are disclosed in Note 29.

9 Investments carried at fair value through profit or loss (FVTPL)

	2024	2023
	AED	AED
Quoted investments	-	496,916
Unquoted investments	160,246	139,030
	160,246	635,946

	2024	2023
	AED	AED
The movements of investments carried at FVTPL are as follows:		
Balance at the beginning of the year	635,946	363,794
Increase in fair value during the year	593,767	272,392
Disposals during the year	(1,069,044)	-
Foreign exchange loss during the year - net	(423)	(240)
	160,246	635,946
The geographical distribution of investments carried at FVTPL is as follows:		
In United Arab Emirates	-	496,916
In Kuwait	160,246	139,030
	160,246	635,946

Fair value hierarchy disclosures for investments carried at fair value through profit or loss (FVTPL) are disclosed in Note 29.

10 Related party balances and transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) At the end of the reporting year, amounts due from related parties were as follows:

	2024	2023
	AED	AED
Due from key management personnel		
Receivable from Chief Executive Officer	300,000	50,000

10 Related party balances and transactions (continued)

b) At the end of the reporting year, amounts due to related parties were as follows:

	2024	2023
	AED	AED
Due to key management personnel		
Remuneration and sitting fees payable to directors	**534,012**	-

c) Transactions

During the year, the Group entered into the following transactions with the related parties:

	2024	2023
	AED	AED
Advance to Chief Executive Officer	**300,000**	50,000
Sale of investment property to board member (Note 7)	**-**	20,000,000
	300,000	20,050,000

d) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2024	2023
	AED	AED
Salaries and other short-term benefits	**1,362,770**	1,879,496
End of service benefits	**41,551**	44,000
Directors' remuneration	**900,000**	400,000
Directors' sitting fee	**28,012**	42,000
	2,332,333	2,365,496

11 Non-current assets held for sale

	2024	2023
	AED	AED
Balance at the beginning of the year	**33,100,000**	-
Transfer from investment properties	**-**	28,477,059
Changes in fair value	**-**	4,622,941
Transfer to investment properties (Note 27)	**(33,100,000)**	-
Balance at the end of the year	**-**	33,100,000

12 Trade and other receivables

	2024	2023
	AED	AED
Trade receivables	**1,464,692**	1,774,082
Loss allowance	**(1,151,823)**	(1,192,992)
	312,869	581,090
Prepayments	**418,260**	445,316
Deposits	**82,526**	136,315
VAT receivables	**15,236**	11,093
Other advances and receivables	**12,023**	16,402
	840,914	1,190,216

Geographical details of trade receivables

	2024	2023
	AED	AED
Primary Geographical Markets		
Within U.A.E.	**1,464,692**	1,774,082

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade receivables – Ageing analysis

31 December 2024	**0-90 days**	**91-120 days**	**More than 120 days**	**Total**
	AED	**AED**	**AED**	**AED**
Estimated net carrying amount	**179,602**	**65,488**	**67,779**	**312,869**
				312,869

12 Trade and other receivables (continued)

Trade receivables – Ageing analysis

31 December 2023	0-90 days	91-120 days	More than 120 days	Total
	AED	AED	AED	AED
Estimated net carrying amount	444,594	55,861	80,635	581,090
				581,090

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	Total
	AED
Balance as at 1 January 2023	**953,615**
Allowance for expected credit losses (Note 23)	**361,988**
Amounts written off	**(122,611)**
Balance as at 31 December 2023	**1,192,992**
Allowance for expected credit losses (Note 23)	**164,329**
Amounts written off	**(205,498)**
Balance as at 31 December 2024	**1,151,823**

13 Cash and cash equivalents

	2024	2023
	AED	AED
Cash on hand	**39,875**	34,434
Bank balances	**657,414**	925,027
	697,289	959,461

The carrying amount of cash and cash equivalents are denominated in the following currencies:

	2024	2023
	AED	AED
Primary Geographical Markets		
Emirati Dirham	**655,104**	854,585
Kuwaiti Dinar	**42,185**	104,876
	697,289	959,461

13 Cash and cash equivalents (continued)

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of United Arab Emirates and Kuwait. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14 Share capital

	2024	2023
	AED	AED
Authorised, issued and paid up share capital:		
78,901,086 shares of AED 1 each	**78,901,086**	78,901,086

The authorised, issued and fully paid share capital of the Entity consists of 78,901,086 fully paid ordinary shares with a par value of AED 1 each.

15 Statutory reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**33,190,039**	32,736,885
Transfer from retained earnings	**1,679,301**	453,154
Balance at the end of the year	**34,869,340**	33,190,039

According to the Articles of Association of the Entity and the UAE Federal Law No. 32 of 2021, 10% of annual net profits to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

16 Voluntary reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**13,509,097**	13,055,943
Transfer from retained earnings	**1,679,301**	453,154
Balance at the end of the year	**15,188,398**	13,509,097

As required by the Group's Articles of Association, 10% of the Group's net profit for the year is required to be transferred to the voluntary reserve until such reserve equals one half of the Group's share capital. The reserve is available for distribution at the discretion of the shareholders' general assembly.

17 Employees' end-of-service benefits

	2024	2023
	AED	AED
Balance at the beginning of the year	**859,179**	760,401
Charge for the year	**68,848**	137,755
Payments during the year	**(30,906)**	(45,632)
Effect of foreign exchange differences	**999**	6,655
Balance at the end of the year	**898,120**	859,179

Amounts required to cover end of service benefits at the consolidated statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

18 Lease liabilities

Lease liabilities recognized and maturity analysis:

	2024	2023
	AED	AED
Amount due for settlement within 12 months		
Not later than 1 year (shown under current liabilities)	**70,489**	336,847
Amount due for settlement after 12 months		
Later than 1 year and not later than 5 years	**-**	70,686
	70,489	407,533

The movement in lease liabilities is as follows:

	2024	2023
	AED	AED
As at the beginning of the year	**407,533**	337,783
Amortization of interest expense during the year (Note 24)	**6,962**	13,308
Additions during the year	**-**	410,408
Retirement of lease liabilities during the year	**(200,408)**	-
Repayment of lease liabilities during the year	**(143,562)**	(339,704)
Effect of foreign exchange differences	**(36)**	(14,262)
As at the end of the year	**70,489**	407,533

19 Bank borrowings

	2024	2023
	AED	AED
Term loan	**23,554,630**	27,177,289

	2024	2023
	AED	AED
Term loans movement during the year		
Balance at the beginning of the year	**27,177,289**	30,799,947
Add: Amortisation of loan arrangement fee during the year	**61,552**	61,552
Add: Amortisation of interest expense during the year	**2,043,876**	2,295,291
Less: Repayment during the year	**(5,728,087)**	(5,979,501)
Balance at the end of the year	**23,554,630**	27,177,289

Presented in the consolidated statement of financial position as:

	2024	2023
	AED	AED
Bank borrowings - non-current	**19,870,419**	23,493,078
Bank borrowings - current	**3,684,211**	3,684,211
	23,554,630	27,177,289

In 2021, the Group entered into a "One-off Ijarah facility" arrangement with Sharjah Islamic Bank. The facility is repayable in equal semi-annual installments over a period of ten years plus profit rate of 6 months EIBOR + 2.5% p.a., with a floor of 4% p.a.

The facility is secured against the following securities and guarantees:
a. First degree registered mortgage over certain properties in favour of Sharjah Islamic Bank (Note 7).
b. Assignment of fire insurance policy over Ijarah properties in favour of Sharjah Islamic Bank.
c. Cheque covering the total facility amount.
d. Notarised power of attorney in favour of Sharjah Islamic Bank or its appointed agent to manage certain properties and collect its rentals.
e. Assignment of rental cover from investment properties located at plot no. 213 in Al Soor, Sharjah, plot no. 216 in Al Majaz, Sharjah and plot no. 689/A/1 in Industrial Area 13, Sharjah. Out of said investment properties, the investment properties located at Al Majaz, Sharjah and Industrial Area 13, Sharjah have been sold.

20 Trade and other payables

	2024	2023
	AED	AED
Trade payables	195,143	211,381
Accrued expenses	1,463,493	819,833
Contract liabilities - rent received in advance	1,138,401	1,198,701
Tenants' security deposits	1,056,373	722,636
	3,853,410	2,952,551

21 Rental income

	2024	2023
	AED	AED
Disaggregation of revenue – over time		
Rental income	10,193,038	11,237,129

	2024	2023
	AED	AED
Primary Geographical Markets		
Within U.A.E.	10,193,038	11,237,129

22 Repairs and maintenance expenses

	2024	2023
	AED	AED
Waste water discharge	268,775	693,467
Building repairs	242,045	443,106
Others	142,795	139,427
	653,615	1,276,000

23 General and administrative expenses

	2024	2023
	AED	AED
Employee costs	**2,744,442**	2,451,801
Compensation of key management personnel (Note 10d)	**2,332,333**	2,365,496
Legal, license and professional	**653,112**	764,759
Utilities	**268,939**	369,089
Depreciation of right-of-use assets (Note 6)	**174,880**	274,133
Allowance for expected credit losses of trade receivables (Note 12)	**164,329**	361,988
Civil defense expenses	**141,272**	112,771
Rent expense	**130,590**	43,000
General assembly expenses	**80,307**	203,106
Communication	**66,354**	89,338
Insurance	**50,289**	56,405
Depreciation of property, plant and equipment (Note 5)	**45,157**	52,743
Loss on retirement of lease liabilities	**8,169**	-
Other general and administrative expenses	**187,884**	220,560
	7,048,057	7,365,189

24 Finance cost

	2024	2023
	AED	AED
Interest on bank borrowing	**2,043,876**	2,295,291
Amortization of loan arrangement fee	**61,552**	61,552
Interest expense on lease liabilities (Note 18)	**6,962**	13,308
	2,112,390	2,370,151

25 Basic and diluted earnings per share

	2024	2023
	AED	AED
Basic and diluted earnings per share		
Net profit for the year	**16,696,855**	4,393,652
Weighted average number of shares	**78,901,086**	78,901,086
Basic and diluted earnings per share	**0.2116**	0.0557

As stated in Note 27, owing to a change in the management's intention to dispose the investment properties (Note 7), discontinued operations are no longer required to be considered for determining basic and diluted earnings per share.

26 Corporate taxes relating to continuing operations

Corporate tax expense recognised in profit or loss

	2024	2023
	AED	AED
Current tax		
In respect of the current year	**112,046**	-
	112,046	-
Deferred tax		
In respect of the current year	**1,493,358**	-
Adjustments to deferred tax attributable to changes in tax rates and laws	**(178,466)**	-
	1,314,892	-
	1,426,938	-

The corporate tax expense for the year can be reconciled to the accounting profit as follows:

	2024	2023
	AED	AED
Profit before tax	**18,123,793**	4,393,652
Corporate tax expense calculated at 9% (2023: -%)	**1,631,141**	-
Effect on deferred tax balances due to the change in corporate tax rates	**(178,466)**	-
Tax effect on basic tax exemption limit	**(33,750)**	-
Effect of different tax rates on subsidiary operating in other jurisdictions	**8,655**	-
Others	**(642)**	-
Corporate tax expense recognised in profit or loss	**1,426,938**	-

The tax rate used for 2024 and 2023 reconciliations above is the corporate tax rate of 9% (2023: -%) payable by corporate entities in on taxable profits under tax law in that jurisdiction.

26 Corporate taxes relating to continuing operations (continued)

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2024	2023
	AED	AED
Deferred tax liabilities	**1,314,892**	-
	1,314,892	-

Above deferred tax liabilities relate to the following:

	2024	2023
	AED	AED
Fair value gain on investment properties	**1,494,000**	-
Others	**(179,108)**	-
	1,314,892	-

27 Discontinued operations

During the year ended 31 December 2023, the management had decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets amounting to AED 33,100,000 (Note 11) and liabilities amounting to AED 342,542 were classified as a disposal group and related income amounting to net AED 6,710,180 were classified as discontinued operations.

Subsequent to the year-end, the management's intention to dispose these investment properties (Note 7) was changed vide board resolution dated 13 February 2025. Consequently, these have been reclassified as investment properties as at 31 December 2024.

28 Financial instruments and risk management

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

28 Financial instruments and risk management (continued)

Categories of financial instruments

31 December 2024

			Financial assets	Financial liabilities	
	FVTPL	FVTOCI	Amortised cost	Amortised cost	Total
	AED	AED	AED	AED	AED
Investments at fair value through other comprehensive income (FVTOCI) (Note 8)	-	14,466,656	-	-	14,466,656
Investments at fair value through profit or loss (FVTPL) (Note 9)	160,246	-	-	-	160,246
Due from a related party (Note 10)	-	-	300,000	-	300,000
Trade and other receivables (Note 12)	-	-	407,418	-	407,418
Cash and cash equivalents (Note 13)	-	-	697,289	-	697,289
Due to a related party (Note 10)	-	-	-	534,012	534,012
Lease liabilities (Note 18)	-	-	-	71,496	71,496
Bank borrowings (Note 19)	-	-	-	23,554,630	23,554,630
Dividend payable	-	-	-	562	562
Trade and other payables (Note 20)	-	-	-	2,715,009	2,715,009
	160,246	**14,466,656**	**1,404,707**	**26,875,709**	**42,907,318**

28 Financial instruments and risk management (continued)

31 December 2023

			Financial assets	Financial liabilities	
	FVTPL	FVTOCI	Amortised cost	Amortised cost	Total
	AED	AED	AED	AED	AED
Investments at fair value through other comprehensive income (FVTOCI) (Note 8)	-	14,599,128	-	-	14,599,128
Investments at fair value through profit or loss (FVTPL) (Note 9)	635,946	-	-	-	635,946
Due from a related party (Note 10)	-	-	50,000	-	50,000
Trade and other receivables (Note 12)	-	-	733,807	-	733,807
Cash and cash equivalents (Note 13)	-	-	959,461	-	959,461
Lease liabilities (Note 18)	-	-	-	425,088	425,088
Bank borrowings (Note 19)	-	-	-	27,177,289	27,177,289
Dividend payable	-	-	-	562	562
Trade and other payables (Note 20)	-	-	-	1,753,850	1,753,850
	635,946	**14,599,128**	**1,743,268**	**29,356,789**	**46,335,131**

28 Financial instruments and risk management (continued)

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Financial risk management objectives

The Group's financial risk management policies set out the Group's overall business strategies and risk management philosophy. The Group's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Group. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis
If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Group's profit for the year then ended would (decrease)/increase by AED 117,773 (2023: (decrease)/increase by AED 135,886).

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting date are as follows:

	2024	2023
	AED	AED
Assets		
Kuwaiti Dinar	**14,735,680**	15,048,496

28 Financial instruments and risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2024	2023
	AED	AED
Liabilities		
Kuwaiti Dinar	**162,063**	300,659

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% decrease in the AED against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where the AED strengthens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be positive.

	2024	2023
	AED	AED
Profit and loss at the end of the year		
Kuwaiti Dinar	**1,457,362**	1,474,784

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Securities and Commodities Authority (the Authority) issued its letter dated April 30, 2023 reference number E.M.SH/KH/258/2023, stating that the Authority has been appointed to manage the uncollected profits of locally listed public joint stock companies prior to March 2015 and requires public joint stock companies to stop the company's procedures for distributing uncollected profits prior to March 2015 from receipt of the letter and to transfer the full value of uncollected profits prior to March 2015 to the Authority's account no later than May 21, 2023. As on 31 December 2024, the remaining dues of the uncollected profits amounted to AED 562.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure

28 Financial instruments and risk management (continued)

adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2024		
Financial liabilities				
Lease liabilities	35,748	35,748	-	**71,496**
Bank borrowings	-	3,684,211	19,870,419	**23,554,630**
	35,748	**3,719,959**	**19,870,419**	**23,626,126**

Non-interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2024		
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,466,656	**14,466,656**
Investments at fair value through profit or loss (FVTPL)	-	160,246	-	**160,246**
Due from a related party	-	300,000	-	**300,000**
Trade and other receivables	-	407,418	-	**407,418**
Cash and cash equivalents	697,289	-	-	**697,289**
	697,289	**867,664**	**14,466,656**	**16,031,609**
Financial liabilities				
Dividend payable	-	562	-	**562**
Due to a related party	-	534,012	-	**534,012**
Trade and other payables	-	2,715,009	-	**2,715,009**
	-	**3,249,583**	**-**	**3,249,583**

28 Financial instruments and risk management (continued)

Interest bearing				
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at 31 December 2023			
Financial liabilities				
Lease liabilities	35,848	317,544	71,696	**425,088**
Bank borrowings	-	3,684,211	23,493,078	**27,177,289**
	35,848	**4,001,755**	**23,564,774**	**27,602,377**

Non-interest bearing				
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at 31 December 2023			
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,599,128	**14,599,128**
Investments at fair value through profit or loss (FVTPL)	-	635,946	-	**635,946**
Due from a related party	-	50,000	-	**50,000**
Trade and other receivables	-	733,807	-	**733,807**
Cash and cash equivalents	959,461	-	-	**959,461**
	959,461	**1,419,753**	**14,599,128**	**16,978,342**
Financial liabilities				
Dividend payable	-	562	-	**562**
Trade and other payables	-	1,753,850	-	**1,753,850**
	-	**1,754,412**	**-**	**1,754,412**

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

The capital structure of the Group include of share capital of AED 78,901,086 (2023: AED 78,901,086), statutory reserve of AED 34,869,340 (2023: AED 33,190,039), voluntary reserve of AED 15,188,398 (2023: AED 13,509,097), debit balance in fair value reserve of AED 3,274,068 (2023: debit balance of AED 3,290,770), debit balance in foreign currency translation reserve of AED 732,393 (2023: debit balance of AED 691,710) and retained earnings of AED 14,657,502 (2023: AED 1,388,193) as disclosed in the consolidated financial statements. The Group's capital resources amount to AED 139,609,865 (2023: AED 123,005,935).

29 Fair value hierarchy

At year end, the Group held the following financial and non-financial assets measured at fair value:

	Level 1	**Level 2**	**Level 3**	**Total**
	AED	**AED**	**AED**	AED
As at 31 December 2024				
Financial assets: Investments carried at FVTPL				
Quoted shares	**-**	**-**	**-**	**-**
Unquoted shares	**-**	**-**	**160,246**	**160,246**
Investments carried at FVTOCI				
Quoted shares	**11,942,692**	**-**	**-**	**11,942,692**
Unquoted shares	**-**	**-**	**2,523,964**	**2,523,964**
Non-financial assets:				
Investment properties	**-**	**-**	**153,350,000**	**153,350,000**
	11,942,692	**-**	**156,034,210**	**167,976,902**

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
As at 31 December 2023				
Financial assets: Investments carried at FVTPL				
Quoted shares	496,916	-	-	496,916
Unquoted shares	-	-	139,030	139,030
Investments carried at FVTOCI				
Quoted shares	11,769,583	-	-	11,769,583
Unquoted shares	-	-	2,829,545	2,829,545
Non-financial assets:				
Investment properties	-	-	103,650,000	103,650,000
Non-current assets held for sale	-	-	33,100,000	33,100,000
	12,266,499	-	139,718,575	151,985,074

During the year, there were no transfers between the various levels of fair value measurements.

30 Segment reporting

The Group's activities comprise two main business segments: 1) real estate 2) investments. The details of segment revenue, result, assets and liabilities have been provided below:

	31 December 2024			31 December 2023		
	Real estate	**Investments**	**Total**	Real estate	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
Segment revenue	**10,193,038**	**-**	**10,193,038**	11,237,129	-	11,237,129
Segment other income	**17,012,371**	**784,898**	**17,797,269**	7,398,354	463,124	7,861,478
Segment expenses	**(9,814,062)**	**(52,452)**	**(9,866,514)**	(14,704,955)	-	(14,704,955)
Segment Profit	**17,391,347**	**732,446**	**18,123,793**	3,930,528	463,124	4,393,652

	31 December 2024			31 December 2023		
	Real estate	**Investments**	**Total**	Real estate	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
Segment Assets	**155,321,124**	**14,626,902**	**169,948,026**	139,510,517	15,235,074	154,745,591
	155,321,124	**14,626,902**	**169,948,026**	139,510,517	15,235,074	154,745,591

	31 December 2024			31 December 2023		
	Real estate	**Investments**	**Total**	Real estate	Investments	Total
	AED	**AED**	**AED**	AED	AED	AED
Segment Liabilities	**30,338,161**	**-**	**30,338,161**	31,739,656	-	31,739,656
	30,338,161	**-**	**30,338,161**	31,739,656	-	31,739,656

31 Uncertainty related to key estimates

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTOCI at 31 December 2024, due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows:

	Market Index	
	Change in market prices	**Effect on equity (fair value reserve)**
	%	**AED**
31 December 2024		
Kuwait	+5%	597,135
	-5%	(597,135)
		-
31 December 2023		
Kuwait	+5%	588,479
	-5%	(588,479)

32 Seasonality of results

The Group's income consists of rental and investment income. Rental income is not significantly affected by any seasonal impact as it depends on annual lease contracts which are recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line method and in accordance with different terms of these lease contracts. In addition, there is limited fluctuation on the rent rates where the Group's investment properties are located.

Investment income depends on market conditions, investment activities of the Group and declaration of profit by investee companies, which are of a seasonal nature. Accordingly, results of investment income for the year ended 31 December 2024 are not comparable to those relating to the comparative period and are not indicative of the results that might be expected for the year ended 31 December 2024.

33 Contingent liabilities and capital commitments

The Group is subject to litigations in the normal course of business, mainly on claims relating to recoveries of cheques from tenants. Although the ultimate outcome of these claims cannot be presently determined, the total amount of claims is not material to the Group's consolidated financial statements.

Except for the above and ongoing business obligations which are under normal course of business, there have been no other known contingent liabilities and capital commitments on the Group's consolidated financial statements as of reporting date.

34 Events after the reporting period

Subsequent to the year end, on 13 February 2025, the Board of Directors have resolved to classified non-current assets held for sale as investment properties owing to a change in the management's intention to dispose these investment properties (Note 27).

Other than above, there are no significant events after the reporting period, which affect the consolidated financial statements or disclosures.

35 Reclassification

During the year, management has had to reclassify balances within the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, to provide a better understanding of the operations.

However, it does not have any impact on the profit or loss and other comprehensive income or equity of the Group.